Public Sector Leadership
Public Sector Leadership
International Challenges and Perspectives

Edited by
Jeffrey A. Raffel
University of Delaware, USA

Peter Leisink
Utrecht University, The Netherlands

Anthony E. Middlebrooks
University of Delaware, USA

Edward Elgar
Cheltenham, UK • Northampton, MA, USA
Contents

List of figures viii
List of tables ix
List of contributors x
Foreword by Robert B. Denhardt xvii
Preface and acknowledgments xxii

1. Introduction 1
   Jeffrey A. Raffel, Peter Leisink and Anthony E. Middlebrooks

PART I NEW PUBLIC MANAGEMENT AND THE CHALLENGE OF CHANGE

2. Government reform and public service values in democratic societies 35
   Frances Stokes Berry

3. Explaining radical policy change against all odds: the role of leadership, institutions, program design and policy windows 53
   Harald Sætren

4. Leading central banking in Europe 73
   Martin Marcussen

5. Dutch civil service leadership: torn between managerial and policy-oriented leadership roles 91
   Trui Steen and Frits M. Van der Meer

PART II FRONTIERS OF POLITICAL-ADMINISTRATIVE RELATIONS

6. Are elected executives needed to achieve accountability to citizens? Performance issues and form of government in large US cities 109
   James H. Svara

7. Political and administrative leadership in a reinvented European Commission 125
   Anchrit Wille
<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Authors</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.</td>
<td>Russian bureaucracy as an alternative model of leadership</td>
<td>Marc Holzer and Iryna Illiash</td>
<td>145</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>PART III  LEADERSHIP PROCESSES IN INTERORGANIZATIONAL NETWORKS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Executive involvement and formal authority in government information-sharing networks: the West Nile virus outbreak</td>
<td>J. Ramon Gil-Garcia, Theresa A. Pardo and G. Brian Burke</td>
<td>179</td>
</tr>
<tr>
<td>12.</td>
<td>Leadership in the unglued organization</td>
<td>Patricia Wallace Ingraham</td>
<td>214</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>PART IV  ETHICS, VALUES AND DIVERSITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Beyond cognition: affective leadership and emotional labor</td>
<td>Meredith A. Newman, Mary E. Guy and Sharon H. Mastracci</td>
<td>231</td>
</tr>
<tr>
<td>14.</td>
<td>Leadership diversity in an ageing workforce</td>
<td>Kathleen Vanmullem and Annie Hondeghem</td>
<td>257</td>
</tr>
<tr>
<td>15.</td>
<td>Ethical leadership in public-private partnerships: learning from an Australian ‘great controversy’?</td>
<td>Judy Johnston and Siegfried Gudergan</td>
<td>276</td>
</tr>
<tr>
<td>16.</td>
<td>Leadership, administrative evil and the ethics of incompetence: the failed response to Hurricane Katrina</td>
<td>Guy B. Adams and Danny L. Balfour</td>
<td>294</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>PART V  LEADERSHIP TRAINING AND DEVELOPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Is public sector leadership distinct? A comparative analysis of core competencies in the senior executive service</td>
<td>Tim A. Mau</td>
<td>313</td>
</tr>
<tr>
<td>18.</td>
<td>Examination of mental health leadership competencies across IIMHL countries</td>
<td>Richard H. Beinecke and Justin Spencer</td>
<td>340</td>
</tr>
</tbody>
</table>
# Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Theoretical model</td>
<td>56</td>
</tr>
<tr>
<td>6.1</td>
<td>Council effectiveness at handling major functions by form of government</td>
<td>116</td>
</tr>
<tr>
<td>6.2</td>
<td>Assessing the performance of mayor or city manager by city size and form of government</td>
<td>117</td>
</tr>
<tr>
<td>10.1</td>
<td>Influence of leadership variables on cross-boundary information-sharing</td>
<td>193</td>
</tr>
<tr>
<td>18.1</td>
<td>NHS leadership qualities framework (LQF)</td>
<td>349</td>
</tr>
<tr>
<td>18.2</td>
<td>The transformation leadership competencies wheel</td>
<td>350</td>
</tr>
<tr>
<td>18.3</td>
<td>US National Center for Healthcare Leadership Competency model</td>
<td>351</td>
</tr>
<tr>
<td>18.4</td>
<td>The leadership and management skill-set</td>
<td>352</td>
</tr>
<tr>
<td>Table Number</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>1.1</td>
<td>Chapter details</td>
<td>14</td>
</tr>
<tr>
<td>2.1</td>
<td>Desirable values to promote, and their linkage to specific administrative reforms</td>
<td>46</td>
</tr>
<tr>
<td>4.1</td>
<td>From buddies to managers</td>
<td>76</td>
</tr>
<tr>
<td>4.2</td>
<td>Four answers to the leadership challenge in modern central banking</td>
<td>78</td>
</tr>
<tr>
<td>5.1</td>
<td>Managerialism versus professionalism</td>
<td>93</td>
</tr>
<tr>
<td>6.1</td>
<td>Aspects of accountability</td>
<td>112</td>
</tr>
<tr>
<td>7.1</td>
<td>Distinctive elements in the roles of commissioners, top officials and cabinet heads in the post-reform Commission</td>
<td>139</td>
</tr>
<tr>
<td>9.1</td>
<td>Network leadership functions in different types of networks</td>
<td>175</td>
</tr>
<tr>
<td>11.1</td>
<td>Four US BID case studies</td>
<td>204</td>
</tr>
<tr>
<td>14.1</td>
<td>Analysis of the respondents by age, level, executive function and gender</td>
<td>263</td>
</tr>
<tr>
<td>14.2</td>
<td>Want-get discrepancy of 16 job factors</td>
<td>264</td>
</tr>
<tr>
<td>14.3</td>
<td>Leadership style</td>
<td>265</td>
</tr>
<tr>
<td>14.4</td>
<td>Correlation matrix</td>
<td>267</td>
</tr>
<tr>
<td>14.5</td>
<td>Regression analysis hypothesis 1</td>
<td>268</td>
</tr>
<tr>
<td>14.6</td>
<td>Regression analyses hypothesis 2</td>
<td>269</td>
</tr>
<tr>
<td>15.1</td>
<td>Incidence of specified keywords relating to PPPs</td>
<td>280</td>
</tr>
<tr>
<td>15.2</td>
<td>Keyword analysis of PPP reports NSW</td>
<td>287</td>
</tr>
<tr>
<td>17.1</td>
<td>Leadership core competencies for senior public service employees</td>
<td>321</td>
</tr>
</tbody>
</table>
Contributors

Guy B. Adams is Professor of Public Affairs in the Harry S. Truman School of Public Affairs at the University of Missouri-Columbia. He is co-editor-in-chief of the *American Review of Public Administration*. His research interests are in the areas of public administration history and theory, public service ethics and organization studies.

Danny L. Balfour is Professor of Public Administration in the School of Public and Nonprofit Administration at Grand Valley State University in Grand Rapids, Michigan. His research and teaching interests are in the areas of organizational theory and behavior, social policy, public service ethics and the Holocaust. He served as managing editor of the *Journal of Public Affairs Education* from 1995–2000.

Richard H. Beinecke is Associate Professor, Suffolk University Department of Public Management, teaching courses on US and global health policy, leadership and public administration organizations. He is currently focusing his research on implementation of evidence-based practices and other programs, comparative mental health and health systems, and global leadership competencies and workforce concerns.

Frances Stokes Berry is the Frank Sherwood Professor of Public Administration, and Director of the Askew School of Public Administration and Policy at Florida State University. She has written some fifty articles and chapters published in leading public administration and political science journals. Her research areas are strategic and performance management, policy innovation and diffusion, technology utilization, and policy evaluation and implementation.

G. Brian Burke is a Senior Program Associate with the Center for Technology in Government located at the University at Albany. He manages projects funded by and involving academic, public and private sector partners focused on improving government operations and services. Prior to CTG, he worked for AT&T Government Solutions in the Office of the US Secretary of Defense’s Program Analysis and Evaluation division and served as an officer in the United States Air Force.
Contributors

Robert B. Denhardt is Lattie and Elva Coor Presidential Chair, Lincoln Professor of Leadership and Ethics, Director of the School of Public Affairs at Arizona State University, and Distinguished Visiting Scholar at the University of Delaware. Dr Denhardt is a past president of the American Society for Public Administration and a member of the National Academy of Public Administration. He has published 21 books, including *The Dance of Leadership, The New Public Service* and *The Pursuit of Significance*.

J. Ramon Gil-Garcia is an Assistant Professor in the Department of Public Administration and the Director of the Data Center for Applied Research in Social Sciences at Centro de Investigación y Docencia Económicas (CIDE) in Mexico City. His research interests include collaborative electronic government, interorganizational information integration, information technologies in organizations, digital divide policies, new public management and multi-method research approaches.

Siegfried Gudergan is a Professor and the Executive Director of CMOS, Research Centre for Management & Organisation Studies, University of Technology, Sydney, Australia. His research focuses on managerial and strategic decision-making within organizations. This work is applied to strategic management issues with a focus on the dynamic capabilities view to examine issues of strategic performance, innovation and governance. His research is distinctive in that it integrates the microeconomic and behavioral research paradigms in explaining the intricacies of managerial decision-making and strategic management.

Mary E. Guy is Professor of Public Administration at the School of Public Affairs, University of Colorado Denver. She has published widely on the subject of human capital, public productivity and human resource management. She is a Fellow of the National Academy of Public Administration and past president of the American Society for Public Administration.

Marc Holzer is Dean of the School of Public Affairs and Administration at Rutgers University’s Newark Campus, and a Board of Governors Professor. Since 1975, he has directed the National Center for Public Performance (NCPP). His research addresses issues of public performance, e-governance, comparative public administration and the influence of culture on management. He is a member of the National Academy of Public Administration.

Annie Hondeghem is Professor at the Public Management Institute of the Catholic University of Leuven (K.U.Leuven). Her research deals with
public personnel management, change management and equal opportunities policies. She is coordinator at the K.U.Leuven of the Policy Research Centre ‘Governmental organisation in Flanders’, which is a research programme commissioned by the Flemish government. She is co-chairing the study group of the European Group of Public Administration (EGPA) on public personnel policies.

**Sylvia Horton** is a teacher and researcher at the University of Portsmouth, England. She has published widely on British and comparative public management. She is a member of the steering committee of EGPA (the European Group of Public Administration) and co-convener of their study group on personnel policies. She is also a fellow of the UK Public Administration Committee (PAC) and the Chartered Institute of Personnel and Development (CIPD) and on the editorial board of the British journal *Public Policy and Administration*.

**Iryna Illiash** is the Managing Editor of *Public Voices*, a journal of historical, artistic and reflective expression on public administration, and a doctoral student at the School of Public Affairs and Administration at Rutgers University’s Newark Campus.

**Patricia Wallace Ingraham** is the Founding Dean of the College of Community and Public Affairs, Binghamton University. Previously she was Distinguished Professor of Public Administration, Director of the Alan K. Campbell Center, and Principal Investigator of the Government Performance Project at the Maxwell School, Syracuse University.

**Judy Johnston** is an Associate Professor in the School of Management, University of Technology, Sydney (UTS) and a member of the Centre for Management and Organisation Studies. She conducts research across many areas of strategic management, ethics and governance in the public sector and has recently been undertaking research (with Siegfried Gudergan) on public-private partnerships, which was initially funded by a Discovery Grant from the Australian Research Council. For twenty years she held senior executive management positions in the Department of Corrective Services and the Premier’s Department.

**Jonathan B. Justice** is an Assistant Professor in the School of Urban Affairs & Public Policy, College of Human Services, Education and Public Policy, University of Delaware, USA. His recent work has focused on local economic development, including business improvement districts; fiscal transparency and participatory public budgeting; accountability and ethics; and organizational diagnosis and management improvement.
Robyn Keast is a Senior Lecturer in the Faculty of Business and Director of Research for the Airport Metropolis Project with the Queensland University of Technology. Her primary research interest is in networks and collaborations and in particular gaining insights into how they evolve, operate and are measured. She has been widely published in a number of prestigious international journals and texts and has been the recipient of several research and publication awards in this area.

Peter Leisink is Professor of Public Administration and Organizational Science in the Utrecht University School of Governance, the Netherlands. His research interests are in the areas of strategic human resource management, public service motivation and the study of public issues from a governance and corporate social responsibility perspective. He is co-chairing the study group of the European Group of Public Administration on public personnel policies.

Myrna P. Mandell is Professor Emeritus at California State University, Northridge and an Adjunct Faculty at the School of Management at Queensland University of Technology in Brisbane, Australia. Her work includes articles and chapters on how to organize and manage networks, performance measures for networks and leadership in networks, and a booklet specifically for practitioners in the nonprofit sector on best practices for networks. She is currently involved in research on networks in the international arena.

Martin Marcussen is an Associate Professor, Department of Political Science, Copenhagen University, Denmark. He specializes in global governance, social network analysis, European integration and the role of ideas in public policy.

Sharon H. Mastracci is an Associate Professor of Public Administration at the University of Illinois at Chicago. Her research addresses issues in employment and training policy, gender and labor markets, and human resource management and public management. She is the author of Breaking Out of the Pink Collar Ghetto: Policy Solutions for Non-college Educated Women (2004).

Tim A. Mau is an Assistant Professor in the Department of Political Science at the University of Guelph. He teaches public management and administration in the collaborative MA (Leadership) program. He has published on topics such as public sector leadership, leadership in the Canadian military, Quebec and Scottish nationalism and French-English relations in business interest associations. He has twice been named as one of the University of Guelph’s Popular Professors by the annual Maclean’s Guide to Canadian Universities.
Anthony E. Middlebrooks is Assistant Professor in the Leadership Program in the School of Urban Affairs and Public Policy at the University of Delaware. He helped develop the doctoral program in leadership as a professor at Cardinal Stritch University and spent ten years prior in nonprofit leadership positions, culminating in writing, consulting and presenting on a variety of leadership topics. Currently, Dr Middlebrooks teaches courses in leadership theory, decision-making, organizational leadership and research methodology.

Meredith A. Newman is Professor and Chair of the Department of Public Administration, Florida International University. Her research focuses on public management, gender and work life issues, administrative theory and human resource management. She serves as Associate Editor for Special Features and International Outreach of the *Review of Public Personnel Administration*, and is President-Elect of the American Society for Public Administration. Prior to joining academia, Newman served with the Australian Foreign Service, the US Department of State and the World Bank.

Theresa A. Pardo is Deputy Director of the Center for Technology in Government located at the University at Albany. She is also a faculty member in Public Administration and Policy and Informatics. She has written on a range of topics related to information technology innovation in government. Her research has been funded by the US National Science Foundation, the US Department of Justice and the Library of Congress, among others.

Jeffrey A. Raffel is the Charles P. Messick Professor of Public Administration in the School of Urban Affairs and Public Policy at the University of Delaware. He served as director of the school for 10 years, was the co-founder and first director of the Delaware Academy for School Leadership, and led the integration of the undergraduate leadership program into the school. He has conducted research on state and local management as well as educational policy issues and has served as chair of COPRA, the US accrediting agency for masters programs in public affairs.

Harald Sætren is a Professor at the Institute of Administration and Organization Theory, University of Bergen, Norway. His current academic interests and previous international publications involve efforts to synthesize the voluminous research literature on public policy implementation.

Chris K. Skelcher is Professor of Public Governance, School of Government and Society, and Director of Research and Knowledge
Transfer, College of Social Sciences, at the University of Birmingham, UK. His research develops the democratic analysis of institutions of governance (such as PPPs, quangos and hybrids) that are engaged in shaping, making and delivering public policy, in collaboration with colleagues in Europe, the US and Australia. He won the 2006 UK Public Administration Prize for his article on ‘The Public Governance of Collaborative Spaces: Discourse, Design and Democracy’ in *Public Administration*.

**Justin Spencer** is a Clinical Research Coordinator at the Center for Patient Safety at Dana-Farber Cancer Institute. He holds a masters degree in public administration from Suffolk University, where he co-authored articles on climate change and mental health leadership competencies. At the Center for Patient Safety, he is involved in advancing team training, electronic prescribing, medication reconciliation and oral chemotherapy safety initiatives.

**Trui Steen** is Assistant Professor of Public Administration at Leiden University, the Netherlands. She has a special interest in comparative studies of civil service reform and personnel management within the public sector. Her recent research deals with senior civil services and motivation of public servants. Another focus of research is local government and central–local government relations.

**James H. Svara** is a Professor in the School of Public Affairs at Arizona State University and Director of the Center for Urban Innovation. He is a fellow of the National Academy of Public Administration and a board member of the Alliance for Innovation. He recently published *The Ethics Primer for Public Administrators in Government and Nonprofit Organizations*. He is editor and contributor to the new book, *The Facilitative Leader in City Hall*.

**Frits M. Van der Meer** is Associate Professor in Comparative Public Sector and Public Sector Reform at the Leiden Department of Public Administration. His main interests are public and civil service reforms and administrative history.

**Kathleen Vanmullem** was, at the time of writing this chapter, a Researcher at the Public Management Institute of the Catholic University of Leuven (K.U. Leuven). She worked on a project on the ageing of the public workforce in the framework of the Policy Research Centre, ‘Governmental Organisation in Flanders.’ She is currently a public servant in the Belgian federal government.

**Anchrit Wille** is Senior Researcher and Lecturer at Leiden University’s Department of Public Administration. She works on public leadership,
executive politics, practices of accountability in public organizations, reform and institutional change, political behavior and public opinion. Currently she is finalizing a project on the relations between political and bureaucratic officials in the European Commission and a book, *The Normalization of the European Commission*. 
Foreword

I am pleased to provide a foreword to Public Sector Leadership, for I think this book responds to several extremely significant questions facing public management scholarship and practice today. Central among these is the importance of providing adequate leadership in the public, private and non-profit sectors. Most people would agree that, more than ever before, we need strong and effective leadership, both because there are things we need to accomplish and because we need to understand where we are going. In many ways, it seems, our lives are spinning out of control. The massive forces of globalization, political realignment and international terror seem to be overwhelming. Corporations, public organizations and non-profits seem to exist in a world of complexity and turbulence far more frenzied than we have experienced before. Even in our personal world the struggle to give our individual lives focus, to sort out the complexities of family life and social relationships and to cope with jobs, technology and information overload bear down upon us daily.

These conditions make it terribly difficult to get things done. For example, in the business world, economic conditions are moving so quickly that it’s hard to keep up. Markets are shifting overnight, corporations struggle to manage the flood of information that’s available and changes in technology are both rapid and remarkable, in either case calling for quick and accurate responses. Under these conditions the key to corporate survival is to be creative, adaptable and flexible enough to not only cope with changes in the environment but to successfully position one’s organization for success – despite the craziness.

But what’s true at the corporate level is no less true in the realm of governance, whether at the national or international level or the community level. In their excellent introduction to this book, Raffel, Leisink and Middlebrooks especially note the leadership challenges facing public organizations at the national and international levels. Similarly cities and towns struggle to take advantage of changes in the global economy so that they can grow and prosper, while at the same time they strive to enhance the quality of life for their citizens; all amidst economic fluctuations, shifting revenues and stormy political conditions. Meanwhile, at the personal level, our individual lives and those of our families are being buffeted by similar changes, especially rapidly shifting social and economic
conditions. Families struggle to make a living, to pay for their children’s education and just to get out of debt. There are important things we need to be able to do at the corporate, the community and the personal level that are simply made more difficult by the conditions in which we live.

At each of these levels the turbulence that surrounds us has not only practical implications but also implications for our emotions and our values. Those who work in large corporations and governmental agencies need to have confidence that their leadership is going to do whatever necessary to maintain the integrity of those organizations. Those in local communities want to be sure that political and other leaders have the good of the community in mind and will be both ethical in their own behavior and responsive to the needs and interests of the citizens. And individuals and families want to be sure that they will survive, if not thrive, in the coming months and years. They must be able to encounter the future in a way consciously consistent with their values and ideals. There are many things that can contribute to the hope and confidence people need, religion, social interaction and civic engagement among them. But cutting across all these, effective leadership can help engender a sense of assurance that everything will be okay.

While it’s clear that effective and responsible leadership is needed more than ever before, many wonder where that kind of leadership might come from. Trust in government, trust in business and indeed trust in all major social institutions has declined dramatically in the past several decades. Cynicism about our leaders is rampant and many are viewed not as being helpful (much less inspiring), but at best providing comic relief from the problems we face. We are frustrated with the apparent lack of leadership in government, in corporations and throughout society, but we are also hard pressed to identify what the problem is. Some, including Warren Bennis, have come to speak of a leadership crisis in the USA and around the world. But that crisis is subtle, hard to identify. Bennis writes, ‘Unlike the possibility of plague or nuclear holocaust, the leadership crisis will probably not become the basis for a best-seller or a blockbuster movie, but in many ways it is the most urgent and dangerous of the threats we face today, if only because it is insufficiently recognized and little understood’ (Bennis 1997, p. 21).

To help us steer through these confounding times, we need improved leadership, but not just improved leadership at the top of our organizations or societies. Rather we need improved leadership at all levels. When we think of leaders, we think first of those in positions of power in society generally – the kings, the queens, the presidents, the prime ministers, the governors, the legislators and those who lead in our communities. Soon after we think of those in positions of power in major organizations, especially
those in business and industry – the CEOs of major corporations, those on boards of directors, the managers and the ‘bosses.’ We may also think of those who lead our churches, our schools and our civic organizations. We rarely think about the fact that each of us engages in acts of leadership almost daily, in our families, in small groups, at work and in all sorts of social gatherings.

What we are experiencing today is a need for leadership throughout society. John Gardner, former secretary of the US Department of Health, Education, and Welfare and a founder of Common Cause, has commented, ‘In this country leadership is dispersed among all segments of society and down through all levels, and the system simply won’t work as it should unless large numbers of people throughout society are prepared to take leaderlike action to make things work at their level’ (Gardner 1987, p. 1). So the call for improved leadership is not just a call to enhance leadership at the national level. It is instead a call for improved leadership throughout corporations, governments and non-profits, to say nothing of leadership in communities, religious organizations, and civic organizations, small groups of friends and neighbors and families.

That perspective presents special challenges to those seeking to enhance the leadership capacities of those in public organizations. Again Raffel, Leisink and Middlebrooks correctly point out the relative lack of attention to public leadership and the consequent need for greater attention to this area. But public sector leadership, or more broadly leadership in governance, presents several special challenges. Among these I would raise three issues in need of attention in the field generally, issues that are addressed in various parts of the present volume:

1. What is the difference between managing and leading – and what implications does that difference have for the ethics of the public service? We clearly recognize that managing and leading are different activities, that when you are managing you are doing one set of things and when you are leading you are doing another. But the field of public administration has been developed to prepare and to guide public managers not public leaders. So how do we teach managers to be leaders? And what changes does that mean in their roles and responsibilities? The mainstream version of our field has focused on management and how managers can be constrained to act in a way consistent with guidelines promulgated by political leaders. But if we now ask managers to lead, what must we then say about the role of initiative and direct responsiveness to the needs of the public on their part?

2. What is the difference between public leadership and civic leadership? As we noted earlier, the need today is for leadership to be exerted at
all levels. But that doesn’t just mean expanding the leadership capacities of government agencies alone, something that the phrase public leadership tends to imply. Rather it means as well engaging citizens and civic organizations in the quest for adequate solutions to problems encountered at their level, typically the level of the community. This suggests that we might explore further the idea of ‘civic leadership.’ How do we develop citizen leaders? How do public administrators interact effectively and responsibly with such citizen leaders? What is the relation between civic leadership, political leaders and leaders in administration? All of these questions, I would suggest, can only be answered in a new framework for considering public issues and public process: that which Janet Denhardt and I have called ‘the New Public Service.’

3. As the governance process, the steering of society, tends to be less a function of government action alone but instead becomes more and more dispersed among public, private, non-profit organizations and individual citizens as well as civic organizations, how do we bring leadership to this process? We are accustomed to thinking of leaders as those at the top of our organizations or our political structures. But in the new circumstances of governance, these positions don’t always exist. Rather issues are played out through an intricate process of bargaining, negotiation and conflict resolution involving many parties and many potential leaders. The familiar answer is that we need to develop a special brand of leadership for these circumstances: leadership when no one is in charge. While that is true, it becomes even more complex when the parties involved in what are hopefully cooperative relations extend across national boundaries, indeed across the globe. Now the matter is complicated by the fact that different groups may bring different perspectives on leadership and even different perspectives on the ethics of leadership to the table. Some cultures expect and approve more hierarchical styles of leadership than others, for example. How can we construct a common understanding of leadership which enables us to work together? Is it possible that a new concept of leadership not based on power and position provides an answer? And how can we find acceptance of that understanding of leadership as a basis for leading across groups and cultures?

I pose these issues as challenges to the field of public leadership, but happily they are challenges that are already being taken up by thoughtful scholars and practitioners around the globe; indeed, many are addressed in the pages of this book. Certainly by raising the significance of public leadership and by bringing together such a talented and insightful group
of commentators from around the world, the editors of *Public Sector Leadership* have done a remarkable service. I would suggest, however, that what is contained here is itself a challenge, a challenge to other scholars and other practitioners to think carefully about these issues and to help develop approaches to leadership that will not only allow us to better address the problems we face, whether locally or internationally, but to do so in a way that contributes to building public trust and confidence in the work we do. My congratulations to the editors and contributors to this volume for making an important first step in that direction.

**ROBERT B. DENHARDT**

**ARIZONA STATE UNIVERSITY**

**REFERENCES**


Preface and acknowledgments

How can we improve leadership in the public sector, and what is the role of political and administrative leaders in shaping the future of the public sector? This is a central theme in American and European public administration and was the central theme of the conference which is the foundation of this volume – The Third Transatlantic Dialogue (TAD3) held at the University of Delaware, Newark, DE on 30 May–1 June 2007 and jointly organized by an American (American Society for Public Administration) and European (European Group of Public Administration) network on public administration. More than 100 scholars presented and discussed 90 papers on ‘Leading the Future of the Public Sector.’ The papers included in this volume were nominated by the chairs of the six workshops. (Each workshop had a co-chair from the USA and one from outside the USA and included the following well-known researchers: Jim Svara, Eckhard Schröter, Meredith Newman, Annie Hondeghem, Richard Callahan, Sylvia Horton, Kathy Denhardt, Peter Leisink, Maria Aristigueta, Per Lægreid, Guy Adams and Judy Johnston. Plenary speakers included Geert Bouckaert, Christopher Hood, Robert Denhardt, and Patricia Ingraham.) The selected papers include those which made both theoretical and empirical contributions, were judged by the editors to be readable, well-researched and meaningful for a broad audience, and related to the central theme/issues of the book. With one exception (Newman et al., Chapter 13), the selected papers have not been published elsewhere. They have been further supplemented by a limited number of invited papers from some of the conference plenary speakers (Ingraham and Denhardt for the Foreword) and presenters (Svara and Holzer).

This edited anthology builds upon the topic and themes of the conference and provides the reader with an array of works truly international in scope, based on excellent scholarship and research, and able to serve as a text or supplement to higher level undergraduate and graduate courses in public administration, political science and leadership.

The chapters in this book address public sector leadership issues in a wide array of nations. Two-thirds of the chapters are authored or co-authored by scholars outside the USA. Several of the chapters are explicitly comparative, including a study of mental health leadership training topics in eight nations, central banking in Europe, and efficiency studies
in Britain, Denmark and Norway. The chapters address leadership issues in Australia, Belgium, Canada, Denmark, Ireland, Italy, Germany, the Netherlands, New Zealand, Northern Ireland, Norway, Sweden, Scotland, the UK and the USA.

While the chapters were not necessarily written as decision-forcing case studies, many of them will be available to be used in such a way. Given the scholarly foundation of the conference, each chapter does have a substantial bibliography for the scholar or student who wishes to engage further with the topic. The range of research methods is broad, from Holzer and Illiash’s historical analysis of Russian bureaucracy to Vanmullem and Hondeghem’s statistical analysis of a survey of Belgian public workers. Most chapters offer single or comparative case studies.

We would like to thank the organizers of TAD3 and the many individuals who participated in the selection process that led to this volume. We especially thank TAD3 co-chairs Maria Aristigueta and Annie Hondeghem for providing several superb ideas on moving from the conference to this book. While we thank all the contributors to this work for their willingness to include their papers in this volume and their responsiveness to our many requests, we especially thank those participants who completed work from their remarks or who wrote new chapters to include in this volume: Bob Denhardt for the Foreword, and Pat Ingraham, Jim Svara and Marc Holzer for their chapters. We also thank Diana Simmons, for helping to create a completed book manuscript from a collection of works by many authors from a large number of countries, and Dorry Ross, who provided us with excellent advice on the Introduction and Conclusion. The editors greatly appreciate the professional and responsive support provided throughout this process by the Elgar editorial office including Alan Sturmer, Suzanne Mursell, Barbara Slater, and Heather Perkins. We thank these individuals and those behind the scenes.

Jeff Raffel wants to thank the University of Delaware for funding his productive sabbatical which allowed him to move this book forward, and the Unidel Foundation for funding a Leadership Grant to help support this work at a number of critical junctures. As one of the contributors to this book noted, editing a volume with 30 authors based around the globe is a ‘labor of love’ and thus Jeff Raffel thanks his children (Allison, Lori and Ken), their spouses (David, Tom and Karen) and his grandchildren (Nicole, Evan, Jessica, Andrew, Amelia and Jason) for inspiring him to care about the future of public sector leadership, and his wife (Joanne) for encouraging him to select an appropriate sabbatical project and to complete this work in the midst of their many wonderful trips.

Tony Middlebrooks would like to thank, coincidentally, Jeff Raffel for his inspiring service in leading and managing this project and his wife Val
and son Jake, who generously allow him to steal time to work on these endeavors.

Peter Leisink would like to thank Annie Hondeghem and Sylvia Horton and the researchers who participate in the Public Personnel Policies Study Group of the European Group of Public Administration. Their research papers and debates have transformed the study group’s present research program ‘Leadership, Professionalisation and HR-strategies’ into an inspiring platform for insights from which the editing of this book has benefited. Peter would also like to thank Jeff whose dedicated leadership in this project knew no bounds so that he was ready to sit in a Schiphol airport hotel room on 1 May 2008 to personally discuss ‘the book.’
1. Introduction

Jeffrey A. Raffel, Peter Leisink and Anthony E. Middlebrooks

The need for public sector leadership is greater than ever before. There are many substantive and process challenges today and they are new, complex and dynamic. Challenges – such as those posed by global warming, the credit crisis in the world’s financial system and threats to public health and security – span and interconnect boundaries, crossing levels of government, sectors, communities and nations. As a result the importance of effective public sector leadership is multiplied, impacting millions of people. Thus there is both a broader recognition of the need and higher expectations for effective public sector leadership.

Will we have the public sector leadership we need for the twenty-first century? This book examines the changing nature of public sector leadership, drawing on a diversity of perspectives that enhance our understanding of the new facets embedded in the challenges as well as the potential visions of excellence. The insightful chapters in this volume offer perspectives as a means of changing the way we conceptualize leadership, the conditions for both effective leadership within the public sector and collaboration among public, private and civic organizations, and most importantly the way we envision training the next generation of leaders. The challenges are many. This work provides the scholarly foundation to appreciate these challenges and hopes to contribute to meeting them.

Noted author and educator Michael Dickmann would often start strategic planning with an organization by posing the question, ‘What would we be doing if what we were doing made sense?’ In the USA failures in the reconstruction of Iraq, the response to the threat of Hurricane Katrina and the recovery of New Orleans, and the failure of the Federal Reserve to avoid the sub-prime mortgage financial crisis are seen as examples of public sector leadership failure. Indeed such failures are the butt of jokes and cartoons, a mocking of the capacity of the public sector to do its job. The images of the banner ‘Mission Accomplished’ behind President Bush on the aircraft carrier USS Abraham Lincoln and of his telling Federal Emergency Management Agency (FEMA) administrator Michael Brown,
‘Brownie you’re doing a heck of a job,’ are symbols of the failure of not only his political leadership but the bureaucratic efforts behind him. In Europe criticism of failing public sector leadership is based upon the lack of a general sense of how to adapt to immigration and to openly discuss the conditions of sustainable cultural diversity as well as the lack of a balanced response to globalization that offers ‘flexicurity’ and supports the employability of workers who lose their jobs. In addition criticism also results from the lack of interest in a critical assessment of new public management-inspired ideas about financial performance juxtaposed against recognition of the public values and services that public, non-profit and voluntary organizations (should) uphold.

Clearly leadership, effective or ineffective, plays a key role in addressing societal challenges. Ingraham (2006a, p. 361) observes ‘Events of the past few years have highlighted leadership’s centrality to effective organization and good government. The complexity of problems confronted by organizations and their leaders in all sectors has increased exponentially.’ Good government requires good leaders. These problems are not limited to one nation and are often global in scope. The common issues underlying these problems can be examined in terms of either substance or process.

Substance

- Global threats The challenges of terrorism and security issues; concerns about the environment, global warming and public health threats, such as avian flu
- Financial issues Infrastructure, healthcare and social assistance needs juxtaposed against the anti-tax movement; resource constraints and fiscal imbalance, for example, the size of the US debt
- Demographic challenges The large-scale ageing and subsequent retiring of a generation of government and nonprofit leaders; immigration-based issues of acculturation, discrimination, and economic dislocation

Process

- Widespread cynicism and alienation Governmental and contracting scandals; the low trust in government and large institutions in general (Morse and Buss 2008); the demand for transparency and higher ethical standards; calls for higher governmental performance and better measurement of performance
- Maintaining principles of accountability while learning to engage in networks and partnerships and more generally the movement from
hierarchical government to collaborative governance, for example, public-private partnerships

- Speed of modern communications and closeness of media coverage Reducing the time for considering alternatives and decisions (Ingraham and Van Slyke 2006, p. 392) and making the public more cynical and skeptical about leaders

Distinguishing between substance and process is one of the many perspectives that comprise a deeper understanding, and thus approach, to issues. The next section briefly lays out a number of additional distinctions that emerge from past directions in public sector leadership scholarship.

SCHOLARSHIP OF PUBLIC SECTOR LEADERSHIP

Public sector leadership scholarship, despite its ubiquitous need and application in the real world, has been surprisingly limited. Leadership literature is vast, but until recently it adopted what Rainey (2003) calls ‘a generic approach’ while focusing on the private sector. At a May 2008 symposium on Public Sector Competencies and Curricula hosted by the James McGregor Burns Academy for Leadership at the University of Maryland, one participant noted facetiously, ‘The New York Public Library has a million volumes on leadership but not one book on public sector leadership.’ Van Wart (2003) in his review of public sector leadership offered a more analytical conclusion, ‘. . . [The] literature on leadership with a public-sector focus is a fraction of that in the private sector’ (p. 17). Morse and Buss (2008, p. 3) have even measured the dominance of the private sector over the public sector leadership literature, counting over 27,000 Google hits on ‘leadership’ books but only 148 in the subcategory of ‘public affairs and administration’ (see also Van Wart 2003). ‘Traditionally, both the public and nonprofit sectors have looked to private sector models for leadership ideas and solutions to leadership problems. The private sector has always had its own problems, however, and certainly does now’ (Ingraham 2006b, p. 380). The challenge is to develop leadership models and research appropriate for the public sector.

Much of the limited public sector literature that does exist focuses on the political leadership of great men who are or have been political leaders and on their traits or individual characteristics. The public sector leadership literature has focused on presidents and to some extent Congress as witnessed by Encyclopedia of Leadership entries (Goethals et al. 2004) which include FDR, JFK, and ‘political leadership’ along with Adolf Hitler, Mother Theresa, Gandhi and Genghis Khan but not ‘public sector leadership’ or ‘governmental leadership.’
Public sector leadership is more specific than general leadership and is more expansive than political leadership, as several recent publications argue. Van Wart and Dicke (2007) outline several types of public sector leadership: organizational (which they indicate has been neglected and is their focus), political, and movement (such as the role of Martin Luther King in the civil rights movement). Morse et al.’s (2007) categorization includes political leadership (elected or high appointees, top governmental leaders); organizational leadership (formal leadership within public organizations, from ‘line supervisors up’); and public value leadership – beyond government into governance, focusing on ‘solving public problems’ and including ‘on-the-ground leadership.’

The public sector leadership literature has been focused on political leaders and not surprisingly, this focus overlooks the distinction (critical in the public sector) between the leader as an individual and leadership as process. Lawler (2008, p. 23) concludes ‘... the focus of much of the leadership literature individualizes leadership, that is, implies leadership as resting with one individual who is expected to influence other individuals/groups. ... Leaders are seen variously as visionary, heroic, transformational, transactional, charismatic, inspirational, flexible, sensitive, innovative, but the enduring theme is that leadership is individualized’ (p. 27). Van Wart and Dicke list some of the requisite leadership characteristics in terms of Skills: technical, communications, social, influence and negotiation, analytic, continual learning skills (p. 170); Traits (p. 173); and Styles: ‘task-oriented transactional managers’ versus ‘transformational leaders who change technical systems radically’ and are ‘entrepreneurial leaders’ (p. 230); and Functional techniques of leaders (p. 276).

Leadership theory and practice have advanced considerably in the past few decades, far beyond (but still inclusive of) individual leader characteristics. As Crosby and Kiedrowski (2006, p. 1) state in their review of the literature, ‘In general, the field of leadership has moved from a focus on leadership – that is, from individuals as leaders to the relationship between leaders and followers (or constituents, colleagues, collaborators).’ Related to this changing conceptualization is the recognition that the potential for leadership is broader than has been thought and, indeed, the need is also greater. The single, authoritarian strong leader, while an image found frequently in our culture, is not well suited to modern demands for leadership and change (Holzer 2008).

In addition to the distinction between leader and leadership, public sector leadership scholarship has only recently embraced the distinction between management and leadership. John Kotter (1990) effectively explains the differences between management (‘producing order and efficiency’) and leadership (‘producing change and movement’). This distinction is often stated in
more colorful terms: managers make sure the trains run on time and that no tracks cross, while leaders determine where the train is going and inspire it to get there. While understanding the differences in skills and processes is critical, effective public sector leadership requires good management and leadership (Yukl and Lepsinger 2004). In public administration scholarship, Denhardt and Denhardt (2006) view leadership as ‘about change, moving people in new directions, realizing a new vision, or simply doing things differently or better’ (p. 8). Management is ‘concerned with rational processes. . . . Management works within a world of order and regulation, while leadership works within a world of openness and change’ (pp. 9–10). As public sector leaders consider the various challenges they face, they will need to know and perform as both managers and leaders if they are effectively to address both substance and process facets of those issues.

In the European public administration literature the interest in public management rather than in leadership has been manifest in recent years. Public management reform processes (Pollitt and Bouckaert 2000) stimulated interest in management (for instance Clarke and Newman 1997; Ferlie et al. 1996; Noordegraaf 2000; Noordegraaf and Abma 2003). Simultaneously some researchers studied organizational leadership and the role of leaders in protecting the mission and values of the organization (Boin 1998; ‘t Hart 1999). The new global challenges requiring leadership beyond the boundaries of public organizations have attracted only limited interest from European public administration researchers until now (Boin and ‘t Hart 2003; Boin et al. 2005). Their analysis brings an important message to students of public leadership action concerning the complex challenges that occupy us here. Leadership action dealing with the immediate dangers of a public safety crisis aims at containment, at reassuring the public that everything is under control and at restoring the familiar situation before the crisis emerged. This is very different from the skills and actions required for learning lessons from such a crisis, which require public leadership to take an open attitude towards other parties and to debate together on what went wrong in order to instigate reform that helps to tackle future challenges more effectively. While these latter studies offer relevant insights, they restrict themselves to leaders in the sense of people in senior positions in government and public organizations. This internal government perspective offers little when collaborative leadership across public, non-profit and profit organizations is required.

**Current Directions**

This century has witnessed a burst of scholarship on public sector leadership. The new work includes literature reviews and analyses, collections of
Public sector leadership papers and several new perspectives on public sector leadership. But as we point out below, there are several boundaries to the literature that need to be extended.

Given the emphasis in the leadership literature on the private sector, it is not surprising that several of the reviews raise questions about how public sector leadership differs from private sector leadership. Van Slyke and Alexander (2006) ask, for example, how significant are the differences for public (and nonprofit) sector leadership? They note examples of public sector differences:

- differences in performance measures – from profit margins and stock prices to more ambiguous measures linked to multiple goals
- sectoral authority mechanisms including ‘transparency, accountability, and legal constraints relating to administrative controls, due process, and rule making; human capital differences in terms of rewards and discretion’
- accountability to stakeholders from ‘shareholders, boards, networked partners customers, financial analysts, and regulatory bodies’ versus ‘citizens, interest groups, elected officials, courts, direct service clients, and media across levels of government, organizations, and even political boundaries’ (pp. 367–8)

Van Wart and Dicke (2008) view these constraints as different from those faced by the private sector. Van Slyke and Alexander (2006, p. 368) conclude that while many of the leadership skills needed are similar across the public and private sectors, ‘we infer that public sector leaders require a different packaging of these skills to lead and manage the unique nature of public sector organizations.’

Public sector leadership with an emphasis on organizational leadership and a public administration perspective is just beginning to emerge as a field, and there have been a flurry of recent books on the topic. They all indicate the dearth of work on public sector leadership. A recent stimulus has been the work of Montgomery Van Wart, in his article in Public Administration Review (PAR) (Van Wart 2003) and his comprehensive book, Dynamics of Leadership in Public Service: Theory and Practice (2005). An early review of this book indicated, ‘. . . a significant achievement. This is an important addition to the meager literature on leadership in the public sector . . . it will be nice having a text actually written for the purpose of public sector leadership’.³

The book focuses on organizational leadership in the public and nonprofit sectors. While Van Wart utilizes ‘ancient, folk, and literary wisdom’ (p. xiv) in his text and does reference historical leaders outside the USA
such as Alexander the Great, Napoleon Bonaparte and Catherine the Great, the book is American-centric with few, if any, references outside the USA.

Van Wart has followed up this work with two others of note. With Lisa Dicke, Van Wart edited *Administrative Leadership in the Public Sector* (2007) for the American Society for Public Administration Classics series. This volume has nine sections organized around Van Wart’s framework as provided in his text, that is, goal setting, personal traits and situational leadership. Almost all are presented as questions: ‘What are the proper goals and priorities of administrative leaders? What are the best traits and skills for leaders in the public service? What are the best styles for public sector leaders to use? What are the best techniques for administrative leaders to use? How do you evaluate leadership in the public sector? How do you develop leaders?’ Van Wart (with Suino, 2008) also shortened his *Dynamics* book into a 300-page text.

The National Academy of Public Administration initiated an effort that has led to the publication of Morse et al. *Transforming Public Leadership for the 21st Century* (2007) which

explores what the shift [from hierarchy and command and control to collaboration and networks] looks like and also offers guidance on what it *should* look like. Specifically, the book focuses on the role of career leaders – those in public service – who are agents of change not only in their own organizations, but also in their communities and policy domains. These leaders work in network settings, making connections and collaborating to create public value and advance the common good . . . 4

This book begins with a 15-page introduction stressing the lack of work in public leadership, and the editors rightly argue that much that does exist focuses on political and not administrative leadership. The editors lament the lack of scholarship on leadership dilemmas of ‘the new governance’ and the book’s essays focus on the changing landscape of public leadership. Morse and Buss’s major conclusion defines a problem in the literature, ‘yet there is too little scholarship, in our view, on the leadership dimensions of the new governance . . . The language of leadership is still by and large dominated by a hierarchical, organizational positional paradigm and has not caught up with new notions of governance, networks, and collaborations’ (p. 6).

In 2008 Morse and Buss published the companion book, *Innovations in Public Leadership Development*, noting that there are only a handful of works on the public sector management level as opposed to political and military leadership. Despite the fact that this is a ‘vastly understudied field’ (p. 3), there are numerous training programs in leadership development
offered by federal and state governments, professional associations such as ICMA and universities. Their introduction notes ‘Top-down, hierarchical models in management and leadership are giving way to models of collaboration and networks’ (Goldsmith and Eggers 2004 cited in Morse and Buss 2008, p. 5). They argue that this is a critical time for leadership development. The breakdown of the policy/administration dichotomy, implying that ‘political principals lead, administrative agents manage’ (p. 8), has led to a recognition that leadership is also a responsibility of public managers. They describe the ‘quiet crisis’ in government, ‘including lack of leader preparation, lack of public confidence in government, the “age bubble”, and the ascendancy of political leadership over civil service’ (p. 9). Finally public leadership is being transformed from traditional ‘command-and-control conceptions toward partnerships and networks’ (p. 11).

The papers from the November 2005 Maxwell Symposium on the Path Ahead for Public Service Leadership were edited by Patricia Ingraham and published as a journal symposium in the *American Review of Public Administration* a year later. The symposium centered on the views of distinguished leaders about contemporary leadership challenges and problems. Ingraham (2006b, p. 379) found there is a ‘very rich literature on case study analysis of leadership’ but little systematic work linking leadership to effectiveness. She asks, ‘When does leadership matter? How does leadership matter?’ In their conclusions Ingraham and Van Slyke (2006, p. 394) summarized the symposium implications, ‘The critical talents that emerge from this symposium are not “leading people” and “communicating effectively.” Rather they are talents for devising and understanding new frames for integrated leadership – leadership across boundaries, organizations, and cultures. . . Last, and certainly not least, they include the capacity for ethical leadership.’ Indeed the Humphrey School at the University of Minnesota recently launched a Center for Integrative Leadership to ‘conduct multidisciplinary leadership research, formal classroom education, public education and leadership development’ based on the premise that leaders need to ‘integrate knowledge and talent from individuals, units, and organizations in the business, nonprofit, and governmental sectors’ (Crosby and Kiedrowski 2007, p. 3).

A number of new perspectives significant for public sector leadership have recently been put forward. Robert and Janet Denhardt (2006) have written a provocative book, *The Dance of Leadership*. Beginning with the premise that leadership is as much an art as a science and has a large affective component, they studied artists to better understand the parallels between artists on the stage and those who have mastered the art of leadership in each of the three sectors. Using a quite different approach, Wallis et al. (2007) have generated a series of propositions about public
sector leadership based on public choice theory. Finally King (1997, p. 336) discusses a number of books on political leadership using the concept of servant leadership, those leaders ‘who do what needs to be done . . . to ensure followers have what they need to do their work.’ Unlike leaders following a command-and-control style, servant leaders empower their followers.

Our review of the current literature on public sector leadership leads us to call for pushing the boundaries in a number of areas:

- Given the continued emphasis on cases and individual traits, especially of presidents and political leaders, more systematic research examining organizational leadership as process would provide a more detailed perspective of how effective leadership functions.
- Although recent literature has focused on organizational leadership in the public sector, there is an extensive body of leadership scholarship in other sectors that needs interpretation and verification for use in the public sector.
- Leadership in the public sector emphasizes internal efforts; we need to consider a more extensive view of public sector leadership aimed at external, multi-party collaboration dedicated to serving collective interests.
- Few international/comparative works on public sector leadership are included in recent textbooks or anthologies; we need to take a more global view of leadership.5

One significant point is that the nature of organizational leadership within the broader field of public sector leadership is changing. The recognition of the complex substance and process challenges noted above stimulates the movement from hierarchical, authority-based public institutions to collaborative external as well as internal and emergent leadership. Not even Van Wart recognizes this change, as illustrated in the Preface to his book which indicates ‘This book is about organizational leadership . . . Most obvious is the difference between the heavy emphasis on an external approach to leadership exhibited by policy-oriented leaders and the internal emphasis of organizational leaders’ (2005, p. xv). However, the threats to public organizations and governments require a different view of leadership, one that transcends formal boundaries and looks beyond the individual jurisdiction and even public sector lines than is implied by an internal focus, as several of the chapters herein demonstrate. Thus we require a broader view of organizational leadership if public sector leadership is to have meaning in today’s world, and models that move beyond those based on hierarchical views of public organizations (see Nye 2008
Public sector leadership is no longer bounded by public sector organizations. Nor is it bounded by nations. While the field of leadership is 'still dominated by U.S. scholars . . . increasingly academics and practitioners from around the world are writing about leadership from diverse cultural and organizational perspectives' (Crosby and Kiedrowski 2006, p. 1). Yet, as the review of the US literature suggests above, few publications build on the international array of research.

In addition, the call for studying leadership in a governance or network context specifically requires an understanding of the characteristics of and conditions for (collaborative) leadership. In fact both US (for instance Mandell 2001) and European (for instance Kickert et al. 1997; Klijn and Koppenjan 2000) public administration scholars have published on networks and the management of networks, but little attention has been paid to collaborative leadership in situations in which interdependency prevails and the assumption of a state-centered approach to governance cannot hold.

On the other hand this new interest in collaborative public leadership can benefit from the insights that have been produced by authors studying collaborative leadership from a generic perspective, such as Balkundi and Kilduff (2005), Grint (1997), Reicher et al. (2005) and Schruijer and Vansina (2002), all in Europe. They agree that leadership is a dynamic influence process between two or more parties. This emphasis on leadership processes does not mean that leaders are absent – indeed, they are identified as those who make especially salient contributions (Hosking 1997, p. 300), but leadership is not identified with the characteristics of exceptional persons. At a general level of analysis two characteristics make up the core of leadership processes, namely creating a shared sense of purpose and making things happen. This notion of creating a shared sense of purpose recognizes that leadership is a process in which social order is negotiated and that participants do not necessarily share the same values (Hosking 1997, p. 298). In a setting of collaborative leadership, the process of agreeing upon common goals can be extremely difficult, as Huxham and Vangen (2000, p. 1160) point out, because different organizations and their representatives bring a variety of goals and constraints to the process. The suggestion that leadership involves co-creating a sense of purpose recognizes that ‘different participants may seek to further different, sometimes conflicting, values and interests’ and that in the end ‘some values and interests are likely to be promoted at the expense of others’ which makes leadership a political process (Hosking 1997, p. 302).

For the study of collaborative public leadership the nature of the dependency relationships among the parties involved is a very relevant
topic. Huxham and Vangen (2000; also Keast et al. 2004) observe that studies of leadership in organizations presume that there is a formal leader with authority, and a hierarchical relationship, and that this presumption is problematic in a collaborative setting because the individuals involved come from different organizations or groups. However, this feature of dependency relations is seldom elaborated when the relationships between state and other organizations in governance situations are discussed, as political science authors (for instance Pierre and Peters 2000) tend to adopt a state-centric approach to governance related to the principle of political primacy.

Current Questions

The review of the status of the field of public sector leadership leads to the following sets of questions, each set matched to a part of this book.

Part I: New public management and the challenge of change
How is the nature of public sector leadership changing as leaders address substantive issues of terrorism, natural disasters and global warming, demographic change including ageing and immigration, and process issues from hierarchical to collaborative leadership, that is, government to governance? How do leaders address demands for transparency, public-private partnerships and new public management (NPM) more generally?

Part II: Frontiers of political-administrative relations
How is the relationship between political and administrative leadership changing? What is the effect of political and public management reforms on the frontier of political-administrative relations? What do the changes imply for the accomplishment of accountability?

Part III: Leadership processes in interorganizational networks
What are the characteristics of public sector leadership in various types of networks? How can public sector leadership support collaboration with private and nonprofit organizations to achieve public goals? What factors influence leadership processes in a network context?

Part IV: Ethics, values and diversity
What are the implicit and explicit ethical issues facing public sector leaders in this new environment? What values must public sector leaders hold and how do these values mesh with the NPM? What does diversity really entail, and how does the value of diversity play a role in the new environment for public sector leaders?
Part V: Leadership training and development
How can more effective public sector leaders be developed? What challenges exist today in these processes, for example, defining the knowledge, skills and abilities (KSAs) needed in collaborative governance? What are the appropriate skills and competencies for public sector leaders of today and tomorrow? How do these differ from leadership skills taught for other sectors? Are these recommended competencies common across nations? Are they universal or culture-bound?

PURPOSE AND ORIGINS OF THE BOOK
The purpose of this book is to define the issues facing public authorities and organizations in a range of developed nations as they address the challenges of the twenty-first century and to examine an array of ways in which leaders across these nations are addressing these challenges. The overriding question addressed by this volume is how public leadership across the globe addresses new challenges (for example, security, financial, demographic), new expectations of leaders (for example, new public management, inter-organizational collaboration in providing services and dealing with public issues), and what leadership means in the new public sector.

Concerns about globalization and more interest in international work have led to a need to internationalize the curriculum of public administration and leadership in the USA. Many programs are now trying to become more globalized, but textbooks tend to be quite US-focused. In Europe and throughout the world, for example, China, there has been an expansion of public administration programs, which, of course, seek a more international perspective than US textbooks provide. In addition there is a greater interest in leadership within the public sector, perhaps because of disappointment with current leaders or the increase in challenges they face, such as in security, finance, racial and ethnic conflict. This volume explicitly brings together the fields of leadership and public administration and is truly international in scope. The trends toward the integration of these fields and the increasing need for a broader perspective will continue as the proposed National Association of Schools of Public Affairs and Administration (NASPAA) accreditation standards change, opening accreditation to non-US programs, increasing the spread of public administration programs throughout the world, and increasing interest in leadership and the public sector.

Leadership scholars are increasingly concluding that leadership is much more than a set of traits or activities; rather it has many players, processes and contextual facets; that is, the circumstances affect the success of the
leader. Even within a general definition of leadership such as Northouse’s (2007, p. 3): ‘a process whereby an individual influences a group of individuals to achieve a common goal,’ one finds many perspectives embedded in leadership: leadership as person and process, various means (and ethics) of influence, working with (diverse) others versus over them, and determining the specific common goal. We need to conceptualize leadership as more than a set of individual traits or actions, rather as a process, which can be manifested as relationships, creative structures and systems, culture at various levels, and specific goals addressing both substance and process. This volume allows the reader to view a large number of situations across the globe to better understand the relation between context and leadership. The astute instructor aiming to help students develop their leadership skills could use this book to ask how the leadership theories that students have learned would apply within the contexts described herein, and what results might follow. New contexts, collaborations, and challenges will require new leadership models, some of which are outlined in the chapters below.

Van Wart’s (2005) book on public sector leadership has taken a significant step in moving to integrate leadership and public administration, and this volume should complement his work. It provides the empirical context, across a wide variety of circumstances and specific leadership issues, within which to consider the theories and concepts in his single-authored text. Table 1.1 provides the reader with an outline guide to the individual chapters; further information is also provided below.

Finally several of the chapters in this book transcend state-centered analysis and address issues of collaboration across sectors, changing roles in the new public management paradigm, and corresponding new visions of leadership. As one participant in a Maxwell School symposium on leadership asked: ‘How do I lead an employee who neither works for me nor has ownership in my organization’s ethos?’ (Ingraham and Van Slyke 2006, p. 392). We need to transcend state-centered (hierarchical) perspectives by including new developments such as governance and public-private sector collaboration while retaining a public focus by concentrating on the public values involved.

ORGANIZATION OF THE BOOK

As indicated above, this book is organized into five parts: Part I, New Public Management and the Challenge of Change; Part II, Frontiers of Political-Administrative Relations; Part III, Leadership Processes in Interorganizational Networks; Part IV, Ethics, Values and Diversity; Part V, Leadership Training and Development.
### Table 1.1 Chapter details

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<th>Author(s) (Countries)</th>
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<td>Public service in democracies</td>
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<td>2. Sætren (Norway)</td>
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<td>3. Marcussen (Denmark)</td>
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<td>Central banks in Europe</td>
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<td>4. Steen &amp; VanderMeer (The Netherlands)</td>
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<td>Dutch senior civil service</td>
</tr>
<tr>
<td><strong>Part II: Political-administrative relations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Svara (US)</td>
<td>US</td>
<td>US local government</td>
</tr>
<tr>
<td>6. Wille (The Netherlands)</td>
<td>Europe</td>
<td>European Commission</td>
</tr>
<tr>
<td>7. Holzer &amp; Illiash (USA &amp; Russia)</td>
<td>Russia</td>
<td>Russian bureaucracy</td>
</tr>
<tr>
<td><strong>Part III: Interorganizational networks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Mandell &amp; Keast (US &amp; Australia)</td>
<td>US &amp; Australia</td>
<td>Water Forum in Sacramento, CA City &amp; County; Service Integration Project, Goodna, Australia</td>
</tr>
<tr>
<td>9. Gil-Garcia, Pardo &amp; Burke (US &amp; Mexico)</td>
<td>US</td>
<td>New York State and Colorado</td>
</tr>
<tr>
<td>11. Ingraham (US)</td>
<td>US</td>
<td>US Coast Guard</td>
</tr>
<tr>
<td>Part IV: Ethics, values &amp; diversity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>12. Newman, Guy, &amp; Mastracci (US)</td>
<td>Civil servants in urban county office, two police departments, and state agency (Illinois Corrections)</td>
<td></td>
</tr>
<tr>
<td>13. Vanmullem &amp; Hondeghem (Belgium)</td>
<td>Civil servants: executive and non-executives in children’s social service agency</td>
<td></td>
</tr>
<tr>
<td>14. Johnston &amp; Gudergan (Australia)</td>
<td>Sydney public-private partnership (Cross-city tunnel)</td>
<td></td>
</tr>
<tr>
<td>15. Adams &amp; Balfour (US)</td>
<td>Hurricane Katrina and FEMA</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part V: Leadership development &amp; training</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>16. Mau (Canada)</td>
<td>National leadership training programs</td>
</tr>
<tr>
<td>17. Beinicke &amp; Spencer (US)</td>
<td>Mental health leadership training programs</td>
</tr>
<tr>
<td>18. Horton (UK)</td>
<td>British Senior Civil Service</td>
</tr>
</tbody>
</table>

|                                                                                                 |                                                                 |
|                                                                                                 | Canada, Ontario, US, Australia                                   |
|                                                                                                 | Australia, Canada, Ireland, Northern Ireland, New Zealand, Scotland, UK, US |
|                                                                                                 | UK                                                               |
Table 1.1 (continued)

<table>
<thead>
<tr>
<th>Type of leadership</th>
<th>Topic</th>
<th>Theory and concepts</th>
<th>Research method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Internal management reforms (NPM): leaders versus managers</td>
<td>Value conflicts of NPM and public service</td>
<td>Styles of leadership and public sector values under NPM</td>
<td>Essay</td>
</tr>
<tr>
<td>2. Role of political leadership in success of efficiency studies</td>
<td>Political leadership and context in change</td>
<td>Role of leadership and context in change</td>
<td>Case studies (3)</td>
</tr>
<tr>
<td>3. Transparency changes in European central banking</td>
<td>Leadership challenges for central bankers: perception, performance and procedures</td>
<td>Role of leadership and context in change</td>
<td>Case studies (4)</td>
</tr>
<tr>
<td>4. Dutch senior civil service leadership</td>
<td>Role of civil servants in the Netherlands: managerialist vs. policy leaders</td>
<td>Role of senior civil servants as managers and policy advisors</td>
<td>Case study</td>
</tr>
<tr>
<td>5. Visionary leadership; political and professional leadership</td>
<td>Form of local government, leadership and accountability</td>
<td>Accountability</td>
<td>Essay and Survey data</td>
</tr>
<tr>
<td>6. Political leadership</td>
<td>Models of political-administrative roles: clear division, continuum, complementarity</td>
<td>Political and administrative leadership</td>
<td>Case study (based on interviews)</td>
</tr>
<tr>
<td>7. Autocratic leadership</td>
<td>Development of Russian bureaucracy in three regimes</td>
<td>Pathological bureaucracies, cult of leadership</td>
<td>Historical case study</td>
</tr>
<tr>
<td>8. Process catalysts</td>
<td>Leadership in collaborative networks</td>
<td>Types of networks and leadership in collaborative networks</td>
<td>Case studies (2)</td>
</tr>
<tr>
<td>9. Government formal and informal leadership</td>
<td>Responding to West Nile virus through networks in two states</td>
<td>Intergovernmental and Interorganizational networks, collaboration and information sharing</td>
<td>Case studies (2)</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
<td>Emphasis</td>
<td>Methodology</td>
</tr>
<tr>
<td>---------</td>
<td>-------</td>
<td>----------</td>
<td>-------------</td>
</tr>
<tr>
<td>10.</td>
<td>Public leadership through institutional design</td>
<td>Public-private partnerships</td>
<td>Institutional frameworks for active participation</td>
</tr>
<tr>
<td>11.</td>
<td>Organizational leadership</td>
<td>Demands on leadership where contracting out</td>
<td>Public leadership of external organizations</td>
</tr>
<tr>
<td>12.</td>
<td>Affective</td>
<td>Affective leadership</td>
<td>Emotional labor, affective leadership, leadership as an art, citizen satisfaction</td>
</tr>
<tr>
<td>13.</td>
<td>Leadership style: change-oriented, task-oriented, relationship-oriented</td>
<td>Leadership style and worker motivation</td>
<td>Vroom’s expectancy theory</td>
</tr>
<tr>
<td>14.</td>
<td>Public-private partnership and explicit obligations of leadership</td>
<td>Governance and PPPs</td>
<td>Technical rationality and social contract in PPPs</td>
</tr>
<tr>
<td>15.</td>
<td>Ethics of incompetence</td>
<td>Administrative evil and incompetent leadership</td>
<td>Technical rationality and administrative evil</td>
</tr>
<tr>
<td>16.</td>
<td>Comparison of competences required in public versus private sector</td>
<td>Advantages and limitations of leadership competency approaches</td>
<td>Public sector values</td>
</tr>
<tr>
<td>17.</td>
<td>Comparison of competencies required across leadership programs</td>
<td>Universality of core leadership competencies</td>
<td>Transactional versus transformational competencies</td>
</tr>
<tr>
<td>18.</td>
<td>Evaluation of leadership development &amp; training programs</td>
<td>Leadership training and development</td>
<td>Issues in evaluating leadership training and development programs</td>
</tr>
</tbody>
</table>
Public sector leadership

Part I  New Public Management and the Challenge of Change

The adoption of the new public management (NPM) philosophy and associated policy instruments presents challenges for public sector leadership and requires new perspectives for success. NPM ‘refers to a cluster of ideas and practices . . . that seek, at their core, to use private-sector and business approaches in the public sector’ (Denhardt and Denhardt 2000, p. 550). NPM ‘emphasizes customer focus, worker empowerment, work streamlining, cross-sector collaborating, and performance management’ (Van Wart 2005, p. 462). Under the NPM model, ‘rowing,’ the bureaucracy-centered production of governmental services, is replaced by ‘steering’ using techniques such as privatization and contracting-out, public-private partnerships and various accountability and performance measures.

Administrative reforms, through processes and structures inspired by NPM, are now widespread and commonly used. Berry’s chapter (Chapter 2) looks at the values we want to promote through government and the styles of leadership that managers use to implement those reforms, and assesses whether the NPM reforms are promoting the values most desired in a democratic government. Her conclusions suggest that many NPM reforms are not consistent with broader values than efficiency and thus may be falling short of our aspirations and the values citizens want from government. Berry argues that decisions about choosing appropriate managerial leadership styles to endorse and teach are needed, as NPM reforms encourage private sector practices that probably need tempering for the public sector.

Sætren’s contribution (Chapter 3) analyzes the attempt to reform several European governmental processes. The efficiency scrutinies program was among the very first initiated by Margaret Thatcher when she took office as Prime Minister in the UK in 1979. The program represented a new strategy to improve performance in the public sector. A fairly large number of scrutinies were carried out over the next few years and impressive results followed. To say that this program set in motion a process that eventually revolutionized the whole UK Civil Service system is no exaggeration. At approximately the same time, efficiency programs with similar objectives were launched in Denmark and Norway. Contrary to the UK experience, the Scandinavian programs were fairly clear-cut failures. The purpose of Sætren’s investigation is to account for these divergent reform experiences and in particular to explain the British success. Sætren finds that the fortuitous confluence of favorable enabling and precipitating factors, including unusual entrepreneurial political leadership, provides the best explanation.

In Chapter 4 Marcussen focuses his attention on the pressures that NPM brought to central banking in Europe. Central bank reform has
been omnipresent, pointing in the same direction towards more transparency, outcome performance and committee decision-making. However in Europe the reforms differ in terms of time, timing and tempo. By investigating leadership strategies in the Swedish Riksbank, the Danish Nationalbank, the Banca d’Italia and the European Central Bank these differences become clearly distinct. Marcussen analyzes factors at the micro-, meso- and macro-level to explain these differences.

In Chapter 5 Steen and Van der Meer discuss how NPM pressures on the senior civil service have impacted the original dual role of bureaucratic leadership encompassing both a management aspect (process) and a policy appraisal function (content). A comparative and historical analysis of the contexts of alternative civil service leadership models is discussed. The authors examine the case of the Netherlands. They discuss to what extent the development of the Algemene Bestuursdienst (ABD, the Dutch Senior Civil Service) goes hand in hand with a management orientation that is increasingly dominating in administrative leadership. The authors discuss the danger of creating a vicious management cycle that neglects the generalist policy expert and advisory role of public sector leaders and that leads to a new impetus for top-down politicization. Thus like the other authors in this part of the book, Steen and Van der Meer analyze dilemmas in the changing roles of public sector leaders generated by NPM.

Part II  Frontiers of Political-administrative Relations

While most leadership and management research tends to adopt a generic approach, Rainey (2003) and Van Wart (2005) accept the view that leadership in a public setting is distinctive in certain respects, among others because of the frontiers of political-administrative relations that both political and administrative leadership have to manage.

The classic politics-bureaucracy dichotomy has been the object of critical reflection over the past quarter century (see for instance Du Gay 2005; Svara 2001). Empirical research has shown that bureaucrats are more involved in political decision-making than the traditional understanding of the political-administrative division allows for, while some analysts suggest that the shift may lead to a complete blurring of roles (for instance Aberbach et al. 1981; Aberbach and Rockman 2006). Everyday life may feature the accommodation of politicians and bureaucrats, but at times of reform the frontier becomes contested. Such reforms have been a common phenomenon at all levels of governments, partly because of similar political and public management reform ideas, partly because of specific local circumstances. The chapters in Part II examine how the relationship between
political and administrative leaders is changing and what these changes imply for the accomplishment of accountability. They present a global picture, ranging from local government in the USA through the European Commission to the Russian bureaucracy.

The classic political-administrative frontier lies at the heart of debates over differences in approach to accountability improvement in US local government. The USA has a long history of two forms of government, a council-manager form in which the manager can be removed by the council, and a mayor-council form in which a strong mayor and the council may get caught in ongoing conflict and which can impede accountability. Therefore Svara (Chapter 6) is surprised that in a number of council-manager cities a call for the mayor-council form is made based on the argument of accountability improvement.

The concept of accountability is mapped by distinguishing between accountability for the policy agenda and for administrative performance and between short-term and long-term time horizons. Drawing on available empirical evidence, Svara concludes that no necessary linkage between one form of government and heightened accountability can be established. The claims about accountability improvement appear to be related to different approaches to the concept of accountability. The one, favored by mayor-council cities with an elected executive, characterizes accountability improvement as compelled by superiors and regards this as unidirectional and short-term oriented. In this approach the political leader asserts control over the bureaucracy. The other approach to accountability improvement, favored by council-manager cities with facilitative visionary mayors, emphasizes the multi-directional and long-term characteristics. In cities that take this approach, there is a shared responsibility, and the political authority to hold bureaucratic officials accountable is supplemented by a shared commitment to common values and norms. The two forms of local government essentially provide two different approaches to promoting accountability and performance. However, according to Svara, the mayor-council form that some present as the superior form when it comes to accountability improvement cannot sustain its claim to superior results.

Wille (Chapter 7) looks at how the significant reforms that the European Commission has undergone recently have changed the roles and relationships of the political and bureaucratic leaders. A decade ago the line between politics and administration was blurred, but this has changed as a result of the reform program that was carried out. Wille tracks these changes by focusing on selection patterns and role definitions of political leaders (Commissioners) and senior officials (directors-general, heads of cabinet). The selection procedure and background of Commissioners appears to have
become more political while the appointment of top officials has become less politicized and more dependent on merit. In addition the new working systems of the Commission have framed the roles held by Commissioners in terms of political leadership while these same systems have oriented top officials on performance according to politically established targets and on accountability. Wille concludes that the reforms have resulted in a growing disconnection between the political and bureaucratic leadership. The perspectives of Commissioners, heads of cabinets and directors-general are clearly different regarding their function, their core values and their orientation to their counterparts. However all acknowledge also the virtue of complementarity and collaboration.

Holzer and Illiash (Chapter 8) note that the popular antigovernment sentiment in the USA and Europe underscores a collective desire for more effective leadership through ‘the “strong leader” who will set things right.’ They argue that this is a good reason to study the long autocratic leadership tradition in Russia and raise the question whether this might validate US desires for strong leadership. Another question is whether more complex leadership models proposed by Western literature would better serve Russian citizens? The authors’ historical analysis shows that Russian bureaucracy – a type that is very different from Weber’s type – has played an essential role in Russia’s state system. Rather than the bureaucracy serving the administration it acted as a vehicle for bureaucrats’ self-aggrandizement and as a path to political positions. Under the Communist Party the party-state bureaucracy grew increasingly powerful and decisions by ministers and department heads, free of control and accountability, were often arbitrary and autocratic. Poor civic rights and public services were the consequence. With the end of the Communist Party’s hegemony, political power shifted partly to the president and his administration and partly to regional leaders, business entrepreneurs and criminal groups, but the old-style bureaucracy remains in place. Holzer and Illiash conclude that the autocratic model is not to be emulated by the West because of its excessive long-term costs. They also conclude that Russian bureaucracy, despite its support for autocratic leadership, may yet serve an important function in providing a certain measure of stability in Russia that, in combination with the pressures of globalization and information, may nurture democracy and more subtle approaches to leadership.

Part III  Leadership Processes in Interorganizational Networks

Designating the ‘new’ public sector leadership perspective as cross-organizational, interorganizational or network leadership neglects the different types of networks and the related relevant differences in leadership.
This point is illustrated by the chapters in this section which enrich our insight in the characteristics of public sector leadership and the conditions that influence leadership processes.

Drawing on the networks and leadership literature, Mandell and Keast (Chapter 9) distinguish between cooperative, coordinative and collaborative networks. They suggest on the basis of the literature review that the characteristics of collaborative networks include the interdependence of the organizations involved, the related absence of a ‘leader’ in charge of the network, and the networks’ purpose of creating new infrastructures and environments needed to deal with complex problems (rather than the efficient delivery of services). They present the findings of two case studies in which participants were interviewed about the leadership skills required in collaborative networks. The requisite skills essentially have to do with initiating, facilitating and minding the processes for collaboration. A key skill involves driving the collective action toward better or more innovative outcomes, and Mandell and Keast therefore coin the notion of ‘process catalyst’ to distinguish this type of leadership in collaborative networks.

Chapter 10 by Gil-Garcia, Pardo and Burke provides an exemplary case of a pressing public health crisis that requires multi-sector information sharing, involving federal and state agencies, local governments and a mix of public and private healthcare organizations. Focusing on the role of government executives, the authors develop a grounded model of the mechanisms through which three leadership variables – executive involvement, formal authority and informal leadership – influence collaboration across organizational boundaries. The authors develop a set of propositions about these mechanisms, which include for instance the influence of executive authority through demonstration of respect for the autonomy of participating organizations. Thus it appears that leadership variables can have an impact on the collaborative skills that are singled out by Mandell and Keast, as well as on a number of other factors (such as resources) that may foster collaboration.

An interesting case of organizing collective public action is presented by Justice and Skelcher in Chapter 11. The locus of their study of governance arrangements is urban areas in need of regeneration. Their interest is in the question of how the institutional design of business improvement districts, either as a self-governing or as an externally governed design, frames the attitudes and activities of local business leaders. Their four case studies show that city governments have a large impact on collective public action through the governance design they promote. The self-governance design appears to elicit active participation and cooperation from business leaders whereas the externally governed design (city governance from a distance) does little to change the orientations of local business people and
Introduction

does not foster widespread participation because of a lack of participation structures. This chapter brings home the point that public sector leadership interested in promoting collective public action should pay proper attention to the institutional design of cooperation with other actors.

The final chapter in this section by Ingraham (Chapter 12) examines the leadership and organizational coherence assumption that is common in the literature. She points out that the assumption of a coherent organization in which leaders have authority over resources and members’ allegiance is ‘thrown into substantial disarray’ by the impact of contracting-out. Contracting-out implies leading and collaborating with organizations that are, at best, loosely linked. In the setting of public organizations, the consequence is that linkages in terms of, for instance, commitment to mission and organizational values become ‘unglued.’ The analysis of the impact of contracting-out modernizing the US Coast Guard fleet proves her point. When the contractor’s performance results – and the contract arrangements for oversight and accountability – turned out to be inferior, the leadership was forced not only to revise the contract terms but also to return to the Coast Guard’s strong record in order to reglue the organization and the commitment to its public mission both internally and externally. She concludes that moving through and across organizational walls and the capacity to glue are important parts of the leadership challenge.

Part IV Ethics, Values and Diversity

The failings of public sector leaders are often attributed to an ethical shortcoming. In fact Daniel Kim (2002) argues that from a servant-leadership perspective, failing to make the effort or take the time to foresee the consequences of decisions is an ethical failure, not simply a managerial mistake or an unfortunate, unpredictable outcome. The awareness of the relationship between leaders, leadership and ethics extends back to Plato and Aristotle and has been extensively examined and considered. Likewise and similarly related, the topic of diversity has garnered extensive attention as organizational practices, social norms and public policy have reciprocally influenced one another to greater levels of understanding. Thus this section of the book aims to provide some unique and current perspectives on the nature of ethics and diversity.

Working and leading in the public sector requires attention to the specific needs of both external constituents and internal stakeholders, that is employees. The important relationships between satisfied employees and high quality public service reinforces the need for leaders to more closely examine the nature and nurture of what influences and motivates
followers. Influence is based on what one values, and indeed the relationship between leader and follower is often rooted in a high degree of value compatibility. Values, and the rules guiding their application, are the root of ethics as well. Respecting others, building community, manifesting honesty, showing justice and serving others have long comprised the core principles of ethical leadership (Northouse 2007).

Navigating a leader’s ethical conduct versus his or her ethical character, particularly when attempting to deconstruct a multifaceted public sector problem, constitutes a key challenge for ethical public sector leaders. Even more ambiguous, however, is the relationship between multiple levels of ethical analyses, in this case between the individual, the organizational systems and the organizational culture. When things go terribly wrong, could no one and nothing be to blame? Gary Klein, in Sources of Power: How People Make Decisions (1999), writes about research by Jim Reason (1990) at the University of Manchester that asserts that decision errors are not a result of human error, but rather the result of what he calls latent pathogens – poor design, poor training, poor procedures and systems that may be undetected until relevant. ‘It is easy to blame the operator for the mistake, yet all of the earlier problems made the mistake virtually inevitable’ (p. 273).

Diversity in organizations is often part of a conversation about ethics, ensuring inclusive and equitable policy and practice as socially just. As public and organizational structures have changed, diversity has evolved from a tolerance model to an embrace model, and now perhaps to a capital model. In other words more than simply a ‘nice idea,’ diversity is a source of measurable value that can be translated into economic capital. Viewing diversity as a form of capital enables communities and organizations to benefit from new perspectives, the energy of contrasting ideas, the more civil culture necessary to navigate differences and a greater sense of community that can come from finding common ground in a shared vision.

A model of diversity capital, however, requires effective leadership to facilitate and guide diverse persons and perspectives. Diversity across individuals, while more salient, overlooks the complexity of differences within individuals as well as the ways that complexity manifests in different contexts. If one objective of honoring diversity is to more effectively meet the needs of those one leads (or serves), then one must understand the diversity of individual needs. Newman, Guy and Mastracci in Chapter 13 assert that ‘emotion work is as individual as cognitive work . . . subject to individual differences.’ The authors explore the work experience of social workers, 911-operators, corrections officials, detectives and child guardians to ‘reveal the centrality of emotion work in the service exchange and underscore affective leadership in practice.’ By acquiring the skills and focusing on the affective dimensions of individual diversity, and engaging
the emotional labor required to do so, leaders can create more meaningful connections with those they serve and ultimately lead more effectively.

In their chapter on leadership for an ageing workforce (Chapter 14), Vanmullern and Hondeghem provide empirical evidence supporting the need for leaders to adapt their style to various age levels. While chronological age has been noted as a form of diversity for some time, Vanmullern and Hondeghem expand this conceptualization by examining broader age categories that capture career progression phases and their modulating effect on the association between leadership style (task, relationship, change) and motivation (want-get discrepancy of 16 job values). As the authors note, ‘This [research] indicates the importance of age diversity management; in other words supervisors must have insight into the needs and capabilities of the different age groups and must try to accommodate this, for instance, through an adapted leadership style. In order to understand these different needs and capabilities, insight in the work values of the different age groups is necessary.’

At the organizational level or perhaps at an even more abstract and generalizable level, Johnston and Gudergan (Chapter 15) examine the nature of public-private partnership agreements (PPPs). They argue that the important and necessary technical-rational aspects of PPP arrangements are well developed; however ‘. . . implicit relational conditions, especially how the partners should behave at all stages of the PPP, has been largely neglected to date. These aspects, which might be referred to as the social contract are typically implicit aspects of the governance of PPPs and are not usually included within the legal contract.’ It is within this social-relational aspect that ethical issues arise or, more importantly, can be foreseen and worked through as part of the agreement. Johnston and Gudergan evidence their assertions by examining various supranational reports but more interestingly illustrate the perils of such oversight in a case study where unforeseen outcomes led to competing values and actions between private and public entities. With no guidance for navigating the conflict beyond the technical-rational legal contract, ethical lapses were quickly realized and the public ill-served. Ethics and diversity are individual level constructs that, although overlooked in the technical-rational organizational level, are often key to the success or failure of leadership.

Adams and Balfour (Chapter 16) provide a fertile starting point for a critical analysis and discussion of individual ethical thinking and activity vis-à-vis an organizational cultural milieu. They argue that the technical rational framework of many organizations, in this case multiple agencies of the federal government addressing Hurricane Katrina, implicitly influences leaders and managers such that they rely on the organizational level
structure to guide their ethical behaviors. This often leads to outcomes that would be questioned by the moral compass of the individual. And this lack of individual ethical mindfulness leads generally competent individuals to incompetent acts, and in many cases unethical behavior. Adams and Balfour note, ‘Public leadership must . . . [be] aware of the potential for ethical failure by the state and its agenda, and by a societal role . . . that can recognize the need to transcend conventional ethics and professional practice when needed.’ Thus, masked by the implicit cultural influences of a technical rational mindset, and perhaps a particular ideological culture, the leadership failures during Hurricane Katrina offer insight into the relationship among ethics, competence and administrative evil.

Part V  Leadership Training and Development

In May 2008 the James MacGregor Burns Academy for Leadership held a symposium on Public Leadership Competencies and Curricula, inviting many of the leading figures in academic and federal efforts in preparing public sector leaders. Jeffery Raffel was involved in this because of his role in NASPAA accreditation efforts. While there was agreement with the statement, ‘Leadership is a developing skill area; it is growing in importance in many fields,’ there were many laments that as a curriculum topic leadership is not given its due:

Ironically (or paradoxically), there are numerous efforts at public sector leadership training and development despite the limitations of public sector leadership scholarship and skepticism among many public affairs faculty about the topic. As Fairholm (2004, p. 35) concludes, ‘Training public managers in the skills and techniques of leadership and management has become a major part of public human resources efforts.’ This is happening despite the neglect of scholarship on public sector leadership in public administration. The ‘dearth of empirical research on leadership is evident’ (p. 37), yet training for leadership roles is pervasive.

There are many ways to develop leaders (Van Wart and Dicke 2007, p. 355) ‘including experiences and trial and error,’ through job rotation, networking and mentoring. Indeed there are numerous programmatic efforts in public sector leadership in the USA and Europe. Ironically, perhaps, few formal public administration or public policy master’s programs include much material explicitly aimed at public sector leadership.

There are however numerous training and development programs across the globe for government employees that focus on leadership. For example the Federal SES (Senior Executive Service), specifies fundamental competencies including the following: interpersonal skills, oral communications, integrity/honesty, written communications, continual learning and
Introduction

public sector motivation. The Introduction notes, ‘The Executive Core Qualifications (ECQs) are based on extensive research of the attributes of successful executives in both the private and public sectors; they are a collaboration, reflecting the best thinking of many senior executives and associations, as well as agency human resource professionals.’ These ECQs are:

- Leading change
- Leading people
- Results driven
- Business acumen
- Building coalitions

Leadership development training and development programs in the USA are numerous including local level (ICMA [International City/County Management Association] Certified Public Managers), state government (National Conference of State Legislatures), university centers (for example, University of Maryland, University of North Carolina, University of Richmond, University of Southern California) and others (Van Wart and Dicke 2007). While less developed, there are many European initiatives in leadership development and training. Lawler (2008) identifies several European training efforts including the National College for School Leadership in UK education; National Health Service (NHS) Leadership Center (with NHS Leadership Qualities Framework); and Leadership Centre for Local Government.

Ingraham (2006b, p. 376) summarizes the state of the leadership development field well, ‘. . . there is an increasingly broad consensus among practitioners and academics that leadership matters, [although] the consensus does not extend much further than that . . . Definitions of effective leadership and how to achieve it vary widely.’ As Ingraham points out, the identification of competencies ‘has become a primary leadership development tool’ (p. 377), but the list keeps growing without a good way to set its priorities. Ingraham and Van Slyke (2006, p. 392) state that ‘cases of leadership success,’ almost exclusively from the private sector, are the basis of much of the leadership literature. ‘This is a crisis and opportunity in that many will retire but we have the opportunity to rejuvenate the public service’ (Ingraham and Van Slyke 2006, p. 393).

Within this context of leadership development, two chapters in this final section provide a comparative analysis of leadership training programs across many nations, and the third discusses the issues in evaluating the impact of such programs in the context of the British Senior Civil Service.

Mau (Chapter 17) uses a comparative case study approach to examine
the evolution of competency models for recruiting, selecting, assessing, developing and compensating senior public service employees in the USA, Canada and Australia. He assesses the extent to which the three competency frameworks under investigation effectively capture the essence of leading in the public sector by clearly establishing a distinctive public sector leadership brand. The chapter makes the argument that effective leadership competency frameworks must be sufficiently parsimonious so that they can actually be meaningfully utilized in hiring, compensation and promotion decisions but suitably nuanced so that they recognize that leading in the public sector, while in many respects similar, is not completely analogous to leading in the private sector.

Beinicke and Spencer (Chapter 18), also using a comparative approach, analyze mental health leadership training programs and competencies in eight countries: Australia, Canada, the Republic of Ireland, Northern Ireland, New Zealand, Scotland, the UK and the USA. Health leadership programs are also examined and, to a lesser extent, those in public administration. Selected leadership training programs are highlighted and a cross-national leadership and management skill-set is derived.

In the final research chapter (Chapter 19) Horton examines the ways in which training interventions are being used to develop leadership in the British Senior Civil Service (SCS) and determine how their effectiveness is currently being evaluated. First Horton describes the three leadership programs designed and delivered by the National School of Government to develop leadership skills and competencies within the SCS. Second she explores the literature on evaluation of training and identifies some key models that are influencing current practices in both private and public organizations. Third she identifies the ways in which the leadership programs are currently being evaluated and then identifies which of the evaluation models found in the literature are either explicitly or implicitly being used. Finally Horton considers the problems of evaluating training and how to ensure that there is a return even if the impact cannot be measured.

The editors’ Conclusion, after briefly answering many of the questions raised in this Introduction with insights gained from the chapters herein, focuses on the implications of this research for preparing public sector leaders and the themes derived from the 18 research chapters in this volume.

NOTES

1. ‘Flexicurity’ is a policy promoted by the European Commission. The term is a combination of flexibility and security. The policy promotes a balanced approach to globalization, offering the flexibility that corporations require and the security that employees want.
Introduction

The main idea is that since the idea of a lifetime job is no longer feasible, workers should accept the idea of securing their employability by investing in their own competences; directly related to this firms gain flexibility from workers' willingness to accept employability (instead of a lifetime job) but in return they should support workers by offering opportunities for training and paying for training costs.


5. Both NAPA books described in this chapter, for example, include only papers written by US authors focusing on the US experience.

6. At the master's level in the US, few graduate programs explicitly address leadership although leadership lies at the formal heart of the master's accreditation process. Current National Association of Schools of Public Affairs and Administration (NASPAA) standards 'apply to individual masters degree programs whose purpose is to provide professional education for leadership in public affairs, policy, administration' (http://www.naspa.org/accreditation/seeking/reference/standards.asp, 3 April 2008). While some programs may address leadership issues in a required human resources or organizational behavior course, few programs have explicit courses aimed at leadership per se. Fairholm (2004) in his article on leadership in public affairs programs states, 'Current (and past) master of public administration programs still teach mostly management skills and techniques' (p. 51); and thus he calls for focus on new skills, 'relationship building, values, change, creativity, and flexibility' (p. 50). MPA programs should 'include leadership specialties as a core competency with courses to reinforce it' (p. 51). 'Leadership' is listed as one of 15 areas of specialization on the NASPAA website search engine designed for prospective students to select appropriate programs but only one program is listed within this area. The Bush School (Texas A&M) program, University of South Dakota, and the Hubert Humphrey School at the University of Minnesota have consciously and successfully introduced leadership into their MPA programs (Fairholm 2006; Crosby and Bryson 2005). The European Association for Public Administration Accreditation (EAPAA) is focused more on preparing students for academic positions in public administration; the word 'leadership' is not mentioned in the standards criteria document. EAPAA 'standards apply to individual degree programmes whose purpose is to provide academic education for professional proficiency in academic level roles in the public domain', http://www.eapaa.org/OffDocs/EAPAACriteriaSept2006Rev3.pdf, 3 April 2008.


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PART I

New public management and the challenge of change
2. Government reform and public service values in democratic societies

Frances Stokes Berry

The contemporary problem is how to organize the public sector so that it can adapt to the changing needs of society, without losing coherence of strategy or continuity of governance values. (OECD 2005, p. 13)

INTRODUCTION

There has been an international revolution in government management over the past thirty years. It is unprecedented in the breadth and scope of countries impacted, and it has occurred in both developed and developing countries alike. We are moving past incremental changes in government reform and considering ways to transform government into fundamentally different organizations from those in the industrial era. What does it mean to create a ‘transformed’ government? It involves change, of course. Webster’s dictionary defines transformation as: ‘An act, process or instance of change in structure, appearance or character; a conversion, revolution, makeover or renovation.’ Transformation is more than incremental changes; it involves a fundamental redoing of program design, application of technology and business processes.

While every country has a unique footprint of how its administrative reforms have unfolded and which have been undertaken, there are many commonalities across countries, and there is evidence that much diffusion and cross-country learning has been taking place (for example, OECD 1997, 2005; Pollitt and Bouckaert 2000). The administrative reform movements in Great Britain and the United States were linked with Thatcher and Reagan, respectively, and had a distinctly ideological fervor about them, to downsize and decentralize government. Many developing countries adopted administrative reforms during times of economic crises or to meet demands by international lending agencies to help finance growing economies. And still other countries, such as Sweden, adopted reforms quietly and through a non-ideological debate.
The administrative reforms adopted cover many areas of government service delivery, management and accountability, but one can argue that the most widely adopted reforms are related to civil service reforms, performance budgeting and measurement, use of information technology and e-government, strategic planning, public-private partnerships, contracting out to nonprofit agencies, structural streamlining and process improvement, improving customer service in service delivery, market-based governance, increasing citizen involvement in policy and management, regulatory reform, and decentralization to lower levels of government and within agencies (OECD 1997).

Commonly, public administrators discuss their management innovations and the managerialism of new public management (NPM) as having the virtues of promoting efficiency and productivity and running government like a business; in short, attempting to use market competition and practices to make government work better and cost less. But in this chapter we argue that public administrators should also stress the public service values that underlie their efforts in ‘reinventing government.’ Citizens want to be treated like citizens, owners of the government and stakeholders involved in the governance of the state’s collective concerns as well as being treated like customers who receive better quality service in a timely manner. And public managers should convey those public values and purposes to citizens so that government is distinguished from the private sector. Governance of the modern state goes far beyond merely producing services economically. There are collective decisions about what services citizens want to provide for themselves collectively, how much they want to pay for those services, and how involved citizens want to be in government. These decisions must involve both citizens and public administrators.

This chapter has several modest purposes. Overall its purpose is to serve as an essay on what values we want to promote in our administrative structures and procedures in democracies. Furthermore this chapter does not use empirical validation for the claims it raises, but it does ask the reader to consider how we should and can empirically assess the impact that the new public management reforms are having on our democratic governance. First we briefly summarizes the reasons governments have undertaken administrative reforms. Second we examine the types of reforms commonly adopted and the public or private values they emphasize. Third we make a case that administrative reforms do carry explicit values that impact the country’s civic culture, citizen involvement, and its long-term governance. This brings a responsibility to the administrator’s role that goes beyond the politics/administration dichotomy or the role of the neutral public servant. And finally we consider to what extent the eight administrative reforms discussed in this chapter incorporate the six public values we lay out as
central to democratic governments, and conclude with a brief summary of key points.

BACKGROUND AND CAUSES OF ADMINISTRATIVE REFORMS

There are many causes of the broad administrative reform movement underway internationally, and they differ by the specific government and its unique historical and cultural contexts. Yet the causes are also similar. In Latin and South America the solutions to major national economic crises included governmental restructuring, economic liberalization policies (Weyland 2004) and performance management policies to reform budgeting, information policy and accountability efforts. Many of these efforts were mandated by international lending organizations, which developed packages of governance and economic reforms they required countries to adopt in order to get financial assistance or loan forgiveness (Kamarck 2000) from the development banks. In the United States, perhaps more than in any other country, citizens’ distrust and dislike of government led to President Reagan calling for a smaller and less regulatory government in the early 1980s while President Clinton in the early 1990s launched the National Performance Review, which called for ‘government to work better and cost less,’ thus ‘closing the trust deficit’ with the American people (Gore 1993, p. i). In Great Britain, Australia and other developed European countries, government reforms included restructuring and selling off some government-run industries, extensive performance management and improved budgeting, as well as other administrative improvements (OECD 1997, 2005).

Kettl (2000) identified four broad economic and political forces that he considers driving forces for international management reforms. In the political arena, the end of the Cold War and the movement to democratize has unleashed a critical assessment of what government’s role in society is. Part of the Cold War’s legacy is to make the market even more appealing and powerful than it was previously. The economic changes have been immense. The Asian recession of the 1990s and the broad globalization of consumer markets have led to major deregulatory efforts and a central focus on economic development and job growth for most governments. Privatization and market approaches have been dominant for policy formation. Social transformations have been large for some countries as the Asian countries continue a process of industrialization and ‘Westernization.’ Countries in Europe that were formally under communist control are now transitioning into democratic governments and market economies with impacts on
family lives, standard of living and social cultures. And finally institutional changes beyond the individual country’s administrative reforms have also been occurring. In particular the European Union is creating new institutions and patterns to build a unified Europe; international organizations of financial assistance (such as the World Bank, the International Monetary Fund and the United Nations) continue to influence management practices and policies of those countries they lend to; and within established and emerging democracies (for example, the United Kingdom, the United States, South Korea), policy and financial resources are being decentralized to allow more local control and innovation.

Several commentators (Peters 2001; Kamarck 2000) assert that there have been two waves of government management reform. Peters (2001, p. 118) argues that ‘several of the attempts at changing public administration during the 1960s and 1970s were perhaps even more significant than those implemented during the 1980s and 1990s. The real difference from previous periods of change is . . . the seemingly endless attempts . . . of a variety of actors to improve performance of the public sector in their countries.’ Peters (2001) believes that many of the reforms in the second wave are direct responses to the earlier reforms, efforts to fine tune policy, re-regulate when deregulation showed flaws, and adapt newer reforms from other countries to continue ‘tireless tinkering.’ Pollitt and Bouckaert (2000) argue that the dominant ideas underlying the most recent wave of administrative reforms are the concept of improving service quality and performance management.

Many studies, especially of American policy and administrative reform (for example, Kingdon 1984), discuss the prevalence of economic or political crises as a prelude to reform efforts. In a study of innovation winners for administrative and policy reforms in the USA, Europe and Canada, Borins (2000, p. 725) refutes this common wisdom and finds that of the top four or five reasons that initiate reform, a prior crisis does not top the list. In fact crisis played a factor in 28 percent of US innovations over 1990–98, and 14 percent among advanced Commonwealth countries. The most frequent condition behind an innovation was internal problems (in about 75 percent of the innovations). Political influence and new opportunities appeared in one-third to one-half of the innovations.

Borins (2000) also studied which level of agencies’ management initiated management reform, and found a surprising impact by middle management.

In the USA, approximately 50 percent of the innovations originate from middle managers or frontline staff, 25 percent from agency heads, 21 percent from politicians, 13 percent from interest groups, and 10 percent from individuals outside of government. In the sample from the economically advanced countries
of the Commonwealth, the proportion from middle managers or frontline staff (82 percent) and agency heads (39 percent) is higher, while that of politicians (11 percent), interest groups (2 percent) and individuals outside government (5 percent) is lower. In developing countries, the results are also similar. (Borins, 2000, p. 723)

However widely used and admired these administrative reforms are, we need to take stock of the somewhat alarming reality that multiple values in public administration and democratic governance are now viewed in conflict or at least in tension under the administrative reforms. The values of neutral competence of civil service conflict with both political responsiveness and with the entrepreneurial role of public managers. Deregulating the civil service may have led to less emphasis on public service values by political officials and even citizens. The heavy emphasis on service quality and treating citizens like customers may have improved service delivery but also mixes metaphors about the clear distinctions and roles of citizens and customers. Public servants, too, may get mixed messages about how they should behave. Customer service principles require that customers be treated uniquely and get what they want. Policy regulations require that citizens be treated fairly and equally and must meet eligibility and other criteria to receive services. These views can conflict.

ADMINISTRATIVE REFORMS

This chapter will focus on internal management reforms rather than large structural reforms, such as reorganizing government and selling off government industries. Often these internal management reforms are called new public management and certainly include bringing best practices from the private sector into government or contracting-out government service delivery to private and nonprofit organizations. Many studies have been made of countries’ administrative reform efforts, and using the list of reforms from a few of these studies (for example, OECD 1997; Peters 2001; Kamarck 2000) gives us a clear overview of what should be considered widely-used administrative reforms of the past decade.

The Organisation for Economic Co-operation and Development (OECD) published a study in 1997 of performance management reforms in ten countries, all of which had been active in undertaking administrative reforms. A follow-up study in 2005 chronicles progress over the last ten years and assesses the thirty-year record of reforms. The reforms these studies catalog include: contract management approaches and performance pay; performance budgeting; collecting and using different types of performance measures, and installing performance measurement systems;
benchmarking; strategic planning (moving to mission-oriented government rather than separate programs); attention to service quality, including customer feedback through regular surveys and interviews and service standards; process improvements; accountability systems; and reporting of performance information. Kamarck (2000) and Peters (2001) note the heavy use of e-government and information technology for processing and making available government information to citizens; civil service reforms; privatization; using new incentives that are generally market-based and more voluntary; citizen and lower-level government worker empowerment and involvement; decentralization in agencies and to lower levels of government; collaboration and cooperation across agencies and sectors; promoting cross-sector organizations and initiatives (with less red-tape and fewer rules); and comprehensive reform (across broad systems in government).1

Two large-scale studies of administrative reform innovation award winners have found common themes that the innovative programs promoted. Holzer and Callahan (1998) in their book *Government at Work: Best Practices and Model Programs* (assessing the winners of Exemplary State and Local Government Award Programs from 1989 to 1995 in the USA) found that the dozens of winners reviewed promoted six common reform patterns: (1) focus on the customer; (2) build partnerships with public and private organizations and citizens; (3) manage for quality using long-term strategic planning with support from top leadership; (4) develop human resources and empower employees through team-building, systematic training, recognition and balancing employee and organizational needs; (5) adapt technologies to achieve open access to data, automation for productivity, cost-effective applications and cross-cutting techniques that deliver on public demands; and (6) measure for performance by establishing goals and measuring results, justifying and allocating as necessary resource requirements and developing organizational improvement strategies (Rainey and Rhy 2004, p. 41).

Borins (2000), studying award winners from the Commonwealth Association for Public Administration and Management (CAPAM) International Innovations Awards Programme (in 1998 and 2000) and the Ford Foundation/Kennedy School of Government Innovations in American Government (1990 to 1998), found five common reform themes and characteristics: (1) holism (partnerships and networks); (2) the use of new information technology; (3) process improvements (including user pay mechanisms, voluntary compliance and alternative dispute resolution); (4) the involvement of organizations or individuals outside the public sector to achieve public purposes; and (5) the empowerment of communities, citizens or staff.

To conclude this section, we quote from the OECD report on *Modernizing Government: The Way Forward* (2005, p. 22). ‘The reform experiences of
the OECD countries have highlighted that a country’s public administration system is part of its wider governance and constitutional structures. The practice of public administration both reflects and influences the values of governance.’

THE ROLE OF PUBLIC SERVANTS IN ADMINISTRATIVE REFORM: LEADERS OR MANAGERS?

In a study of performance-based management reform based on an international review of studies written in 2002, the US General Accounting Office concluded, ‘The clear and sustained commitment of an agency’s top leadership to change is perhaps the single most important element of successful transformation and management improvement initiatives’ (GAO 2002, p. 25).

For the past decade there has been a heated debate among scholars as to whether the new public management is promoting risky, reckless individual-oriented (rather than public-oriented) behavior by managers, or whether the entrepreneurial spirit heralded by Osborne and Gabler (1992) has allowed managers to do the right thing and bypass bureaucracy to implement more efficient and effective government. Bob Behn (2001) argues that managers must be leaders, as the state legislatures are often vague and imprecise, and managers are the experts who can measure program outputs and correct poor performance. He also notes that appointed or elected leaders often do not have the time, expertise or inclination to define and take leadership in program implementation.

Larry Terry (1998, p. 197) writes that ‘the entrepreneurial leadership model has been the focus of intense criticism since its emergence in the 1980s as an alternative to the administrative management paradigm. Critics charge that the public entrepreneur’s anti-traditionalist orientation and obsession with self-promotion, rule-breaking, power politics, risk-taking and radical change conflicts with democratic theory.’ Some scholars (for example, Moe 1994) have said that entrepreneurship conflicts with due process, accountability and equal treatment. Hood (1991) writes of new public management that it emphasizes economy and efficiency, and this focus may come at the cost of ethical values such as honesty, fairness and such. DeLeon and Denhardt (2000, p. 92) note that government entrepreneurs’ ‘single-mindedness, tenacity and willingness to bend the rules make them very difficult to control. They can become loose cannons.’

A third view is similar to the entrepreneurial view of managers but takes place in the context of strategic management, which includes leadership
within and external to an agency with clients and stakeholders. This view is well-represented by Mark Moore, whose book *Creating Public Value* argues that managers who operate first and foremost from a strategic management perspective create public value. In this view managers are agents who help define what it would be valuable for their programs and agencies to do instead of merely developing means of carrying out mandated services. Managers engage the politics surrounding their organization to help define public value and they re-engineer their organizations’ operations instead of expecting stability in policy and management styles. Moore goes on to assert that managers have three different functions that they must serve to be effective: (1) judging and articulating the public value of their mission and purpose, (2) managing outward, toward politics, to invest their purposes with legitimacy and support, and (3) managing downward, toward improving the organization’s capabilities for achieving the desired purposes. Moore (1995, p. 55) asserts that, ‘It is not enough then, that managers simply maintain the continuity of their organizations, or even that the organizations become efficient in current tasks. It is also important that the enterprise be adaptable to new purposes and that it be innovative and experimental.’ And Moore is clear that managers have the right, indeed, the responsibility, to help define those purposes that contribute value to society and develop programs that respond to client and societal needs. In this sense managers are not just carrying out legislative mandates.

This debate about whether entrepreneurs are improving government by innovating, cutting red-tape and providing better service to citizens, or are threatening democratic accountability by breaking rules and operating independently, perhaps driven by ambition and not the public interest, is at heart a debate about leadership and how we want our managerial leaders to act on our behalf within the machinery of government. This chapter does not try to resolve this dilemma of leadership but raises different views as essential in the debate about how managers themselves do support specific values in their work and decisions, which should be carefully considered when procedures and policies are changed and NPM reforms are enacted.

**DESIRABLE VALUES TO PROMOTE THROUGH ADMINISTRATIVE/MANAGEMENT REFORMS**

**Professionalism of Government**

The traditional democratic government over the past one hundred years has developed a well-regulated civil service system that attempts to separate
neutral professionalism from political patronage in deciding who will get jobs in government. This legacy of the Progressive Era in the United States is shared by even older traditions in many European countries and in China, where civil service systems were developed over two thousand years ago. Some countries are reducing the rules and rigidities of their civil service systems to encourage new talent from both the private and public sectors to join government.

**Transparency**

Corruption in government remains a major problem in many countries and works to undermine citizens’ trust in government. Corruption also robs the citizens of many funds and services they might have received if it did not exist, especially in those countries where international lending organizations funnel financial aid into countries and corruption may include top leaders who divert large amounts of funds into personal bank accounts.

Transparency is promoted through freedom of information acts where citizens can request government documents and records that are not classified for national security purposes. Transparency through e-government also helps spread government procurement and service contracts out to a larger part of the population who can access government through websites from any location and find information about diverse ministries and levels of government from one location. For example Singapore’s e-citizen portal is used as a gateway for government information.

**Citizen Empowerment**

Public administration traditionally included a role for citizens through public hearings and other access to government actions. However the newer reforms go beyond passive public hearings and include intensive citizen participation in policy development and implementation. Examples include citizen involvement in rule-making, citizen commissions that develop policy in environmental or social services, citizen presence on task forces that develop performance goals and measures for programs, and other direct involvement in determining what services should be funded and provided. Beyond involvement in policy development and management there is also the opportunity to get information on what government is doing through e-government information and web portals. Examples that are regularly used by most national and state governments include strategic plans, statutes, legislative bills and hearings online, bill payment and license renewal online, and performance information regularly updated on websites. The State of Florida’s extensive website, which can be accessed
through MyFlorida.com, is just one example of how citizens can avail themselves of information on pending and legislated government actions from their home or office.

**Accountability**

One of the central values for a democratic government is accountability, being answerable to the people who vote their leaders into office. Accountability is often directed at public administrators since they are held responsible for the performance of government. Accountability can take many forms. In *Rethinking Democratic Accountability* Behn (2001) makes the case that at least four types of accountability are valued and demanded in democratic governments. First, financial accountability through financial audits. Where was money spent? Was it spent legally and in accordance with laws? Second, accountability for fairness. Is government operated so that its employees, contractors and citizens are treated fairly? Many of our rules and procedures are established to ensure fairness and equity are upheld in government programs. Third, accountability for the use of power. Many of our laws on ethics, the proper use of government funds and hiring practices relate to keeping officials from abusing their power. And finally, accountability for performance. This is at the heart of the last two decades of administrative reforms. Accountability for performance focuses on what government is doing and how well it achieves its aims. Accountability has also gained currency and urgency as governments try to enhance their citizens’ trust in government and show that government is spending money for good results.

**High Quality Services**

With the transformation of the global business sector and practices since the 1980s, quality service and customer care have become primary values both in the private and public sectors. Governments are using quality management practices to solve systems’ problems and be more attentive to the citizens. Developing high quality services is now considered an outcome for many government programs, and agency managers survey citizens regarding their programs to determine citizen satisfaction and evaluation of the program’s quality.

**Accessibility**

This is related to quality services as we see government offices staying open later in the evenings and on weekends so that working citizens do
Government reform and public service values

45

not have to take time off work to conduct business with government. Clearly e-government is making government accessible to many more people round the clock in a way that was never possible through face-to-face visits.

Many people have raised the concern that e-government will promote divisions between citizens who have ready access to information from government and those who do not. Those people who are educated and have home computers will be the citizens linked to government while those who do not use computers or have easy access to them will be excluded. This issue, often called the digital divide, will presumably be less of an issue in developed countries as children learn to use computers and have access to them through libraries, schools and other public places if not in their homes. Government actions to overcome this divide include after-school programs for low-income children and after-work classes for low-income adults to improve computer literacy as well as government subsidies to ensure that all schools have adequate computer labs for instruction purposes.

Summary: An Ethical Government

All of these values add up to an ethical government that works to provide the services elected officials vote to deliver as effectively and efficiently as possible with maximum participation by citizens and through an open, transparent, accountable process. Clearly an ethical government includes one that is free of corruption and cronyism. Mark Moore in Creating Public Value (1995) observes that part of the value that managers deliver to citizens is the process of a well-run and open government. Thus administrative reforms, and the values associated with those reforms, all contribute to the promotion or diminution of democratic governance in countries around the world. Indeed Moore (1995, p. 52) writes: ‘Citizens’ aspirations, expressed through representative government, are the central concerns of public managers.’ (Table 2.1 gives an overview of these values.)

Government reforms and what values they promote

Often policymakers and managers talk about administrative reforms in terms of efficiency and streamlining government operations. Osborne and Gaebler (1992) in the book Reinventing Government talked about the need for government to ‘steer’ (or make policy and strategic decisions) while partners in the private or nonprofit sector could do the ‘rowing’ (or actually deliver the services). But administrative reforms can also promote the
**Table 2.1 Desirable values to promote, and their linkage to specific administrative reforms**

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<td>Performance measures</td>
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<tr>
<td>Professionalism</td>
<td>Yes</td>
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<td>Transparency</td>
<td>Yes</td>
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<tr>
<td>Citizen empowerment</td>
<td>Maybe</td>
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<tr>
<td>Accountability</td>
<td>Yes</td>
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<td>High quality services</td>
<td>Maybe</td>
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<td>Accessibility</td>
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<td>Professionalism</td>
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types of democratic governance values we have just discussed. Here I want to briefly describe a few of the major types of new public management reforms and link them with each of the six public service values discussed above. This analysis is based on my assessment of how these values (1) are promoted (and not undermined) and (2) are central to each of the administrative reforms listed below. A stronger research design would have multiple assessments which would be pooled for an average or summary assessment overall, but that awaits a future research effort.

**Performance Measurement**

Behn (2001) in *Rethinking Democratic Accountability* notes that two types of accountability are commonly required of agencies: fiscal accountability
and accountability for performance. And in fact, these often conflict, as fiscal measures require careful documentation and assurance that all procedures have been followed and met, while performance measures for results are output and outcome measures, often without a direct linkage to inputs and resources.

Performance measures are at the heart of the logic of administrative reform over the past three decades. Measures demonstrate what government is achieving for the taxes and monies it spends. Performance measures assure some level of transparency across vendors who deliver services to government through contracts. Performance measures are a necessary part of strategic planning and mission-oriented government, to show whether goals and objectives (or standards for performance) have been met or not (Berry 2007).

Strategic Planning and Management

Mission-oriented government fits hand in glove with results-oriented government, and gives direction and focus to governmental work. An agency that is clear about its mission, its purpose and what it is trying to accomplish is an agency that can separate out its priorities and the activities it needs to reduce or eliminate. A strategic plan that is well communicated to the agency’s staff can help unite an agency and give guidance to workers at the frontlines when they make decisions on how best to promote what the agency’s mission is (Berry 2000). An agency’s values are often embedded explicitly in its strategic plan and more particularly through its vision, mission and values (Berry 2000). Finally strategic plans also communicate with citizens (including external stakeholders) and elected officials who help ensure the agency is accountable and transparent.

Process Improvement and Re-engineering Government

Re-engineering government programs, especially using process improvements, has often been part of the consolidation of governmental structures, designed to integrate new information technology into government. Process improvement may be especially prominent in the United States where it has diffused from the best-managed private sector companies and is a key criterion for the Baldridge Award to evaluate well-managed agencies. Process improvement can positively impact the quality of service delivery by streamlining operations, and encouraging the use of information technology to manage data and decision-making, as well as allowing more information and application processes to be available to citizens online through e-government.
E-government

E-government is a reform that promotes many democratic values, including transparency; improved quality of services; citizen accessibility (due to 24/7 web availability), and accountability by displaying information, budget data, program requirements, rules and plans for future government services. In addition it may promote the other two values of citizen empowerment and professionalism.

Civil Service Reforms

These have been undertaken for multiple reasons. In some cases, it is to get new talent into the government that may not meet the requirements for traditional government service. In the USA at the state level these reforms have primarily been made to promote accountability, as in promoting more responsiveness by senior managers to political appointees and elected officials. In many cases formal professional requirements and exams are no longer required to be considered for government jobs. While this promotes flexibility in hiring, it may lead to reduced professionalism and transparency about job qualifications. We find no clear assessment that civil service reforms promote any of the six values considered in this chapter.

Deregulation and Using Market-based Reforms

Red tape and government are synonymous and have been since the early Chinese empires. But the belief that competition makes all agencies work better has become a prevalent theme driving reforms in both the private and public sectors since the late 1970s. Competition is probably most effective at leading to cost savings and efficiency gains, values not given primacy in this study. Deregulation may lead to better quality services, to higher professionalism and more transparent government under the right conditions.

Privatization and Contracting-out

Contracting-out is one way of using the market to reduce costs and encourage innovation, as just discussed. Under the right conditions, contracting-out may lead to higher quality services, better professionalism (if providers have more professional staff to deliver services) and better accessibility as providers are community-based and closer to the clients. But evidence from research suggests that accountability and transparency are reduced as overworked contract managers in government may not pay as much
attention to service delivery and performance indicators as to financial audits.

**Decentralization in Agencies and across Levels of Government**

Decentralization can mean delegating more discretion and decision-making authority down into the middle and frontline levels of government agencies and, on a more macro scale, delegating financial and policy decision-making (and implementation) from the central (national) government to municipal or provincial-level governments. Decentralization of one or both types has been very common in nearly all country reform packages. Yet interestingly, decentralization by itself (as scored in Table 2.1) has almost no clear impact on democratic reform values. The results of decentralization all depend on what the lower levels of government do with their newly acquired powers.

**Summarizing the Relationship of Reforms and Linkage to Values**

Reviewing the results shown in Table 2.1, we must first note that the six values covered in this chapter (accountability, professionalism, transparency, citizen empowerment, high quality services and accessibility) are not heavily promoted through the eight administrative reforms reviewed here. The administrative reforms of the past two decades promote efficiency and using the market to reduce the size and perhaps cost of government. But they do not lead to other important values in promoting a democratic government, as Table 2.1 demonstrates. Of the reform performance measures, strategic planning and e-government are most positive in promoting the six values while contracting-out, civil service reforms and deregulation may be most detrimental to these six values. While we need further evidence to be sure that these judgments are accurate and generalizable, these results present a troubling picture of how widely diffused management reforms from the last twenty years may be impacting democratic governance values in our societies.

**CONCLUSION**

Government administrative reforms are part of the effort to continue developing democracy in new democracies and reinvigorating democracies that are well-established. At best management reforms are believed to lead to higher citizen trust in government and satisfaction with government agencies. Management reforms should reflect the values of democratic
governance as citizens interact with managers on a daily basis, as they receive government services and are impacted by governmental policies.

We rarely talk about what values are promoted by administrative reforms, but this may be a positive approach to help citizens understand the purpose of government reforms and to get them more excited about contributing to their government and being involved in government. We also rarely connect the role of civil servants in the reform process to its values and the traditional role of government in society. But these processes seem closely linked. While we believe the strategic management approach laid out by Mark Moore (1995) is highly defensible, it is likely that this freedom and independence in defining values, creating work processes and interacting with citizens is more available to very senior managers in agencies than to mid-level managers. How can we ensure accountability to goals and objectives that are set by elected leadership while leaving managers flexibility to operate the programs and services as best suited to the local context? Should we be scrutinizing the management reforms we implement, often in the service of saving money and being more efficient, for other values related to democratic governance? I think it is shortsighted of us to stay silent about the impact on values that our management practices may be having on our administration and beyond, to our citizens’ relationships with government.

Government organizations need to continue to be creative and think outside the regular management styles, to become more networked and partnership-oriented, more results-based, more concerned about the involvement of citizens in policy formation and more externally focused overall. We need to consider what the best style of leadership for managers is in this effort. We also need to consider more carefully what values we are highlighting in our public service and government by using the NPM reforms and if these are the best values for promoting the welfare of democracy and involvement in public service careers. This is a real challenge: to transform our thinking as well as our organizations. To paraphrase Comptroller General David Walker, the transformation of our government is about creating the future rather than perfecting the past.

NOTE

1. This list covers a large range of types of reforms and each reform often has multiple approaches as well as different implementation patterns (OECD 1997, 2005). Readers who want to learn more about the substance of these reforms are referred to these detailed studies to learn which reforms were adopted by various countries internationally, and how they were implemented.
REFERENCES


3. Explaining radical policy change against all odds: the role of leadership, institutions, program design and policy windows

Harald Sætren

INTRODUCTION

By the mid-1990s Britain was considered the undisputed leader in Western Europe, having initiated and carried through large-scale reforms in the public sector since 1980, and ranked second only to New Zealand in a global perspective (Naschold 1996, p. 23). The precipitating events to this more recent reform era, nowadays commonly referred to as new public management (NPM), manifested themselves somewhat earlier in Britain than New Zealand. Thus, the claim that Britain was the cradle of the NPM movement seems quite plausible.

Before 1980 things were quite different. Britain was a laggard rather than a leader in terms of public sector reforms. Obstacles to substantial change in well established institutions and practices were considered almost insuperable (Chapman and Greenaway 1980; Garrett 1980; Metcalfe and Richards 1992; Plowden 1980; Ponting 1986). This pessimistic assessment of the British civil service was probably quite accurate given the dismal track records of previous reform efforts. How then can we explain Britain’s transition from laggard to leader in public sector reforms within this relatively short time period? This is the main research question of this chapter.

In order to find an answer, we have to go back to the beginning of this new reform period in Britain and identify the crucial events and circumstances that both enabled and triggered the dramatic policy shift that took place. Thus, we have to focus on the Thatcher government that came to power in 1979 with a very ambitious public sector reform program and a particular strategy and plan for how to make things happen. This efficiency strategy, as it was called, initiated among other things a program called efficiency
scrutinies. There is no doubt that the efficiency scrutinies largely worked as intended. Thus, the fate of this particular program contains many of the vital clues to understanding Britain’s transition from laggard to leader in terms of public sector reforms. Furthermore many of the proposals for subsequent radical reforms, like the ‘Next Steps’ program and the creation of a new system of sub-ministerial executive agencies, were devised and launched by the staff of the same program. This is our primary motivation for focusing on the efficiency scrutinies. A closer look at this program is in many ways also an investigation of the genesis of the public sector reform movement we have witnessed over the last two to three decades.

At approximately the same time, efficiency programs with similar objectives were launched in Denmark and Norway. Contrary to the UK experience the Scandinavian programs were fairly clear-cut failures. The main purpose of comparing these divergent reform experiences is to investigate the conditions under which administrative reforms succeed or fail. In particular we will try to explain the remarkable British success story, apparently against all odds at the time.

The two Scandinavian case studies are abbreviated versions of much more detailed accounts reported by the author’s two research assistants (Hartmann 1995; Smith 1996). The British case study is based on several written accounts by people who were either part of the efficiency scrutinies program staff (Bray 1987; Holland 1991; Jenkins et al. 1985, 1988; Rayner 1983) or situated very close to the efficiency unit (Metcalfe and Richards 1992). In addition Hood (1996) and Rhodes (1997, 1999) deserve mentioning among several other scholars whose works are cited in the text below where they are relevant. A systematic, structured, focused comparative approach premised on the most similar systems design is the methodological device used to distill the crucial explanatory variables (George 1979).

THEORETICAL FRAMEWORK: THE MULTIPLE POLICY STREAMS APPROACH

The multiple policy streams approach to the study of public policymaking (Kingdon 1984; Sabatier 1999) represents an extension and modification of the ‘garbage can’ (GC) model of organizational decision-making developed by Cohen et al. (1972) and March and Olsen (1976). The main argument is that policy results can best be understood as the joining of some core elements of the policy process aligned in particular ways in time and space. Policymaking then, using the original GC terminology, implies matching more or less autonomous streams of problems, solutions, participants and choice opportunities flowing through the decision system.
in a situational context. The situational context can be stable systemic, institutional factors as well as more or less changing features of the policy-relevant environment. Policy success then implies coupling problems and choice opportunities to solutions that work by participants (collective as well as individual actors) in a conducive situational context.

A distinguishing feature of the multiple policy streams framework is that conventional theoretical models of public policymaking, such as rational-instrumental, institutional, interest pressure group and environmental models, are not regarded as competing and mutually exclusive but rather as supplementary and dynamic interacting modes of explanations. As such it seems particularly well suited to explain radical policy change which is the primary focus of this comparative study (John 1998). Core elements of this integrative synthetic framework relevant to our investigation are spelled out in a theoretical model charted in Figure 3.1. To save space, further elaboration and explication of this model and related hypotheses will take place in a later section where the model is confronted with case observations.

THE BRITISH EFFICIENCY REVIEW PROGRAM

The efficiency scrutiny program was among the first launched by the newly elected government of Prime Minister Margaret Thatcher in 1979. It was, as we shall see, an important part of her new strategy to reform and improve the civil service system in Britain. This again must be understood against the background of failed reform efforts in the 1970s by herself and many of her cabinet ministers as well as the steadily worsening performance of the British economy at the time. A similar program, the Program Analysis and Review (PAR) program, launched in the early 1970s proved difficult to implement and was eventually terminated in 1979. An efficiency unit in the prime minister’s office, headed by her personal efficiency adviser, Sir Derek Raynor, was created to house the scrutiny program.

The aim behind the efficiency scrutiny program was twofold. The first, short-term goal, was to identify areas of duplication, waste and cost savings in the public sector through numerous small-scale scrutinies. The second, long-term goal, was to use these demonstrated deficiencies in the management of the civil service to promote more comprehensive and lasting reforms.

Scrutinies were not carried out by the small staff of the efficiency unit but rather by teams of ‘scrutineers’ recruited from and by civil servants in the affected ministries. These scrutineers were often junior civil servants who were not only young and energetic but also ambitious and bright.
Thus, they were probably more easily persuaded to ask radical questions and see new solutions to old problems. The choice of topics for scrutinies was also left for the ministries and their ministers to decide after having consulted the efficiency unit on their choice. Ideally a scrutiny would examine a specific policy or program activity questioning all aspects of the work normally taken for granted. Next it would propose solutions to any problem and make recommendations to achieve savings and increase efficiency and effectiveness. Finally implementation of agreed-upon solutions would start within 12 months after the scrutiny commenced. Scrutinies
were subjected to a tight time schedule and usually expected to be finished within 90 working days. The conclusions reached at the end of investigations were also left for the scrutinizers to formulate. The procedures and methods for how the scrutinies were to be done were, however, clearly and carefully spelled out in some detail by the efficiency unit. The same was the case with respect to structure and content of reports. In this respect Rayner and his associates offered more than merely advice, as there was an uncompromising insistence that these guidelines be followed in every scrutiny investigation (Bray 1987). Scrutiny reports required the consent of the efficiency unit. Once that was achieved, which was usually the case, the report would go to the minister and the top civil servant in the ministry, awaiting the former’s decision on which recommendations to accept.

The efficiency unit defined its task primarily as advisory and supportive. It saw its role as a catalyst in prompting ministries to carry out scrutinies, providing guidance and even material resources when needed. It also checked on the progress of scrutinies relative to stipulated time schedules. Rayner and his successor Ibbs realized that implementation was the Achilles heel of the scrutiny reports. Therefore they spent a great deal of their time ensuring that reports were acted upon. In the later years of the program they even put pressure on ministries to appoint an ‘action manager’ who was to be personally responsible for seeing that approved recommendations from each scrutiny were implemented as swiftly as possible (Bray 1987).

**Short-term Achievements**

In 1985 the efficiency unit reported that some 266 scrutinies had been carried out during the period from 1979 to the end of 1984. These scrutinies had identified potential savings of £600 million. Fifty percent of these savings had already been achieved towards the end of 1985. Only 24 percent of the estimated savings were considered unobtainable or directly rejected by ministries. The costs of carrying out scrutinies were estimated at about £5 million (Jenkins et al. 1985). Despite these impressive figures in terms of number of scrutinies performed and implemented recommendations there were also problems, as some of the quoted figures suggest. The efficiency unit complained of the ministries’ tendency to delay the implementation of accepted recommendations. Thus, less than half of the identified potential savings were realized within three years and it took another two years to bring that number up to the three-quarters maximum level suggested above (Jenkins et al. 1985). There was still (in 1985) evidence of hostile senior civil servants especially among some of those involved in the implementation process (Holland 1991). Nevertheless compared to the dismal fate of
similar reform programs in the 1970s the implementation experience of the scrutiny program during the first half of the 1980s can only be described as a remarkable success story (Metcalfe and Richards 1992).

The Efficiency Strategy and Lasting Reforms

Even measured against the more demanding goal of major and lasting reforms the efficiency scrutiny program was quite instrumental. By far the most important result in this respect was a scrutiny report from the efficiency unit (Jenkins et al. 1988) titled *Improving Management in Government: The Next Steps*. The report and its recommendations resulted in the most comprehensive and radical structural reform of the whole central government apparatus under the ‘Next Steps’ program label. Establishing executive agencies that were organizationally separate from their ‘mother ministries’ constituted the centerpiece of this program. Thus, in a period of only a few years the number of executive agencies had grown from almost none in 1989 to close to one hundred in 1995 and the share of civil servants working in them grew from 1 percent to 68 percent (Hogwood 1995). The ‘hiving off’ of work and delegation of responsibilities from ministries to these agencies was on a scale that few could have imagined only a few years earlier. This is the ‘revolution in Whitehall’ to which many commentators and scholars would later refer.

THE DANISH EFFICIENCY REVIEW PROGRAM

The Danish efficiency review program, ‘*turnusgjennomganger*’, was adopted as early as 1974, inspired by the forerunner of the British efficiency scrutiny program, the Program Analysis and Review program (PAR) (Smith 1996). ‘*Turnus*’ denotes a fixed sequence or periodic rotation of something and ‘*gjennomganger*’ means reviews. Like PAR the Danish program had primarily a cost-cutting motivation but it was more ambitious than this in some important respects. First critical program evaluations were to be established on a permanent basis. Second they were meant to be comprehensive, covering all major parts of the central public administration. Third all this was to take place within a relatively short time period of four years. A crucial element in the Danish program was the fact that there was supposed to be a strong element of inevitability and inescapability about the manner in which the efficiency reviews rotated between four broad program areas in a predetermined fixed sequence. Thus, any part of the central public administration could be subjected to external critical program reviews without prior invitation or consent by affected parties.
The idea here was that once this principle and related procedures were accepted and instituted it would protect proposed reviews from the delay and evasion tactics employed by affected parts of the public administration witnessed in the PAR program (Gray and Jenkins 1982).

The fate of the efficiency review program in Denmark represents a classic case of problematic policy implementation. Some 40 efficiency reviews were carried out over a period of 20 years with quite modest results (Smith 1996). Several things are noteworthy in the related implementation process. To start with the program was never implemented as intended when adopted. The planned and fixed sequence of program reviews that was a central defining feature of the program was never faithfully adhered to in practice. Instead quite a few program reviews were initiated in an ad hoc way based on requests within the civil service itself, thus undermining a core principle of the program. Another significant deviation from the basic rationale behind the program was that over time it moved away from projects aimed at cost-cutting, focusing instead more and more on general administrative issues and organizational change. Hence, program review projects became more comprehensive and took substantially longer to finish than initially estimated. This again impacted adversely on the initiation of new program reviews, which were considerably delayed. As a result of all this the ambition to investigate all program areas of public administration within a cycle of four years was never realized.

A definite and final formula for managing program reviews proved elusive in Denmark. Regardless of the strategy adopted towards affected parts of the civil service, assertive and confrontational or consultative and participatory, recommendations from program reviews were either met with great resistance and challenged (in the former case) or only accepted when they had been substantially watered down (in the latter). An evaluation of the efficiency reviews carried out over the first eight years by the program staff in 1982 concluded that the meager results undermined the general credibility of the program. The turnus principle itself had unofficially been abandoned by the program staff at this time but was officially upheld until 1990 (Smith 1996). One of the few concrete recommended solutions to this conundrum was to involve the program’s supervising body of senior civil servants more heavily in its operation than previously. The role of the latter body in this respect during the remainder of the 1980s, however, became weaker not stronger. After 1990 it was only involved in one single program review project. In 1988 serious doubts about the purpose of the program was expressed by the program staff in an internal memo. By the mid-1990s the original program profile existed only in name as most of its defining features had disintegrated and evaporated over time. No more efforts were made to evaluate the program’s
performance, either because the result was a foregone conclusion or alternatively because there was not much left of the original program to evaluate.

THE NORWEGIAN EFFICIENCY REVIEW PROGRAM

The Norwegian efficiency review program, called Områdegjennomgang (program area reviews), was adopted in 1982 by the newly elected Conservative cabinet. The chief motivation behind the program was cutting costs in a rapidly expanding public sector. This was primarily a principled decision inspired by the Danish program's strategy about the institutionalization of external, non-voluntary program reviews following a fixed predetermined sequence covering all parts of public administration within a defined time frame. Nevertheless some important features of the program needed further specification in order to make it work in a Norwegian context. How many program areas should be defined for the whole public administration? What criteria should be used in selecting program areas for reviews? How formalized should these criteria be and how rigidly should they be applied? Should reviews primarily be done within defined program areas or should some be conducted across areas as well? Finally within what time period was it realistic to expect the program to have investigated all defined program areas?

The program was placed in the directorate of public management (Statskonsult) under the ministry of consumer and administrative affairs. Program staff were not located in any single organizational unit within the directorate but rather drafted from various parts of the existing organizational structure depending on a needs basis relative to individual program projects. Only two separate organizational structures were directly related to this program. The first was a secretariat established in the directorate to coordinate its project management structure. The second was a small governing body established to assist and supervise the program staff in their work.

The Norwegian efficiency program was clearly the least successful of the three. Its lifespan was relatively short. Though it was never officially terminated it had for all practical purposes ceased to exist after 1990. All told, nine program reviews were carried out. However no more than two of these can be said to have followed some of the basic principles defining the program. The main reasons for this dismal program performance are to be found in a protracted dispute over program design and strategy between ministry and directorate officials. The essence of their disagreement was
that the ministry wanted a program premised to a large extent on the Danish inflexible strategy of program reviews while the directorate saw this as an unnecessary straitjacket. The directorate did not resent program efficiency reviews as such. They actually welcomed the program as an opportunity to play a more active role in the development of public administration. However they wanted to do this based on a more voluntary, consultative and flexible approach which they were more familiar with and had pursued in the past.

In 1985, after three years of deliberations on operative program design, an agreement was reached that mostly reflected the ministry position on this issue. Approximately 50 program areas were defined, basically following divisional jurisdictions within ministries and program categories in the state budget. All of these were to be subjected to an efficiency review within a period of seven to eight years. Since the few pilot projects done so far had been based on the directorate’s standard operating procedures it was deemed premature to make a final decision on program design before more pilot projects following the now agreed upon guidelines had been carried out and evaluated.

In 1987, after an internal evaluation of all efficiency review projects by program staff, a final decision on program design was reached, this time clearly reflecting the directorate’s position. Efficiency reviews of programs were to continue on a permanent basis but criteria for program selection were not to be formalized and were not to be carried out in a fixed predetermined sequence but would rather be initiated selectively according to a more flexible approach. Finally program reviews would not only be a diagnostic instrument aimed at identifying potential for cost-cutting. They were also to serve as a change agent initiating organizational change processes in the civil service.

It was now finally time to execute program reviews on a permanent regular basis after five years of discussions, experimentation and evaluations of strategy and design. In reality, though, the next two to three years, which were supposed to ensure the implementation and institutionalization of the program, entailed the beginning of the end of the program. The seeds of the demise of the program were probably sown in the protracted dispute and never-ending discussions over strategy and design issues that took their toll on all parties involved. The formalization of the new flexible, pragmatic approach to program reviews championed by the directorate invited more debate, not less, over selection criteria every time a new program review was put on the agenda. It would appear that by the late 1980s the costs of operating this program in terms of attention and energy had far exceeded benefits that were always marginal at best.
THE THEORETICAL MODEL APPLIED

Basic Structure of the State

Pollit and Bouckaert (2000, pp. 41–6) hypothesize that variance in the structure of the nation-state will make a difference with respect to the chances of formulating and implementing public sector reforms, especially the more comprehensive and radical they are relative to the status quo situation. Thus, in unitary, centralized and strongly coordinated political systems like the UK conditions should be more favorable to this type of administrative reform than in other unitary but highly decentralized and less strongly coordinated political systems like the Nordic countries. The authors formulated this hypothesis based on the ‘track records’ of public sector reforms in ten countries. This hypothesis fits well with the pattern we have observed in terms of policy success and failure in our three countries, especially since the main difference here is between the UK and the two others. However we cannot rule out the fact that this is due to a spurious relationship better explained by other systemic features on a lower level of analysis. The factors explored below may be good candidates in this respect.

Type of Executive Government

Electoral systems across countries tend to produce fairly consistent results in terms of types of government. Thus, the first-past-the-post majoritarian rule in single member constituencies in general elections in the UK tends to produce an approximated two-party system and single party majority governments, while the Nordic proportional representation system with multiple members’ constituencies conversely tends to produce many more parties in the parliament and either coalition governments holding 50 per cent of the legislative seats or minority governments where one or more parties hold less than 50 percent of the seats (Lane and Ersson 1999). The British type of government, often referred to as the Westminster model, is the classic example of the majoritarian type while Denmark and Norway are good examples of the consensual type (Lijphart 1984, 1989). Rhodes (1999, pp. 353–4) points to three aspects of the Westminster model that are relevant to public sector reforms. These are the strong cabinet tradition, based on relatively broad working majorities in parliament, strong party discipline and few constitutional constraints on the executive.

Based on their comparative study of public sector reforms, Pollit and Bouckaert (2000, pp. 46–51) believe that majoritarian governments have stronger capabilities to carry through comprehensive and radical reform than consensual governments. What is the reasoning behind this
Explaining radical policy change against all odds

hypothesis? Pollitt and Bouckaert (2000, pp. 47–8) elaborate the implications of type of government for public sector reform as follows:

Deep structural reforms to the public administrative apparatus tend to be less difficult in majoritarian regimes than in consensual ones. The general reason for this is that such changes usually create ‘winners’ and ‘losers’ and the more consensual the regime the more likely it is that the losing interests will be directly represented in the executive and will seek to prevent, delay or dilute the envisaged changes. Thus, consensual regimes are less inclined to, and, in terms of political feasibility, less capable of dramatic, radical reforms than are strongly majoritarian executives. The latter can force through their own schemes, even against opposition from a range of other interests.

This hypothesized relationship fits the observed pattern of policy performance in our three countries quite well.

Cabinet Tenure and Stability Effects

The implication of this factor for radical public sector reforms is that it should reinforce the effect of type of government. The longer a particular type stays in power, the more time it has at its disposal to formulate and implement administrative change. We would expect the effect of this variable to be particularly strong in the case of a majoritarian regime of the Westminster type. Again our comparative case analysis seems to confirm this expected long tenure effect.

When Mrs Thatcher came to power as prime minister in spring 1979 the cabinet she led became one of the longest lasting in modern British history. It finally ended in the fall of 1990 when she was made to resign by her own party, probably due to the very unpopular poll tax she had forced through against strong opposition (Smith 1995). The longevity of cabinets in the two Scandinavian countries during their respective efficiency programs was much shorter. Denmark saw no less than nine different cabinets, alternating between different types of party constellations in minority and coalition governments, in the period from 1974 to 1990. The situation was, if anything, worse in Norway. During the relatively short lifetime of the efficiency program (eight years), five different cabinets came and went, alternating in much the same way as in Denmark (Lane and Ersson 1999).

Institutional Effects

The slogan in political science over the last 20 years has been that institutions matter (March and Olsen 1984; Olsen 1992; Thelen and Steinmo 1992; Weaver and Rockman 1993). That seems also to be the case in our cross-national study. The implication of the observed pattern with respect
to policy performances then would be that institutional factors should be most conducive to policy success in the UK and the least in Norway, with Denmark somewhere between the other two but closer to its Scandinavian neighbor. The line of reasoning here is that the more administrative policy in general and the efficiency review programs in particular are centralized and located in or close to the core of the executive system (that is, the prime minister office and the ministry of finance) the better the chances should be to induce major administrative changes. Conversely the more fragmented and decentralized the responsibility for this policy area is and the farther away from this core the efficiency review program and its staff are located, the worse the conditions for such changes should be.

The institutional explanation has substantial merit. As our cross-national comparative analysis clearly demonstrates, the British efficiency scrutinies and their program staff enjoyed a superior and optimal location in the politico-administrative system compared to the two other countries. The efficiency unit’s location in the prime minister’s office gave the efficiency scrutinies political leverage that was missing in Scandinavia. The effect of this organizational arrangement was reinforced by the relatively strong position of the British prime minister in Western Europe (Blondel and Mueller-Rommel 1997). This role, according to these authors, seems to be associated with the type of government we have discussed previously. Thus, they observe that the adversary politics tradition of majoritarian governments and its constant battles with the opposition in parliament creates a need for a strong leader rather than a ‘chairperson’ while consensus governments are less likely to do so (Blondel and Mueller-Rommel 1997, p. 15). Several accounts of the British government during the 1980s confirm the comparatively strong position of the cabinet and its prime minister (Burch 1997; Hood 1996; Seldon 1995).

In Denmark it would appear that placing the equivalent program in the ministry of finance was broadly beneficial. However program staff were located in the organizational unit responsible for administrative affairs rather than the one responsible for the state budget, which might have been more logical considering the cost-cutting motivation behind the program. Thus, the organizational anchoring of this program was less than optimal. In Norway the institutional arrangement in this respect was clearly the least optimal with the efficiency review program being located at the directorate level under a relatively weak ministry in terms of coordination capabilities. This latter variation in institutional arrangement corresponds nicely to the fact that administrative reform policy in general was more concentrated in Denmark in the ministry of finance and more decentralized in Norway to line ministries (Christensen and Lægreid 1998).
Explaining radical policy change against all odds

Political Leadership

Even in the tradition of strong prime ministers that seems to follow from the majoritarian type of government there can be no doubt that Mrs Thatcher stands out as an exceptionally charismatic and effective prime minister. Her determination and capability to carry through many issues high on her policy agenda is legendary (Hood 1996; Smith 1995). We have previously seen that public sector reform was one salient issue among these and explicated how efficiency scrutinies were devised as a means to ‘unfreeze’ a civil service that seemed both unwilling and unable to embark on major organizational change. Administrative reform policy – or public management reform as is the more fashionable label these days – has never been considered ‘high politics’ and was definitely not so at the time when Mrs Thatcher took office in 1979. The strong and extended personal involvement she demonstrated in the efficiency scrutinies, therefore, stands out as exceptional and remarkable in many ways. The appointment of her personal efficiency advisers, first Derek Rayner and then Robin Ibbs, to head the efficiency unit in the cabinet office and supervise the program must be seen as another manifestation of her strong commitment to this program’s short-term and long-term goals. There is no indication from our Scandinavian case studies of anybody playing a similar role at any level of government. The governing bodies appointed in Denmark and Norway to assist the efficiency programs in their operation did not function as intended. Actually they turned out to be bottlenecks in the process of planning and executing program reviews because of internal conflicting interests. Towards the end of the program’s life-cycle even this botched collective leadership role had ceased to function.

What can account for Mrs Thatcher’s strong and enduring involvement in this policy area and how did that influence her efficiency strategy embodied in the efficiency scrutinies?

Policy Learning and Second Chance Effects

‘Second chance effects’ refers to an incoming government having experienced a disappointing policy failure in the not too distant past and allowed that experience in the interim period to feed back into policy corrections (Hood 1996, p. 56). This was very much the case with respect to the Conservative government that won the general election in 1979. Over 60 percent of Mrs Thatcher’s first cabinet, including herself, had direct experience with prior failed attempts to implement public sector reforms during the Heath cabinet from 1970–74. This also included Rayner and his successor Ibbs though both had served in sub-cabinet positions. Thus, it is not far-fetched to
assume that this combination of policy failure in the past and a new chance to do something about it may account for the extraordinary policy entrepreneurship demonstrated both by Mrs Thatcher and her efficiency advisers. There is nothing similar to this effect in Denmark and Norway.

**Strategies and Program Design**

Given Mrs Thatcher’s reputation as a confrontational and controversial prime minister, in many respects it may seem somewhat out of character that she and her first efficiency adviser would initially adopt the low key and modest strategy embodied in the efficiency scrutinies. We have previously explained how this perhaps surprising strategic approach in the short run was based on experiential learning. Its main purpose was twofold: first to gradually ‘unfreeze’ a civil service entrenched against any major administrative change and second to set in motion a ‘chain reaction’ that would in a longer time perspective produce much more substantial results. We have also detailed how this new strategy was embodied in the program design of the efficiency scrutinies, faithfully implemented by program leadership and staff and the impressive results achieved both in its short-term and long-term perspective.

Program designs in Denmark and Norway to some extent were also based on previous attempts at administrative change but on a much smaller scale, in terms of more low-key cost-cutting measures that had failed. However the previously failed cost-cutting measure had not been part of any large-scale reform program as was the case in Britain. We have also seen how the intended efficiency strategy embodied in the initial official program design was never implemented in Denmark or Norway. This was most clearly the case with the cost-cutting profile of the programs, a prime motivation but nevertheless abandoned quite early in both cases. The other significant difference from the British case is the uncompromising, confrontational and very ambitious strategy evident in the Danish program towards its target group. This strategy was emulated in Norway but never really fully implemented in either country. Thus, we saw some alternation between a confrontational and more cooperative, participative approach in the operation of both Scandinavian programs but without much success one way or the other.

**Economic Crisis Effects**

The influence of ‘shock effects’ with respect to major policy changes has been recognized by policy scholars for some time (Rose 1976; Baumgartner and Jones 1993). The economic indicators from the period preceding the
adoption of the efficiency review programs in the three countries clearly show that the fiscal situation was much worse in Britain than the two others. It was actually one of the worst in the whole OECD area. This had been the case for some time and the situation actually got worse during the late 1970s and early 1980s (Saunders 1985). Thus, there was a strong sense of economic crises in Britain that only grew in strength during this period. This must, no doubt, have reinforced the resoluteness of the prime minister and her cabinet to go ahead with their reform agenda. But it was also probably of crucial importance in overcoming the resistance in Westminster and Whitehall to major management reforms (Hood 1996, p. 54).

There was also a relatively strong perception of an economic crisis among the political elite in Denmark in the mid-1970s, though the economic indicators to that effect were not as bad as in Britain. There was sufficient worry for the Danish government to adopt their own efficiency review program, but not enough to launch a radical administrative reform program. Norway was on top of the list in terms of economic performance in comparable periods and increasingly so as a result of rapidly rising oil revenues. Thus for good reasons there was never any perception of an economic crisis within the political establishment during the 1980s or later. At the most, one might talk about some concerns with future trends in public expenditures as not all the oil riches could be spent immediately without jeopardizing the health of the nation’s economy in general.

The effects of variation in economic performance on policy performance between the three countries should clearly have been strongest in the UK and weak to nonexistent in Norway with Denmark somewhere in between. Again the expected pattern matches the one observed.

**Internal Pressure for Reform**

The last factor we want to consider in explaining national differences in policy performance is not necessarily the least important one. It is easy to forget that the situation across countries may vary a good deal with respect to how much their administrative systems have changed in the past and therefore also how up-to-date and modern they are at the starting point of our own analysis. Thus the potential for harvesting substantial gains from similar reform measures might be quite different depending on the state of affairs in this respect in different countries.

Accounts about organizational changes in the civil service systems of our three countries clearly suggest that major administrative reforms were needed much more and were long overdue in the UK as compared to Denmark and Norway (Campbell and Wilson 1995; Rhodes 1999). Admittedly there had been a fair amount of planned organizational change
even in Britain (Davis et al. 1999). Nevertheless they had not dealt with the more fundamental challenges of modern public administration to the same extent as in Scandinavia. One illuminating example of this is the creation of sub-ministerial executive agencies in Britain in the 1990s. This was an administrative reform movement that started in the mid-nineteenth century in Denmark and Norway and developed with varying intensity through the twentieth century (Lægreid and Pedersen 1994; Rhodes 1999). Hence there can be no doubt that the pressure for administrative change at the outset was much stronger in Britain than Scandinavia.

CONCLUSION: THE CRITICAL SUCCESS FACTORS

Most, if not all, factors in our theoretical model co-vary positively with the observed difference in policy performance between our three countries. How then can we determine their relative influence with respect to explaining the British success? The best strategy here is to do an embedded diachronic comparison of the British case. That is, we compare the failed efficiency program (PAR) of the 1970s with its successful successor, the efficiency scrutinies, and ask what else was different and what was similar with respect to the factors we discussed in the preceding section. Then it follows from the comparative logic that the critical success factors must be located among those in the 1980s that were different from the previous decade.

State structure and type of government are enabling systemic features which, of course, have not changed within the relative short time span in this case. Enabling factors could also be, as we mentioned earlier, situational conditions and events that Kingdon (1984, pp. 173–204) refers to as windows of opportunity or policy windows. These policy windows are usually difficult to anticipate and may not stay open for long. Thus when they do occur, they must be recognized and capitalized on by someone in a position to do so, usually political leaders, before it is too late. That is what actually happened in the British case.

The outcome of the general election in 1979 and the subsequent unprecedentedly long tenure of a new Conservative government together with the steadily increasing fiscal stress at the time meant that a policy window opened and would remain so for several years to come. The new prime minister, Margaret Thatcher, as we have shown above, was well prepared and seized immediately and resolutely on the new opportunity to act, executing entrepreneurial and transformational leadership early in her career as prime minister before she had spent much of her political capital on the controversial issues that marred the later years of her cabinet’s tenure.
The crucial role of strategically located persons with special motivation, skills, energies, resources and persistence in politics has long been recognized, especially with respect to policy change. They are often referred to as policy entrepreneurs (Kingdon 1984; Marmor 1986; Schneider and Teske 1992; Thompson 1994). Mrs Thatcher and her personal efficiency advisers are classic examples of policy entrepreneurs. What was different then at the outset of the 1980s were the following: (1) a new prime minister and her personal efficiency advisers demonstrating remarkable commitment and involvement as policy entrepreneurs, (2) the somewhat uncharacteristic and surprising strategy embedded in the efficiency scrutinies program and (3) the efficiency unit’s unique location at the core of the politico-administrative system. This clearly suggests that instrumental, entrepreneurial leadership was the critical precipitating success factor in the British case. We must however not forget that we are here talking about contingency leadership. That is we have seen how unique leadership features were facilitated and reinforced by institutional and situational factors also unique to the British context.

Thus it is the fortuitous confluence of strategically located and dedicated policy entrepreneurs, enabling constitutional and institutional structures at some critical juncture, defined by a favourable configuration of other enabling conditions including more or less chance events, that offer the best explanation of radical policy change.

This mode of explanation has come into vogue in later years as it seems to have some wider and more general validity with respect to policy change (Aberbach and Christensen 2001; Lieberman 2002; John 1998; Sabatier 1999; Wilsford 1994; Zahariadis 2002; Zaharidias and Allen 1995). At the same time we must not forget that most political systems are characterized more by policy continuity than discontinuity, which is far less frequent. Nevertheless considering the demanding challenges we are facing today in policy sectors such as education, energy, the environment, healthcare, poverty and so on, major policy shifts may become more common out of sheer necessity (Streeck and Thelen 2005). In that case the type of explanatory framework offered here may turn out to have a wider application. Then again perhaps even policy change may become institutionalized, in which case we are back to policy continuity and path dependency on a higher level.

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4. Leading central banking in Europe

Martin Marcussen

FROM BUDDIES TO MANAGERS

It is not so long ago that central bankers cultivated an image of mysticism by actively invoking the sacred aura of their institution. When newly employed personnel entered the US Federal Reserve Building, they were expected to abide by the confidential fraternity of that institution. They were ‘taking the veil,’ an expression that describes nuns entering a convent (Greider 1987, p. 54). In Germany, it was the same. The Bundesbank was reputed for its very effective socialization mechanisms ensuring that newcomers rapidly internalized the procedures and cultures of the institution. Bundesbank insiders referred to this phenomenon as ‘the Becket effect’ drawing ‘on the saga of Henry II’s chancellor, Thomas à Becket, who opposed the King after he was made Archbishop of Canterbury – and was murdered for his pains’ (Marsh 1992, p. 22). This helps to explain the development of a very strong sense of community within the Bundesbank.

The Federal Reserve’s decision-making process has been described as the modern equivalent of mysterious sanctification. The Fed ‘enfolded itself in the same protective trappings that adorned the temple – secrecy, mystique, an awesome authority that was neither visible nor legible to mere mortals. Like the temple, the Fed did not answer to the people, it spoke for them. Its decrees were cast in a mysterious language people could not understand, but its voice, they knew, was powerful and important’ (Greider 1987, p. 240). In a similar vein, and borrowing a concept from William Ouchi (1980), Bundesbank governors were best described by their ‘curious clannishness’ (Marsh 1992, p. 22). Accordingly it has been common to take the ‘mythology of central banking’ as a point of departure for theory building within the field of central bank studies (Chant and Acheson 1973; Acheson and Chant 1973). In line with Selznick (1948), a central bank bureau will be concerned with enjoying a long life and with achieving prestige within the social hierarchy of government bureaus. This can best be done by avoiding conflict
New public management and the challenge of change

with stakeholders and by consolidating autonomy through a strategy of mythology building. Milton Friedman once observed that central bankers had two principal objectives: ‘avoiding accountability on the one hand and achieving public prestige on the other’ (Friedman cited by Fischer 1990, p. 1181, fn. 5).

The issue is probably best summarized by Karl Brunner:

Central Banking [has been] traditionally surrounded by a peculiar and protective political mystique. Criticism of Central Banks, if it occurred at all in the political arena, [has been] muted and infrequent . . . The mystique thrives on a pervasive impression that Central Banking is an esoteric art. Access to this art and its proper execution is confined to the initiated elite. The esoteric nature of the art is moreover revealed by an inherent impossibility to articulate its insights in explicit and intelligible words and sentences. (Brunner cited in Goodfriend 1986, p. 64)

The 1990s, however, have seen sweeping reforms in the world of central banking. Like many other parts of the public administration, central banking has been exposed to sigma-type values and reforms associated with that type of thinking, such as transparency, communication, evidence-based decision-making, autonomization and de-politicization, outcome performance and so on. For instance today central bankers are busy emphasizing their transparency and communicative skills. According to the European Central Bank (ECB), ‘in democratic societies, central bank independence needs to be balanced with accountability to the public and its elected representatives’ (ECB 2004, p. 66). Sure, accountability has a somewhat different meaning in the world of central banking than it does for the rest of the public administration (Forder 2002, p. 64). To central bankers accountability refers to an obligation properly to explain and justify decisions. To all others accountability is also normally associated with the ability to dismiss the accountable (Gregory 2003, p. 559). This is clearly not possible with regard to the ECB executive board.

It is also a common theme to refer to evidence-based decision-making in committees (Blinder 2006). A decade ago final responsibility for decisions made in central banks was placed on the shoulders of a single governor. Today most central banks are organized around collective decision-making in committees that are typically constituted by a variety of societal actors and supported by a research department. The establishment of the European Central Bank, for instance, replaced twelve central banks which mostly used to be run by individual governors. By involving a broad section of societal actors in the formulation of monetary policies, which is the case in central banks such as the Bank of England and the Reserve Bank of Australia, the signal here is that central banking apparently has
become pluralized and that decisions are being made on the basis of scientific analysis in contrast to intuition. However evidence so far does not seem to support the hypothesis that committee decision-making is more effective than single governor decision-making.

A third trend in central banking concerns a general shift towards outcome performance taking the form of inflation targeting. General rules are being established thereby reducing the extent to which discretion can be exercised in monetary policymaking. Inflation targets are typically formulated by the treasury of the country in question as a result of which most central banks cannot be said to be goal independent. However central banks have, over the course of the 1990s, more often than not, been reformed so as to enhance their instrument independence. Again, so far there is no evidence to the effect that inflation targeters are more effective in maintaining inflation stability than those central banks that are not bound by a precise formulation of their objective. In addition there is not much evidence confirming that inflation targeters are in fact pursuing the stated targets.

In general, therefore, it seems as if central bankers today are constructing new images of themselves in the eyes of the broader public. From cultivating an image based on lambda-type values, that is, introvert networking, today central bankers promote a picture based on sigma-type values, that is, competitive management (Hood 1991). From possessing clan-like characteristics, modern central bankers present themselves as being more in the business of managing organizations in free market competition (Ouchi 1980) (Table 4.1)

Clearly central bankers cannot be directly compared to private businesses. There is not much competition among central banks. Rarely do central banks go bankrupt and, basically, they do not have to perform well to prosper and grow. In addition whereas private businesses mostly have to redirect their policies so that they conform to markets, central banks are more often than not in a position to influence the economy. They can simply redirect markets so that these conform to central bank objectives. However despite these obvious differences between private businesses and autonomous, national agencies such as a central bank, management philosophies from the private sector have gained ground in the world of central banking. The purpose of this chapter is to investigate how central bank leadership has responded to the 'modern' central bank discourse. In which ways if any have managers undertaken institutional reforms, and if central bank managers are exposed to the same global reform discourse how can we then explain the different institutional reforms undertaken in the Danmarks Nationalbank, the Swedish Riksbank, the Banca d’Italia and the European Central Bank?
New public management and the challenge of change

LEADERSHIP CHALLENGES IN FOUR CENTRAL BANKS

A common characteristic for the typically quite substantial reforms undertaken in central banking over recent years are that they expose central bank governors to three types of leadership challenges: a concern with the perception of central bankers held by stakeholders and the broader population; a concern with the extent to which outcome performance is maximized; and a concern with streamlining and adapting existing working procedures to new functions.

As regards perception it has been particularly challenging for central bank managers to turn an organizational culture and practice based on deep-rooted introversion into one based on communication, openness and talk. Among the worldwide trends in public management, the ones farthest away from the self-identification of central bankers concern accountability

Table 4.1  From buddies to managers

<table>
<thead>
<tr>
<th>Criteria for success</th>
<th>Central banking as business</th>
<th>Central banking as bureaucracy</th>
<th>Central banking as buddyng</th>
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<tbody>
<tr>
<td>Indicators of failure</td>
<td>Resource effectiveness and price stability</td>
<td>Regularity and predictability. Trust, and societal stability</td>
<td>Security and welfare of in-group members</td>
</tr>
<tr>
<td>Recruitment</td>
<td>Ability to deliver is decisive for hiring decisions</td>
<td>Formal merit is decisive for hiring decisions</td>
<td>Integrity, loyalty and personal contacts are decisive factors</td>
</tr>
<tr>
<td>Employment conditions</td>
<td>Time-limited contracts</td>
<td>Unlimited if formal rules are complied with</td>
<td>Unlimited if group norms are complied with</td>
</tr>
<tr>
<td>Decision-making</td>
<td>Evidence-based committee work</td>
<td>Rule-based standard operating procedures</td>
<td>Intuition – typically a one man’s show</td>
</tr>
<tr>
<td>Style of interaction</td>
<td>Goal-oriented</td>
<td>Formal</td>
<td>Personal</td>
</tr>
<tr>
<td>Relation to environment</td>
<td>Frequent with stakeholders and customers</td>
<td>Routinized contacts with stakeholders</td>
<td>As little as possible</td>
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Leading central banking in Europe

and broad legitimacy. The balance that has to be found is one between legal autonomy from political supervision on the one hand and an obligation to be answerable to broader public needs and to the requirements of the stakeholders on the other. Most typically central bankers frame the issue in terms of a particular type of transparency (Begg 2007; Hood 2007), that is, one which perceives transparency as a means to enhance the outcome effectiveness of central banking.

Internally, central banks have, clearly in accordance with sigma-type values, been institutionalizing a series of governance principles such as a formulation of a clear strategy and mission statement, the introduction of rules that pre-empt conflicts of interests at the level of the board of the bank, the establishment and strengthening of an independent audit function, establishment of unambiguous lines of responsibility throughout the organization, and official adherence to corporate principles in the business sectors of the central bank, for example, in the areas of procurement, buildings and human resource policies, including rules on ethics and codes of conduct (Koch 2007, p. 5). Much of this has come from the International Monetary Fund (IMF) in the form of a ‘Code of Good Practices on Transparency in Monetary and Fiscal Policies’ (IMF 2000).

When it comes to performance ‘an almost lexicographic priority is typically assigned to the price stability objective’ (Frisell et al. 2008, p. 7). Accordingly it is in relation to price stability that the success or failure of independent central banks are measured. This dimension is at first glance not new to central bank managers since some dimension of stability has always been the primary objective of the art of central banking. Indeed some would argue that the inner core of a central bank culture can be characterized as a stability dogma. In earlier periods gold was synonymous with stability, then anchor currencies such as the British pound, the US dollar or the German Mark symbolized stability. The issue is, however, that stability today is being politically defined as a certain range of accepted price inflation. Thus central bankers, in pursuing their most central objective, typically need the full backing of their political counterparts. As we will see in the case of the ECB such backing cannot be taken for granted.

With regard to procedures, European monetary integration has changed the rules of the game. This clearly is a major challenge to central bank management. Depending on the extent to which a certain European central bank is integrated with the euro-area, different rules apply. Some central banks belong to the euro-insiders and others to the euro-outsiders. If anything the creation of a European System of Central Banks has enhanced the process towards creating a differential process of integration. Clearly euro-insiders have formally transferred the competence to conduct monetary policy to the ECB. But also euro-outsiders, such as Danmarks
New public management and the challenge of change

Nationalbank, which is pursuing a stable currency policy in relation to the euro, is de facto not utilizing its monetary competences. In addition most central banks have lost competences over financial supervision (Arnone et al. 2007). Only one of the central banks investigated in this chapter, the Banca d’Italia, possesses the formal authority to undertake supervision of the financial sectors. Yet in principle all four central banks have responsibility for the stability of the payment systems of their constituencies. Giving away formal competences and central functions such as these must necessarily have large consequences for the internal structuring of work within central banks. The most immediate consequence of this reduction of central bank responsibilities among the national central banks in the euro-area is that a considerable number of bank personnel have been dismissed, mostly in regional branches but also in central offices.

In the following I study the way in which four central banks have managed these challenges in terms of institutional reforms. It makes sense to distinguish between different types of central banks according to the ways in which they traditionally have been positioned in the world of central banking (decision-takers or decision-makers) and according to how they seem to have reacted to present challenges as regards institutional modernization (first-movers or latecomers). These dimensions make it possible to distinguish between four types of leadership strategies: the Swedish efforts of overhauling internal structures and procedures, the Danish attempts at compensating for euro-outsideness by diversifying external relations, the ECB’s success in establishing itself as a veritable powerhouse of research and as a global monetary authority, and the Italian pains to maintain a position of authority inside and outside Italy (Table 4.2).

**Table 4.2 Four answers to the leadership challenge in modern central banking**

<table>
<thead>
<tr>
<th>Exposure to challenges</th>
<th>Decision-takers</th>
<th>Decision-makers</th>
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<tr>
<td>First movers</td>
<td>Sweden: Internal modernization</td>
<td>ECB: Establishing and consolidating authority</td>
</tr>
<tr>
<td>Latecomers</td>
<td>Denmark: External network diversification</td>
<td>Italy: Rescuing what’s left of authority</td>
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Internal Modernization in Sweden

We know that Denmark and Sweden have a troubled relationship with the European Union. We also know that public debate in these two countries
about the European Union oscillates between almost complete silence about day-to-day activities in the EU on the one hand and very intensive campaigns preceding EU referendum campaigns on the other. In Denmark the issue of introducing the euro and thereby becoming fully integrated into the euro-area has been up for public referendums on three occasions. In 1992 the euro was rejected, in 1993 a so-called opt-out from the euro-area was adopted and in 2000 the euro was rejected once again. In Sweden the euro was rejected once in 2003. Political and administrative elites in these two countries will at some point in the future call for another referendum on the euro, but to the outside world these two countries are generally considered to belong to a category of semi-permanent euro-outsiders.

Although extremely important the peaks and troughs of public debate are only one side of the European Union as it is viewed in Sweden and Denmark. The other side of the Janus-faced EU is represented by the professional and proactive diplomatic European activities that take place continuously but which are typically hidden from the attention of the broader public. Under the surface Danish and Swedish civil servants are finding their way around the EU labyrinth, creating networks of contacts and adapting their institutions to the reality of European integration (Jacobsson et al. 2004). This is also the case with central bank institutions in these two countries. Historically, international cooperation within the framework of formal or informal exchange rate regimes is the norm rather than the exception. Seen in that perspective the current euro-outsiderness of the Danish and Swedish central banks is somehow an abnormality.

However the ways in which these two countries’ central banks have compensated for their euro-outsiderness have differed to a considerable extent. Formally, the position of the Swedish central bank within the Swedish public apparatus as well as the adopted monetary and financial policies which characterize Sweden as a euro-outsider have gone through a long series of policy and constitutional reforms over the past two decades. In comparison Danmarks Nationalbank and the Banca d’Italia do not come anywhere near the waves of reforms undertaken in Sweden.

Thus, the organization and culture of Sweden’s Riksbank have been completely overhauled. From 1997 onwards responsibilities were gradually transferred from the top level management to the individual departments. The number of departments was reduced from sixteen to eleven in 2000 and then again from eleven to seven in 2004. The regional offices were closed down and a considerable number of employees in these offices as well as in the Riksbank building have been dismissed. For instance in 2003 the board of the Riksbank decided that the number of full-time employees (FTEs) would be reduced by 10 per cent over a three-year period. Regular attitude surveys among bank staff have been carried out since 1997. A recent survey concludes that the
employees in those units that have been cut down in recent years ‘tend to have more negative impressions’ of the Riksbank and its governor (Sveriges Riksbank 2007, p. 52). Towards the end of the 1990s the Riksbank was one of the most attractive workplaces in Sweden for newly graduated economists. This is no longer so. The Riksbank has simply dropped out of Universum Communication’s ranking of the top-15 most popular workplaces.1

All Riksbank managers have gone through intensive management training with particular focus on communication and output performance. The official corporate culture declared in 2002 is based on openness, competence, cooperation, overall view (whole of government), initiative and respect. The executive board adopted a so-called strategic plan in 2005 with strategic targets emphasizing quality, efficiency and confidence, and in 2006 this plan was turned into a ‘new vision’ for the Riksbank. By constantly comparing itself to other central banks as well as to other public authorities and private corporations, and by constructing an organization prepared for change, the ‘new vision’ will, so the argument goes, be transformed into reality. Over the years the Riksbank has, by example and choice, taken a lead in the discussion among central banks worldwide about central bank efficiency. In contrast to private corporations, central banks are not exposed to market competition, as a result of which other efficiency enhancing and disciplinary mechanisms will have to be installed in central bank organizations. Completely in line with the new public management doctrine the recommendation is to reduce the number of tasks entrusted to central bankers (focusing on the efficiency of the payment system and maintaining price stability), spell out precisely when an outcome has been achieved (by introducing inflation targeting, for instance) and improve the transparency of the organization, thereby allowing for internal and external evaluations of the bank (Blix et al. 2003). In short the Riksbank seems to have not only closely followed but also helped to define what has now generally become mainstream advice about central bank modernization (Mendzela 2002, 2003, 2006).

External Network Diversification in Denmark

In Denmark the situation is very different. Over the last decade no major internal reforms have taken place in the Danmarks Nationalbank. In 1998 a so-called ‘information office’ and a website were set up, underlining a felt need to respond regularly and systematically to inquiries. In the following years a number of regular publications were streamlined, both in terms of form and content, thereby appealing to a larger readership. The number of employees has overall remained relatively constant. However the composition of employees has changed radically. Slowly but steadily
an increasing number of university-educated economists are coming into the picture, replacing less well-educated employees. The bank has a quite low turnover rate, and the average seniority seems to be very high (13–15 years on average; 21–22 years among managers). The number of employees with more than 25 years seniority amounts to 20 per cent of the staff. A survey conducted among the employees concluded that employment satisfaction is high. Danmarks Nationalbank has for many years figured among the 15 most popular workplaces for newly graduated economists (see note 1). From 2000 a personnel directive was adopted emphasizing the importance of employee satisfaction and personal development. Increasingly emphasis is being put on education and skill-upgrading of employees in the Danmarks Nationalbank. Over the last decade the budget dedicated to training and education has doubled. Interestingly Danmarks Nationalbank actively encourages its younger economists to spend time in one of the many international financial institutions around. On average 15–20 persons at any time are on leave from Danmarks Nationalbank, spending time in an international organization.

In 2000 the bank explicitly stated its basic values. One central element is to safeguard traditions while attempting to engage in renewal. Another central value is to provide services to the public. Transparency becomes central in that regard. The level of transparency institutionalized in the Danish central bank does not, however, measure up with the Swedish Riksbank. The Danish governor does not have an obligation to explain his policies in parliament, and no minutes are released from decision-making forums.

In terms of organizational structure the number of departments has remained relatively constant over the years (16–17 departments). Nobody has been dismissed over the last decade as a result of streamlining the organization. In contrast to other central banks in the same period, no resources have been invested in a distinct research department. A certain tendency towards decentralization has taken place in recent years. Decisions about promotion, for instance, are now made within departments rather than by the executive board.

In the Danish central bank the comparative lack of reforms over this period is explained by the fact that the bank undertook the major part of its reforms earlier than the world trend (Pedersen 2006, p. 10). For instance the last regional branch was closed in 1989. In addition, the costs of running the bank are, in international comparisons, quite low. This is taken to be an indication of continuous gradual streamlining which substitutes for large-scale reforms. In addition it is more labor-intensive to run a system of inflation targeting, such as the Swedish Riksbank, than to tie one’s currency to the euro. Finally the salaries of the employees in the Danish central bank are, although clearly higher than in manufacturing,
among the lowest in Europe. Reforms or not, the Danish central bank governor has for years topped the rankings of the most trusted and most powerful decision-makers among Danish elites.

How have the Swedish and Danish central banks coped with the leadership challenges that emanate from their euro-outsidersness? Clearly tremendous internal and constitutional reforms have been undertaken in Sweden. The ongoing reform programs implemented over the last ten years have fundamentally altered the central bank on almost all dimensions. Such policy and constitutional reforms have been absent in the Danish case, where considerable informal changes have taken place. Gradually the composition of employees has been altered. Today the Danish central bank is a knowledge organization just like any other central bank. A substantial amount of the budget is applied to training and HR-development. In addition, increased emphasis has been placed on establishing a more differentiated relationship to other financial actors, young employees are being encouraged to take up positions in international financial organizations, and traveling has, in general, increased dramatically. This is done so as to cultivate contacts and to assure the inflow of strategic information; information that the Danish central bank does not automatically obtain due to its exclusion from the ECB and Bank for International Settlements (BIS) decision-making centers. In Sweden no further change has taken place with regard to external networking. The Riksbank, in contrast to Danmarks Nationalbank, has traditionally been very well integrated into international financial circles.

Rescuing what’s Left of Authority in Italy

In the Italian political landscape, the Banca d’Italia has for almost three decades constituted a pillar of stability and reliability. The country as a whole ranks a lowly forty-first on Transparency International’s 2007 Corruption Perception Index (CPI), which is just above Malaysia but below Botswana. Seen in that perspective the Banca d’Italia is perceived to be an island of trustworthiness and public opinion surveys reveal that the bank is one of the most trusted institutions in Italy (Quaglia 2007, p. 6). Among economic students, the Banca d’Italia appears to be a very attractive workplace (see note 1). This may also have something to do with the fact that the bank’s staff have consistently been among the best-paid civil servants in Italy. On a larger scale the Italian central bank governor is one of the best-paid central bankers in the world. The Banca d’Italia is furthermore one of the largest central banks in Europe in terms of employees. Even if regional offices have been reduced and the head office has been marginally slimmed, these reforms do not amount to a major overhaul of
the organization. In fact membership of the euro-area has not in itself triggered any internal reforms of the Banca d’Italia.

Externally the Banca d’Italia for many years has maintained a reputation for research excellence. The bank clearly obtains prestige by its active research profile and in European and global rankings the Banca d’Italia is among the very best. The Banca d’Italia has established a veritable powerhouse of research with a research department which in size equals that of the Bank of England (St-Amant et al. 2005). Thus the ECB, the Banca d’Italia and the Bank of England are the only European central banks among the top ten central banks in terms of publishing in top-quality academic journals. In addition the Banca d’Italia has also traditionally had a reputation for being a very efficient financial supervisor. Apart from the bankruptcy in 1981 of the Banco Ambrosiano there were no major financial scandals in Italy during the 1980s and 1990s. Since 2000, however, the situation has changed radically.

The internal governance reforms undertaken in 2005 appear to be a very rare exception to the general rule that the Banca d’Italia has been largely immune from global management fashions. The fact that the Italian central bank governor, Antonio Fazio, violated EU rules on the free movement of capital by attempting to stop the foreign banks ABN Amro and BBVA from acquiring control of private Italian banks has seriously damaged the credibility of the bank. It took long and sustained pressure from EU member states, the European Commission and financial markets and even strikes among the bank’s staff to convince central bank governor Fazio to resign in December 2005, leaving the seat to Mario Draghi, a professor of economics with extensive professional experience from private and public offices. The Italian parliament used the occasion to approve legislation under which future governors would be appointed for only six years, renewable only once. Until then the governor used to be chosen from among the deputy governors and appointed for life. The parliament also introduced some principles of transparency requiring the bank to publish reports more frequently, to write justifications for decisions made and to produce minutes for meetings of the executive board. Finally some elements of collectivity were introduced with the 2005 reform. Until then Mr Fazio had been a centralizer, solely representing the bank externally as well as internally. Decisions are now to be made collectively by the five members of the executive board, that is, the governor, the director general and the three deputy directors-general (Quaglia 2007). In terms of appointment the procedure has been opened up, allowing for more governmental influence. At present all members of the executive board are appointed by the Italian president acting on a proposal from the prime minister. This should allow more outsiders to enter the decision-making forums of the bank.
Establishing and Consolidating Authority at the ECB

If the Danmarks Nationalbank (1818), the Swedish Riksbank (1668) and the Banca d’Italia (1893) are old central banks with long institutional memories, the European Monetary Institute (EMI), the predecessor to the ECB, was established only at the beginning of the so-called second stage of the Economic and Monetary Union in Europe on 1 January 1994. With the start of the third and final stage of EMU on 1 January 1999 the ECB was established in the image of the German Bundesbank, as the most independent central bank on the globe, with a legal mandate to pursue price stability as its primary objective. Clearly a European Central Bank taking over exclusive competences of monetary policy from 12 EU member states with established traditions in an anything but optimal currency area faces a daunting task, requiring planning and analysis down to the smallest detail and demanding professional leadership. The big question at the time of the transition to the third stage of EMU was whether the ECB would possess the same kind of credibility as the Bundesbank. To obtain that credibility a high level of legal autonomy from political supervision was supplemented with a transparency policy and the establishment of a veritable powerhouse of research in Frankfurt. The best economic researchers from Europe and abroad were employed to boost the scientific authority of the organization. The ECB governor went out of the way to underline that the ECB intended to over-comply with the treaties establishing the ECB. For instance according to the treaties the ECB is only required to publish annual reports and to present them to parliament. In addition to this, however, the ECB engaged in active interaction with the media, with researchers, with European and national elected politicians and so on. Nonetheless, a recurrent theme in the debates between the Economic and Monetary Affairs Committee of the European Parliament and the ECB president has been the need for more transparent action. Indeed in contrast to the central banks of Sweden, Denmark and Italy, the ECB from the very beginning has had a much more troubled relationship with parliament.

During the first year of European Economic and Monetary Union the first of a series of external events challenged the governance structures of the ECB. In 1999 the EU Commission under Commission President Jacques Santer was forced to resign as a result of internal mismanagement, fraud and nepotism. This had repercussions in all corners of the EU system, including in the ECB, where the concept of corporate governance became central. Internal as well as external audit mechanisms were established in the ECB and systematic cooperation with the EU office for fighting corruption (Office De Lutte Anti-Fraud – OLAF) was initiated. In addition accountability and legitimacy became integral concepts in the
management vocabulary of the bank. Over the next couple of years staff rules and codes of conduct were adopted and systematic training of managers was initiated. Equal opportunity and ethics advisers were employed and more systematic relations to employee organizations in the form of a social dialogue as well as with the European ombudsman were established.

The next challenge that had repercussions for internal management was the preparation for the introduction of the euro on 1 January 2002. During 2001 the entire apparatus was working frenetically to inform citizens about this event, to educate bankers, civil servants and technicians, to solve technical and logistical problems and to convince the financial markets that everything was under control. Having succeeded in the replacement of a large number of national currencies with the euro with convincing professionalism, the next challenge was already waiting for the ECB managers in 2003. During that year ten Central and Eastern European countries were making their last preparations for membership of the European Union. For their part ECB managers formulated a set of new decision-making rules which was, at first, rejected by the European Parliament but then later adopted by the Heads of State and Government. The ECB then started a major education effort, offering technical assistance so as to ensure that the new members had the right institutional infrastructure for membership, that is independent central banks and sound financial institutions. The ECB formulated an accession master plan, spelling out an economic dialogue with the new members and listing a large series of workshops, training opportunities, conferences and the establishment of an appropriate IT infrastructure.

In 2003 after consultation with ECB employees the first mission statement of the ECB was formulated. The result of a staff survey showed that ECB personnel identified themselves with values such as ‘high level of integrity’, ‘competence’, ‘efficiency’ and ‘transparency’. In 2005 ‘trust’, ‘accountability’ and ‘decentralization’ were added to the list. Also in 2003 the executive board set up a program office to monitor an organizational change program called ‘ECB in motion.’ The ECB looked at itself as a constantly changing and adapting organization. In the same vein, it introduced ‘diversity management’ with a view to cultivating differences among the multinational staff-members, exploiting their individual talents and capabilities.

With these challenges the ECB was gradually expanding in terms of budget and personnel. The number of departments was growing and rapidly the Euro-Tower in Frankfurt became too small, as a result of which new premises are being constructed. Overall the ECB has, despite all the challenges to its internal governance and the politicized environment, been exceptionally successful in delivering results. The euro is strong compared to the dollar, inflation in Europe has remained close to 2 per cent in the
medium term and the euro is gradually becoming an international reserve currency. In addition EuroBarometer surveys conclude that the ECB is considered to be one of the most trustworthy institutions of the European Union, and in Europe, the ECB is considered to be one of the most attractive workplaces among recently graduated economists (see note 1).

Clearly the ECB, together with the Swedish Riksbank and in contrast to the Banca d’Italia and the Danmarks Nationalbank, have almost fully adopted the latest management principles and values as described in the introduction to this chapter. Both banks are in a process of almost constant change, establishing multiple channels of communication, increasingly focusing on single and measurable objectives, making decisions in collective forums and streamlining organizational structures and processes to cope with new challenges. The leadership strategies adopted in Danmarks Nationalbank are characterized more by silent information-seeking and pragmatic, informal adaptation to challenges when they occur. This is clearly in line with the traditional Danish model of pragmatic and incremental institutional change. Over the last two decades this has, in the case of Denmark, proved to be a success. Danish institutional competitiveness seems to be high in all sorts of international rankings (Marcussen 2008). In Italy the situation is different. From having been the only source of stability in a very politicized atmosphere, the Banca d’Italia has lost credibility on the international financial scene. This it is trying to regain through formal reforms. It remains to be seen whether the colossal Banca d’Italia reacts to these reforms in appropriate ways or whether it will be forced into reform tracks similar to other banks of the same size, such as the Bank of England. This will bring the Banca d’Italia into the mainstream reform trend and away from the mythical image of central banking as being a paradise for buddies.

CONCLUSION: SAME BUT DIFFERENT

Over the last two decades the four central banks that have been studied in this chapter have all developed in the same direction. Central banking is no longer as closed and distant as usually claimed. Increasingly central banks are communicating with the world. Norms such as transparency, accountability, communication, and committee decision-making go together with norms such as autonomy, science, governance by rules and evidence-based reflection. However it is clear that the reform tempo, time and timing of the four central banks investigated in this chapter differ to a considerable extent. Two questions emerge. First how can we understand the differences? And, second do these reforms imply that we are moving towards a ‘better place’?
To answer the first question it may be useful to adopt a broad reform perspective usually referred to as a transformative perspective (Christensen and Lægreid 2007a). Accordingly we will need to merge explanatory factors from the macro-, meso- and micro-levels to grasp the complexity of institutional reform. At the macro-level it makes sense to focus on external challenges to central bank governance structures. The meso-level highlights organizational routines and cultures, and the micro-level pinpoints reform entrepreneurs. In the case of Sweden, for instance, the currency crises of autumn 1992 and the forthcoming negotiations regarding membership of the European Union turned out to be decisive triggers for a reconsideration of the institutional structure of monetary policymaking. From scratch, Swedish central bank leaders rapidly started to put together a format for an entirely new central bank, borrowing from global first-movers such as the Bank of Canada and the Reserve Bank of New Zealand and learning from successful management reforms elsewhere in the Swedish public administration. The resulting model turned out not to be different from, but rather very similar to, other semi-autonomous or fully autonomous agencies in Sweden.

In Denmark, in contrast to Sweden, there have been no major external shocks that could trigger central bank reform. On the contrary over the last two decades the Danish economy has gone through a long period of constant growth and low inflation. The Danish model works and it seems to be the case that the bank in its own informal and gradual ways is keeping costs down to a level which largely compares to the rest of the public administration.

This is very much in contrast to the situation in Italy. For decades no basic internal reforms of the governance structure of the Banca d’Italia have taken place. Being the third largest central bank in Europe, and clearly the most expensive in running costs, the central bank has not felt pressure for change because it constituted the only island of stability in an unruly political arena. However it took micro-level scandals to change the situation. When central bank governor Fazio, who had established procedures and structures that guaranteed that he had full control over and information monopoly in the gigantic organization, turned out to be the weak link, thereby undermining trust in the entire organization, the route was laid out for reforms. Much remains to be done, however, before the Banca d’Italia can measure up with Sweden or the ECB in terms of modernization.

The ECB seems to be a special case among the four central banks. It is newly established, it is supranational and the change dynamics are built into the organization at the meso-level. The bank planned for governance change triggered by the introduction of the euro in 2002 and enlargement
with new members in 2004. External factors also play a role, though. The legitimacy crisis and the administrative deficit of the EU Commission spilled over into the ECB, which reacted by emphasizing transparency, communication and accountability to an even higher extent.

It is widely conceded that classic central bank characteristics, such as secrecy, introversion, group loyalty and esotericism, are inappropriate for modern day governance systems. Seen in that perspective it seems to be a democratic improvement that a closed, self-sufficient public administration is opened up for external scrutiny. However the new place towards which we are moving may have its own problems. Employees in central banking, for instance, seem to have lost confidence in their managers. Ongoing reforms, outsourcing, downsizing and reorganizations have apparently led to staff mistrust and lowering of staff morale. Half of the central bank staff surveyed across the EU said employment conditions are worsening, 39 per cent reported a drop in job satisfaction and 43 per cent said they no longer shared the values of the organization for which they work (Storey 2002a, 2002b). In other words in solving one set of problems – the lack of transparency, introversion and low effectiveness – another management problem seems to emerge.

This may not be the only problem to worry about. Autonomous, single-purpose organizations such as independent central banks chasing the low inflation objective may in general be unsuited to the whole-of-government framework, now identified as the fashion that replaces new public management (Christensen and Lægreid, 2006). When central banks make decisions they have consequences elsewhere in the polity and if central bankers stubbornly pursue their narrow objectives neglecting demands and needs elsewhere in the societal apparatus, then the whole business of central banking may be running into a legitimacy crisis. An early warning of that is the ongoing rhetorical battle that unfolds in the European Parliament when debating with the ECB president. MEPs are insisting on a whole-of-government approach to the running of monetary policies in Europe, and the ECB president is even stronger in emphasizing its constitutional duty to bring inflation down in Europe. Another indicator that the ECB may be running into legitimacy problems despite its modernization efforts can be found in EuroBarometer data that document that everywhere, among euro-insiders as well as among euro-outsiders, popular support for the euro remains very low. Even the most independent central banks in history, the Bundesbank and the American Federal Reserve System, could not in the longer term afford to ignore political signals for policy changes, nor can the ECB.
NOTES

2. The whole-of-government approach is essentially a reaction to new public management. Like NPM it does not represent a coherent set of ideas but rather a set of responses to the problems of increased fragmentation of the public sector and a wish to increase integration and coordination. In some countries, for example, New Zealand, this leads to a reassertion of the state (Christensen and Lægreid 2007a).

REFERENCES


5. Dutch civil service leadership: torn between managerial and policy-oriented leadership roles

Trui Steen and Frits M. Van der Meer

INTRODUCTION

Given the traditionally highly opinionated nature and perhaps also the Calvinist heritage of Dutch society, it is sometimes said that every Dutchman envisions himself or herself as a chosen leader of a group often consisting of just one person. Thus leadership is not easily recognized and followed. This thread in Dutch society is perhaps a little exaggerated. Even so, discussing Dutch top civil servants in terms of administrative leaders (let alone adding the adjective political-administrative) has long seemed inappropriate. Not only has the legal-constitutional approach that predominated in the past been responsible for this caution, but also the tainted nature of the concept, given European history and the often boasted non-elitist nature of Dutch society. Nevertheless leadership issues have reached academia in the past decades and from there have spread into government. Although leadership theory frequently differentiates between leaders and management executives (for example, Bennis and Namus 1985), in public administration literature the terms ‘manager’ and ‘leader’ are often used interchangeably (Jreisat 1999).

NPM reforms have focused on the roles of top civil servants as so-called public sector managers, leading to the development of a professional managerial, entrepreneurial model of public sector leadership. This chapter analyzes the extent to which the managerial leadership focus of the senior civil service has impacted the original balance in the double role of bureaucratic leadership, namely acting both as the manager of the department and as a shaper of politics within the specific department’s sectoral policy field (see Page and Wright 2007). We use the case of the Dutch senior civil service to examine to what extent public sector leaders have become managerial leaders. Depending on the degree of this shift, we will see if the growing emphasis on managerial capacity in public
service constitutes a dominant civil service competency and determine the implications for government.

To answer our research questions, we first look at what is meant by professionalized management or managerial leadership. We juxtapose this concept with the generalist policy advisory form of civil servant leadership. In addition we examine the roots of civil service autonomy and professionalism. This leads us to a discussion of whether the senior civil service relies mainly on a professional or a managerial power base. After this more general discussion we focus on the case of Dutch top civil servants and the development of the Algemene Bestuursdienst (ABD, the Dutch Senior Civil Service). First we look into the political-administrative setting of the Dutch (senior) civil service systems. Next we look into the structural aspects of civil service leadership in central government. Following that we analyze the ABD’s influence on Dutch senior civil service leadership styles. Finally we answer our question regarding the implications of managerialism involving the danger of stimulating what will be called a vicious cycle of managerialization and politicization.

THE NATURE OF PROFESSIONALIZED MANAGEMENT AND LEADERSHIP IN THE PUBLIC SECTOR

In the study of public management a number of authors focus on the position of professionals within the public service (for example, Exworthy and Halford 1999; Fitzgerald and Ferlie 2000; Freidson 2001; Ferlie and Geraghty 2005). The ideal characteristics of a profession are the application of systematic theoretical knowledge and skills, an absence of a standardized product, authority and autonomy based on the application of specific knowledge and skill, generation of public surplus value leading to public support and a professional culture and ethical code outlined and maintained by the professionals as a group (Trommel 2006 based on Greenwood 1966). Central to the definition of professionalism is the autonomy of the professional, which is limited only by peer group control. In contrast, management is seen as deriving its importance from the need for strategic planning, coordination and overall control. Here authority derives from the manager’s position in the organizational hierarchy (Flynn 1999). Flynn outlines the ideal-type contradictory forms of managerialism and professionalism as shown in Table 5.1.

Managerialism is defined by pointing at the management focus on the process of ‘getting things done through people’ (compare a quote from Mary Parker Follet in Metcalf and Urwick 1982). In the public sector it also looks
at an ideology that involves adopting private sector management methods and tools (Pollitt 1990; Lynn 2006). NPM reforms have fueled the debate on professionalization versus managerialization in public service delivery (for example, du Gay 1996; Exworthy and Halford 1999; Freidson 2001; Fitzgerald and Ferlie 2000). Building on the idea that generic management crosses public-private borders and specific policy boundaries, managerial competency in senior civil servant positions is preferred over policy-oriented professionalism based on a knowledge and handling of policy fields.

However we have to avoid oversimplifications. On the one hand Flynn notes that NPM-related reforms that increase flexibility and fragmentation lead to a constant redefinition and re-composition of the public sector. This results in a ‘constant questioning of the roles of, and boundaries between, managers and professionals in the public sector’ (Flynn 1999, p. 21). Moreover the case could be made for defining the manager’s role itself as a specific profession for which managerial skills are the basis of expertise, with authority and autonomy based on the application of these skills. Noordegraaf (2000, p. 329) argues that public managers’ skills are ‘less about solving specific types of problems and more about negotiating acceptable actions among vested interests.’ He believes that management professionalism is possible, albeit that it is more about processes than about substantive matters. As such the professional manager or managerialist leader can be seen as a distinct civil service mode of leadership.

On the other hand there is an older alternative civil service leadership model. Traditionally senior civil servants de-specialize during their journey through a hierarchy, gradually developing into generalists. This generalist model encompasses a management aspect in terms of keeping the organization running, but at the same time it includes giving advice to the political officeholders on certain plans. Peter Self (1972) described it as an appraisal function relating to policy content, separated from the mainly procedural

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Table 5.1 Managerialism versus professionalism

<table>
<thead>
<tr>
<th>Source of legitimacy</th>
<th>Managerialism</th>
<th>Professionalism</th>
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<tbody>
<tr>
<td>Goals/objectives</td>
<td>Hierarchical authority</td>
<td>Expertise</td>
</tr>
<tr>
<td></td>
<td>Efficiency/profit</td>
<td>Effectiveness/technical competence</td>
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<tr>
<td>Mode of control</td>
<td>Rules/compliance</td>
<td>Trust/dependency</td>
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<tr>
<td>Clients</td>
<td>Corporate</td>
<td>Individuals</td>
</tr>
<tr>
<td>Reference group</td>
<td>Bureaucratic superiors</td>
<td>Professional peers</td>
</tr>
<tr>
<td>Regulation</td>
<td>Hierarchical</td>
<td>Collegial/self-regulation</td>
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management perspective on process. The senior civil servants with a generalist orientation combine content with procedure. In the 1960s and 1970s this generalist perspective was criticized for its emphasis on specific, often technocratic, knowledge used in the policymaking process, rationalizing and objectifying decision-making; thus it is faintly reminiscent of the new managerialist approach.

We will examine to what extent the managerialist leadership concept has gained on the generalist one. We will do so by conducting a comparative and historical analysis of the contexts of these alternative modes of civil service leadership.

THE CONTEXT OF ALTERNATIVE MODES OF CIVIL SERVICE LEADERSHIP

At the end of the eighteenth century a legal-rational bureaucracy developed together with the establishment of the *Rechtsstaat* or the rule of law in Western Europe (Page and Wright 1999; Raadschelders and Rutgers 1996). In their historical account of the development of civil service systems, Raadschelders and Rutgers describe how the legal position of civil servants was formalized and standardized. The merit principle was introduced through reformed recruitment and selection procedures, reward structures were regulated and standardized, and rules and regulations concerning the position of civil servants towards political officeholders were adopted. As a result a protected civil service developed. The rapid increase in the size and range of government activity gave rise to the civil service becoming larger and increasingly professionalized. In the later part of the twentieth century civil servants became more autonomous players in policymaking processes (Raadschelders and Rutgers 1996). However as Bekke and Van der Meer (2000) point out, the development of the civil service as a professional service varies both over time and in different systems (see also Lynn 2006). It is worth noting that the definition and use of merit criteria and the development of a professional civil service have been closely linked (Bekke and Van der Meer 2000).

The Dutch civil service system below the senior level has been described as a decentralized job-specific system. Put another way civil servants are recruited for a specific job. Career and personnel management issues are handled by ministerial departments and decentralized units within these departments. This structure results in low interdepartmental mobility (Van der Meer and Roborgh 1993; Dijkstra and Van der Meer 2000). In outlining civil service systems in Western Europe Bekke and Van der Meer (2000) show that as a result of this decentralized function-oriented model, two career models can be distinguished.
First there is the *professional/specialist career system*. In this specialized variant civil servants belong to professional corps that they enter after a specialized education. While the professional/specialist career system is typically identified with the French and Spanish corps systems, similar career systems exist in most countries, albeit in specific sub-sectors of the public service, for instance the police, the judiciary, the military, and the foreign service and diplomatic corps. The specific nature of the corps limits interdepartmental mobility and, in addition, senior civil servants’ leadership is not equated with managerialism.

Second there is the *general career system* consisting of so-called amateur civil servants. The term ‘amateur’ is not used to denote civil servants’ inability to do the job, but rather that they perform as *amants* of the civil service because they avoid narrow professional or policy field-specific views. A civil servant is seen as holding a general attitude, including a public service ethos. The technocratic perspective as practiced in the 1960s criticized this generalist model for having no specific skills at all. However in the traditional civil service model in the United Kingdom, for instance, the generalist (senior) civil servant was seen as the ideal civil service professional, able to integrate different points of view.

In focusing on civil service leadership types, we can distinguish a third model. It shares some similarities with the previously outlined general career system. Here professionalism is equated with managerialism. The focus is on the management orientation of senior civil servants, that is, their managerial skills, rather than their policy professionalism. This leadership type can be applied to the senior executive service in the United States. Also, while in the Netherlands the civil service system below the senior level falls under a decentralized function-oriented system, with the introduction of the ABD, a general, managerial-oriented career system was implemented for the top-level officials.

**CIVIL SERVICE LEADERSHIP AND PROFESSIONAL AUTONOMY IN THE PUBLIC SERVICE**

In the generalist civil service leadership model, the power of senior civil servants derives from both their hierarchical position – a managerial source of power – and their institutional expertise – a professional source of power (compare Page and Wright 2007). As stated earlier, central to the definition of professionalism is the professional’s autonomy, which is limited only by peer-group control. Claims to autonomy are based on the professionals’ knowledge and skills. This inherent discretionary character of professional work is also central to the controversy over professionals
exercising too much power and the demand for professionals to be made more accountable to (and as such more easily controlled and regulated by) politicians, managers and the public. The high level of trust in policy-oriented professionalism and leadership at the end of the twentieth century has been replaced by mistrust and doubts about the competence and altruistic nature of professionals (see Flynn 1999). As a result there is now not only rigorous performance measurement and output control (Exworthy and Halford 1999; Ferlie and Geraghty 2005) but also a top-down politicization of the civil service including the expanded use of alternative sources of advice (political appointees, private consultants, think-tanks and so on). Finally this change means that the locus of control and decision-making has moved to an internalized management function (Ferlie and Geraghty 2005). The decline in the social and educational distinctiveness of the higher civil service appears to have led to a fundamental loss of deference, thereby undermining the role of the senior civil service. This is happening not only in countries where the position of senior civil servants traditionally has been rather limited but also in countries where the civil service customarily enjoyed a higher status in policymaking. The only way out of this for the senior civil service is to focus on more relevant forms of expertise – managerial skills (Page and Wright 2007).

If this management orientation becomes dominant in administrative leadership, then the relevant question is whether this, in turn, will lead to the focus on content and process being replaced by a focus solely on process, resulting in a loss of the valuable policy advisory function of the leaders within the service-delivering organizations. To address this, we analyze the case of the Dutch senior civil servant, by looking into the implications of the development of the ABD.

THE POLITICAL-ADMINISTRATIVE SETTING OF THE DUTCH (SENIOR) CIVIL SERVICE SYSTEMS

Before looking at what is understood to be civil service leadership in the Dutch central government and discussing the direction in which leadership has developed, we first provide insight into the wider context of Dutch personnel systems and management. Dutch society has been described as consociational. In other words to overcome the effects of societal fragmentation, coalition governments are formed. Given the relatively weak central political authority, much power is vested in the separate departmental organizations; thus, a high level of departmental fragmentation has been a dominant feature of the political-administrative system since the introduction of the parliamentary system in the middle of the nineteenth century
(Dijkstra and Van der Meer 2000). This system came under pressure in the early 1980s because the bureaucratic system was considered inflexible and unable to overcome compartmentalization. While fragmentation was reinforced by the dominant departmental culture and the low rate of interdepartmental mobility, it was increasingly considered problematic because of its negative side effects, such as frustrating public service delivery.3

Coinciding with and reinforcing this need for fundamental change in the structure of Dutch central government was the slow change from a more all encompassing role of central government to a so-called enabling role of the state.4 This shift puts similar demands to adapt on the civil service (Van der Meer 2002; Page and Wright 2007; Raadschelders et al. 2007). Therefore, from the early 1980s a widespread need was felt to reform the civil service and to counter the alleged high level of rigidity in the bureaucratic system. As human resources are at the center of a civil service system, reforming the public personnel system was to be one of the priorities. Because the traditional classic bureaucratic system was considered responsible for the situation, an alternative was sought and found. In the more business-inclined climate of the day, the doors were opened to NPM-style reforms and to the introduction of human resource management (HRM). Reforms focused on increasing flexibility in deployment rules, decreasing or even abolishing the specific public law nature of the civil service status, introducing more flexible and performance-related remuneration systems and introducing initiatives to limit the terms of office of senior civil servants by separating the duration of posting to a particular job and lifelong employment (Bekke and Van der Meer 2000; Van der Meer et al. 2007). At the start HRM programs were targeted at the senior levels of the civil service as a result of the early emphasis on management development issues.

In the long run, interestingly enough, HRM reforms countered some essential NPM characteristics. As described above the traditional Dutch central government was based primarily on a job system wherein recruitment and other personnel management aspects were decentralized to individual department units and agencies. This traditional feature is in accordance with NPM doctrine in regard to integral and hands-on management. Because most civil servants during their active working life remained within central government, the job system was weak because it offered little incentive toward career development, training and interdepartmental mobility. In other words the job system enhanced the inflexibility of the civil service. Therefore elements of a general career system were introduced in the late 1980s. These were more fully developed in the 1990s through the creation of management development programs and a full executive career system, the Algemene Bestuursdienst. These career aspects appear to oppose the NPM nature of personnel reform, but the promotion
of the reforms was wrapped up in managerial arguments. Managerialism was seen as a way to come to grips with criticism on the inflexibility of the bureaucratic system.

CIVIL SERVICE LEADERSHIP IN CENTRAL GOVERNMENT: A STRUCTURAL PERSPECTIVE

Before examining the changing nature of Dutch civil service leadership, we have to determine who the people at the top of the administrative hierarchy are. Until recently an executive class of civil servants did not exist, so civil servants could not be considered to be part of an administrative elite (Raadschelders and Van der Meer 1999). Popular explanations point to the apparent egalitarian nature of society and the Calvinist-based culture. Before the mid-1990s there were no reasonable objective criteria to distinguish top civil servants from senior civil servants. In practice the list could include the secretaries-general, the directors-general, directors and some other high-ranking civil servants. Until 1988 the secretaries-general were not officially named as the highest ranking civil servants in a ministry. In fact no hierarchy exists among the secretaries-general, given the coalition cabinet structure with a prime minister who operates formally as a primus inter pares. The directors-general are the leading policy advisers and increasingly have become policy managers of the larger policy units because they have direct access to the political officeholders and because they control large parts of the departmental budget. In practice some directors-general can be more influential than the secretary-general, depending upon the policy field, personalities and departmental culture. In addition the fact that the secretaries-general remained in the occupied territories during the Second World War while the cabinet and queen went into exile in Britain may explain the fairly late decision to name the secretary-general as chief departmental civil servant. During the war the secretaries-general, united in the Council of Secretaries-General, became the governing power immediately under the German occupying forces. Their staying in the Netherlands and holding on to power, particularly in the later stages of the war, was heavily criticized after 1945. After the Second World War the secretaries-general were mainly responsible for running the ministerial organization and for providing general policy advice. In some cases they proved to be really in charge. Officially naming the secretaries-general as the highest civil servants was done to improve departmental unity and combat compartmentalization. In practice the changes remained limited at first and depended on both the personal qualities of the particular secretary-general involved and the administrative culture and history of that department.
An important structural change came in the 1990s when the ABD was established and the Council of Secretaries-General became more influential as an advisory committee to the cabinet. When discussing the ABD two distinct institutional levels are often confused. First there is the ABD itself, which originally consisted of senior civil servants of grades s17–s19. After civil servants from the level of director of policy advisory units up (grades s15–s16) were also included within the ABD, a so-called ‘top management group’ (TMG) was established, consisting only of secretaries-general, directors-general and their functional equivalents. The ABD numbers around 800 senior civil servants. About 70 of them belong to the TMG. Before the founding of the ABD, senior civil servants were employed by individual ministries under a public law job system. The main purpose of the ABD, which served as an instrument to combat compartmentalization, was to be achieved by encouraging interdepartmental mobility and promoting a service-wide civil service professionalism because members of the TMG must change positions at least every seven years. They can move either horizontally or vertically, although very rarely a secretary-general will take a director-general position.

Second there is the Bureau ABD, which serves as a personnel agency and management development center for the members of the ABD. The Bureau ABD is led by a director-general and formally located in, but fairly independent of the Ministry of the Interior. It plays an important role in the deployment procedures and (inter)departmental transfers and is developing and implementing new HRM instruments and procedures. Recently it has also served in an organizing capacity for mobilizing ABD members for senior interim management positions in the central government.

In addition and also starting in the 1990s the secretaries-general have reasserted their position, primarily through the Council of Secretaries-General. Through this council secretaries-general play both a central role in the ABD promotion system and an important advisory role in conceptualizing proposals to reform central government bureaucracy. This role was reinforced when the 2007 government coalition discussed the Council of Secretaries-General and presented the coalition partners with a white paper on how to cut central government staff, a suggestion readily accepted by the political parties involved (SG-Overleg 2007).

THE ABD’S INFLUENCE ON DUTCH SENIOR CIVIL SERVICE LEADERSHIP STYLES

To assess the effect of the ABD on the Dutch senior civil service’s leadership style, we have to consider both the traditional roles of the senior civil
New public management and the challenge of change

servants and the major reasons behind the creation of the ABD in the 1990s.

As discussed earlier the central purpose for setting up the ABD in 1995 was to reduce the high degree of departmental fragmentation in policy-making by providing a service-wide structure for top-level civil servants. Policy compartmentalization had been recognized in the 1970s (see the External Committee Van Veen) and 1980s (see the External Committee Vonhoff) as a fundamental flaw in central government organization. As the interdepartmental dimension of policymaking was becoming more important, fragmentation was seen as hampering both the effectiveness and efficiency of government. In this context a civil service focused primarily on a specific policy field could implicitly be equated with encouraging compartmentalization in central government.

In a note of 1999 the Minister of Internal Affairs discussed the relationship between politics and administration in the Dutch central government. He focused on the administrative accountability of the secretaries-general and directors-general. Their role was described as including not only managerial responsibility but also final responsibility for supporting political leaders by providing information and policy advice. This confirms the generalist civil service leadership role (Peper 1999).

In contrast the activities of the Bureau ABD can be understood in the context of a dominant managerial attitude. An example is the competency framework for senior civil servants. This framework is designed to enhance civil service professionalism by creating a distinct civil service identity that combines a managerial and public service ethos (Van der Meer and Toonen 2005). The framework outlines general competencies because it defines the competencies needed by all ABD civil servants in the administration. It not only stresses the importance of general managerial competencies, but it also explicitly notes the specific political-administrative contexts in which senior civil servants operate. The so-called Profieltest persoonlijk leiderschap (Profile test personal leadership) differentiates between managerial competencies and leadership that is steering for results and steering based on values and norms. The Bureau ABD produces a differentiated set of instruments aimed at helping (potential) senior civil servants develop their leadership qualities. However a point of concern remains: ensuring that the increased attention to leadership development does not diminish the attention paid to more traditional qualifications, such as professional technical knowledge and expertise (Breed 2005). While trying to enhance professionalism throughout the civil service by combining a managerial and public leadership ethos, concern has been expressed that interdepartmental mobility/promotion might have helped enhance an external and internal
managerial orientation that might overrule policy expertise and traditional professionalism among Dutch public sector leaders.

However, one should be careful not to put too much blame on the ABD. Apart from the ABD and its role in developing civil service management professionalism, the progress of a managerial attitude since the early 1980s has been an important issue. The Dutch government reform program initiated in the 1980s by the Lubbers’ cabinet reoriented reform towards cutbacks and efficiency improvements. Slowly the welfare state was restructured into an enabling state. At the same time new public management concepts gradually came to dominate the administrative processes. Output orientation, product definition and performance management became, at least in official language, the prevailing concepts. Gradually process became more important than content. Previously top civil servants described themselves as leading civil servants; nowadays they are more likely to describe themselves as managers. That the creation of the ABD did succeed can be explained by a changed and increased focus on managerialism in the 1990s (Welling 1995). The ABD further redirected senior civil servants’ focus from content to managing processes. It was hoped that the private sector feel of the manager concept and the apparently clear and sharp management tools would create a kind of protection against societal and political criticism. Being a manager sounds more appealing than just being a senior civil servant. In addition a managerial approach creates the impression of being based on solid facts and has the tinge of a technical, perhaps technocratic, approach in contrast with the messiness of everyday political and administrative life plagued by ambiguous goals and values and conflicting political ambitions.

MANAGERIALISM AND POLITICIZATION

Yet political ambitions have to be translated into policy visions and those visions into policy actions that lead to meaningful activities and results in society. The new Balkenende IV government argued that the number of policy advisory civil servants had to be reduced because of a need for ‘more action and fewer plans.’ However we argue that the real problem is one of a shortage of policy vision and too many management control procedures. Public discontent is mainly caused by the perception of failing public service delivery combined with the administrative burden of regulation. The majority of this burden stems from an excessive performance management system, while the supremacy of the managerial perspective means that less attention is paid to the policy dimensions of the senior civil servants’ work.
An increased civil service awareness of the political context of public service delivery along with the growing tendency of civil servants to become party members (Van der Meer et al. 2007) seems at odds with the managerialization of the senior civil service, causing a bottom-up style of depoliticization through its focus on technical rationality.

In one of its advisory reports the Raad voor Openbaar Bestuur (the Dutch Council for Public Administration) discusses the administrative culture in the central government (Rob 2004). The report notes the tension between top civil servants’ role as advisers to the political officeholders and their role as leaders with their own societal responsibility. The latter includes focusing not solely on functional responsibility, but also on authenticity and integrity. Opponents of a pure managerialist civil service leadership model emphasize the distinctiveness of the public sector (see Noordegraaf and Teeuw 2003). Likewise while trying to define excellent civil service leadership, Korsten (2005) asserts not only that, in the Dutch context, a entrepreneurial civil service leadership model is preferred over a technocratic leadership model, but also that the rise of the managerialist model leads to redefining the need for administrative integrity.

Despite the awareness of the differences between managerial competencies (steering for results) and classic bureaucratic leadership (steering based on values and norms), managerialization provokes concerns about the erosion of the public service ethos (Steen 2006). The emphasis on procedural rationality within the managerial approach endangers not only the policy advisory role's focus on content, but also the importance attached to what Hood (1991) calls the theta-values embedded in the Rechtsstaat norms.

In this context an additional point of concern is that the managerialization of the senior civil service can lead to a new politicization of the civil service function: while in the formal NPM doctrine, the classical politico-administrative dichotomy is emphasized, the absence of general policy advice, the so-called appraisal function, encourages political officeholders to look for alternative sources using political or personal advisers. In practice the use and number of personal (political) advisers has increased in recent years (Van der Meer 2004). The personal adviser to Prime Minister Balkenende has even made a name in the media and wider society as a spin doctor and a mastermind in the recent election campaign of the CDA (the confessional party). In addition the function of communication director has increasingly been politicized, although in a formal sense the proper (ABD) appointment procedures have been used.
CONCLUSION

In this chapter we have discussed whether a managerial concept of civil service leadership is on the increase, while at the same time senior civil servants’ policy advisory activities are being downgraded.

The creation and development of the ABD went hand in hand with a generic management orientation prevailing in administrative leadership as a result of managers taking possession of the senior civil service. However it is difficult to determine if this managerialization should be assigned primarily to the establishment and functioning of the ABD, or if the ABD has merely been a vehicle for convening, at least on the surface, the dominant ideology of managerialism in the civil service.

The managerialization of the senior civil service causes a bottom-up style of depoliticization, by focusing on technical rationality and the civil servants’ ability to make policies work (a focus on process) rather than focusing on their policy advisory role (a focus on content). At the same time and paradoxically, managerialization of the senior civil service leads to top-down politicization. The absence of the appraisal function provokes political officeholders to look for alternative sources by using political or personal advisers. Overall the dominant managerial perspective of Dutch senior leadership has led to a reduction of function in terms of Mrs Thatcher’s so-called can-do civil servants losing their critical advisory role. Also we have seen that de-professionalization of public administration in terms of non-managerial skills creates concern about the public service ethos.

A managerial vicious circle could come into existence in most systems when further managerial solutions are seen as the way out of the problems posed by the conflicts discussed above. The demand for a civil service professionalism that incorporates ethics and political sensitivity shows the limits of the managerial approach. The overall conclusion might well be that we should study reappraising the uniqueness of the civil service rather than blindly trusting in ongoing managerialization.

NOTES

1. The literature on professionals often refers to specific functions, such as teaching. We use the term ‘professionalism’ as a broader concept, indicating the policy-advisory role as a professional role of the civil servant or even referring to the concept of the professional manager, which denotes the professional expertise and autonomy of the management-oriented civil servant.

2. Following Peters and Pierre (2004), we distinguish between bottom-up and top-down politicization. Bottom-up politicization pertains to the increase of political activity by
civil servants (for example, party-political allegiance and behavior, a policy-oriented attitude and the awareness of the political context of public service delivery). Top-down politicization, on the other hand, involves an increased level of control exerted by the government over bureaucrats when political officeholders try to ensure that the opinions and behavior of public servants are made compatible with their own preferences. There is an extensive repertoire for this, including political appointment of public officials, using alternative sources of advice and expertise, deconstructing a monolithic and integrated bureaucracy and changing administrative values (Van der Meer 2002).

3. State committees Van Veen and Vohnhoff have set the agenda in this respect, but at first little headway was made partially due to political and bureaucratic resistance.

4. The enabling state concept refers to a state that supplies the necessary conditions for the operations of a market society and civil society. This implies an active government that takes up classic tasks, such as looking after a high quality legal and financial system, initiating the necessary physical, communication and human infrastructure and serving as a last resort for those unable to look after themselves. The enabling state concept starts from the premise that a healthy and viable private sector is dependent on an active government (Van der Meer 2002).

5. For instance, a secretary-general of the justice department in the 1970s was nicknamed the ‘viceroy’ of the department because he dominated the junior minister and, as some suppose, even the minister himself. After the junior minister came in conflict with this secretary-general, the minister dropped support for this junior minister, who had to resign.

REFERENCES


PART II

Frontiers of political-administrative relations
6. Are elected executives needed to achieve accountability to citizens? Performance issues and form of government in large US cities

James H. Svara

For most of its history, the council-manager form of government has been noted for the high level of accountability that it achieves in comparison to the mayor-council form of government. It is surprising to observe that in a number of large council-manager cities, the rallying cry for change in the city charter to the mayor-council form has been a lack of accountability in the form of government. It is therefore important to re-examine the nature of accountability and how it is related to and differs between forms of government in large American cities.

In the discussion that follows we will review the structure of local government and examine the various meanings of accountability. The accountability claims of each form of government will be presented followed by a comparison of evidence on accountability practices in American cities. In the final section a general framework for assessing accountability will be provided, which examines the counter claims.

ONE COUNTRY, TWO FORMS

The United States is unusual compared to other countries because of the widespread use of two different forms of local government (Mouritzen and Svara 2002). In US cities over 10,000 in population, 36 percent use the mayor-council form (and almost half of these have a chief administrator position), 57 percent use the council-manager form, and 7 percent use some other form of government. The council-manager form is used in half or more of cities with populations of between 10,000 and 250,000, and in about a third of the largest cities.

The mayor-council form is based on separation of powers between the mayor and the council, whereas the council-manager form unifies
governmental authority in the council with the mayor as presiding officer and member of the council. It vests executive power in the appointed city manager who is responsible to the entire council. Although some claim that the two forms are becoming indistinguishable because of structural changes (Frederickson et al. 2004), form continues to differentiate governmental process and performance.

MEANING OF ACCOUNTABILITY

There are three dimensions to accountability, related to direction, supporting conditions and focus. Each will be examined to provide a framework for the comparison of accountability in cities with different forms of government.

**Direction of Accountability**

Accountability has a dual meaning. One is *holding persons to account* for their actions. Accountability in this sense implies external control based on authority and power. It is this meaning of the term that leads Behn (2005, p. 1) to identify this rule of accountability: ‘Everyone wants to be the accountability holder. No one wants to be the accountability holdee.’ Ray Pachett, long-time city manager, refers to this approach as the ‘accountable to’ orientation that implies a division of responsibility between the holder and holdee.¹ It can contribute to a narrow, reactive and self-protective approach by the person being held to account.

A second meaning, however, refers to *being accountable*. Accountability in this sense is based on norms and internalized controls and a feeling of obligation that an actor has to meet expectations and demonstrate that assignments have been completed. When this meaning of accountability is added to the first, accountability is not just ‘unidirectional’ as Behn (2000, p. 196) suggests. Pachett suggests that an ‘accountable for’ orientation stresses shared responsibility and proactive contributions from all officials to achieve the best results.

The distinction is similar to approaches that focus on ‘making’ the manager manage and ‘letting’ the manager manage (Behn 2000, p. 30) or a combination of legal and political accountability systems, on the one hand, and bureaucratic and professional systems on the other (Romzek and Dubnick 1987).
Supporting Conditions for Accountability

Accountability in either sense requires expectations, as Behn indicates, which provide the basis for determining whether performance is satisfactory. By extension a clear sense of purpose and an overarching set of goals provide a context for specific expectations. Accountability takes place as part of the overall management of the organization. The explicit accountability process involves elements such as controls, standards, targets, reports and appraisals. The broader process involves organizational goals, strategies, communication, resource allocation, research, evaluation and staff development. Presumably the stronger the general management context and support, the better the accountability process will be.

In addition accountability requires leadership that assigns a high priority to performance. Leaders must be able to set goals that have sufficient support to be acted upon. Elected executives who stress the ‘accountable to’ approach claim that they will get subordinates to take actions to achieve results or solve problems. If, however, the leader gets distracted, pursues other initiatives or focuses on a narrow range of programs, the attention to performance will flag – at least outside the areas in the spotlight – because there is little commitment for subordinates or agents to be accountable to principals in a top-down relationship (Banks and Weingast 1992). Other leaders stress the collective ‘accountable for’ approach and seek to broaden the base of shared responsibility for successful action.

FOCUS OF ACCOUNTABILITY

If the previous dimensions concern the ‘who’ and ‘how’ of accountability, this dimension is concerned with the ‘what.’ Ehrenhalt (2004) defines accountability as getting things done in policy terms and contrasts it with efficiency as a goal in government. Howard and Williamson (2008) take a similar approach but identify each as a focus of accountability. In the policy arena top officials can be judged by how well they accomplish the policy goals they have promised or developed, but it is also important to consider whether ‘meaningful accountability is a more regular feature of day-to-day governance’ (Howard and Williamson 2008, p. 13).

These observations suggest a broader and more multifaceted view of the focus of accountability. As indicated in Table 6.1 there is concern for both policy and administrative performance as well as short-term and long-term considerations.

The focus of much accountability rhetoric is on creating and carrying through a new policy agenda and/or correcting specific deficiencies in
Frontiers of political-administrative relations

administrative performance. It is also possible to stress accountability for adjusting policies to meet current challenges and elevating an already high level of administrative performance. There is little explicit discussion of accountability for developing and carrying through long-term strategies that improve the community and administrative practices that assure that the organizational and fiscal resources are available to meet changing needs. It is possible that the new emphasis on sustainability will encourage this long-term perspective on accountability.

**CASE FOR ACCOUNTABILITY IN THE COUNCIL-MANAGER FORM**

The claim of a high level of accountability in the council-manager form is based on both its adherence to basic principles that promote accountability and on a historical claim of superiority to the mayor-council form. In the earlier twentieth century when the council-manager form was developed, the record of performance by city governments was weak. Many cities, particularly large cities, were plagued by corruption and incompetence. The prevailing weak mayor-council structures divided authority across many offices and boards. The lines of accountability were unclear and the record of accomplishment was weak. In the view of the early reformers, creating a strong mayor with centralized control – the theme of the first model city charter in 1899 – would not overcome the politicizing effects of separation of powers and preference shifted to the council-manager form in the second model charter in 1915 (Svara 1994).

There are three key features that promote accountability in the council-manager form in comparison to the mayor-council form. First the city manager serves at the pleasure of the city council and can be removed

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**Table 6.1 Aspects of accountability**

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<th>Orientation</th>
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<th>Administrative performance</th>
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<td><strong>Time dimension</strong></td>
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<td>Short term</td>
<td>Policy initiatives</td>
<td>Competent, responsive</td>
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<td>Revision of programs and policies</td>
<td>service delivery</td>
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<td>Long term</td>
<td>Goals, strategies, and plans to meet aspirations and needs of community</td>
<td>Fiscal security and stability</td>
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<td>Sustainable policies</td>
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at any time. In contrast an elected mayor serves for a fixed term. Second the city council can exercise continuous oversight of city government performance and the city manager is expected to provide information on performance. Councils may have difficulty getting information from strong mayors. Third the council-manager form is a unitary model of government with all authority placed in the city council and all administrative authority assigned to the city manager. The mayor-council form is characterized by separation of powers with checks and balances between the mayor and council. The separate powers can lead to conflicting signals from the mayor and the council to the city administrative staff about what is expected and create a situation in which administrators can play the mayor and council off against each other evading direct control by either (Svara 1990; Nollenberger 2008). As Tsebelis (1995) argues about governmental structures generally, when there are two or more ‘veto players’ whose approval is needed to secure change, the bureaucracy is subject to less control than when there is a single veto player, as in parliamentary systems or the quasi-parliamentary council-manager form.

If something goes wrong in a council-manager city, the city manager can be held to account and must take corrective action or face the possibility of immediate removal by the city council. City managers do not have job protection or rights of appeal nor do they typically have a set of political supporters that permit them to hold on to the position in a sustained disagreement with the city council. It is typical in council-manager cities to find a positive relationship between the council and manager (Nollenberger 2008). City managers are substantially involved in setting the city government agenda and in the formulation of policy and, therefore, they help shape the goals for which they are responsible (Svara 2006c). City managers help elected officials shape sound policy and reinforce continuity in commitment to accomplish policy goals despite changes in membership on the council (Keene et al. 2007). Furthermore, city managers commonly create a cohesive, proactive administrative structure. Although they often come from outside the city, city managers share professional qualifications with assistant managers and department heads and are likely to interact positively with them in contrast to the confrontational orientation of new strong mayors (Flanagan 2004).

The features of the council-manager form highlight general principles for effective oversight and accountability. Robert O’Neill (2005), executive director of the International City/County Management Association (ICMA), notes the principles for private corporation reform promoted by MacAvoy and Millstein (2004). These include a chairperson who is not the CEO and independent directors with a strong commitment to oversight. The role of the chairman of the corporate board and the mayor in the
council-manager form are similar, assuming that the mayor is discharging his or her responsibility to monitor and adjust the relationship between the city council and the city manager (Svara and Associates 1994).

In summary these longstanding images of the differences between the council-manager and mayor-council forms have contributed to the confidence among members of ICMA and supporters of the council-manager form that it has a built-in advantage when it comes to comparisons of accountability. Since 1990, however, there has been a shift in perspectives that tarnishes the accountability record of the council-manager form and elevates the image of the strong mayor as a leader who promotes accountability.

PROBLEMS WITH ACCOUNTABILITY IN THE COUNCIL-MANAGER FORM AND THE STRONG MAYOR CLAIM

In recent years there have been many instances of attacks on the council-manager form both for its weakness in ensuring accountability and as a result of claims that strong mayors are better at promoting accountability. Since 1990 in cities over 100,000 in population there has been a charter change to the mayor-council form in nine cities whereas only two large cities have shifted from mayor-council to council-manager. Despite the fact that between 1990 and 2007 the number of cities using the council-manager form increased by 45 percent (Svara and Nelson 2008), the perception has been that ‘momentum’ is on the side of elected executives largely because of their superior capacity for accountability (Ehrenhalt 2004, 2006).

The view is widely held that as cities increase in size and diversity, inherent features of the council-manager form mean it is less well suited to handle the inevitable higher levels of conflict (Banfield and Wilson 1963). First mayors have few formal powers and lack the formal and informal resources needed for effective leadership (Pressman 1972; Bowers and Rich 2000). Second councils can become fragmented and unable to provide cohesive direction to the city manager (Gurwitt 1997). Third some argue that when city managers do not get clear direction and support from a divided city council, they are unwilling or unable to confront entrenched department heads (Hicks 2005). In this view the formally centralized administrative control of the city manager does not match the reality of urban bureaucracies.

Taken together these characteristics can create a situation in which no one is in charge. This argument has been made in Dallas (Ramshaw and Grabell 2005), but it was articulated most clearly in Richmond, Virginia.
Former Virginia governor Douglas Wilder promoted change in form of government in Richmond by labeling the city a ‘cesspool of corruption and inefficiency’ and became the city’s first strong mayor. Gurwitt (2005) suggests that the council-manager form in Richmond and perhaps in general is characterized by ‘diffuse governance.’

The flip-side of these criticisms is the claim that an elected executive mayor will strengthen accountability. The charter change in Richmond created a strong executive that, in the words of a political consultant, ‘the voters can hold accountable in terms of addressing the issues, such as ending corruption, cracking down on crime, improving schools, revitalizing neighborhoods and fighting poverty’ (Goldman 2004). In this view only a strong political leader has the clout to direct strong subordinates. In local governments with both major forms of governments the efforts to strengthen the mayor have been promoted as a way to make city government more efficient and accountable. Mullin et al. (2004, p. 26) claim that the change represents a ‘shift in emphasis from the Progressive ideal of professional management to contemporary demands for electoral accountability.’

In the 1990s in the USA a new breed of ‘managerialized mayors’ appeared on the scene, focused on changing the way their governments operate (Flanagan 2004, p. 206). They often battled the city government bureaucracies over changes in administrative performance and management practices. Giuliani’s efforts in New York were a prime example of how a determined mayor could succeed in changing priorities and eliminating wasteful practices (Siegel 2005).

According to this line of argument there is a need (and a trend) to rely on mayors as agents of accountability and mayors are focusing their attention on performance issues. The question is whether this is the only or the most effective path to accountability.

EXAMINATION OF EVIDENCE

There are no systematic studies that compare the accountability record of cities with mayor-council and council-manager governments. There are some broad indicators that are useful in comparing the performance of officials and of cities that use different forms of government.

In a national survey of council members conducted in 2001, respondents provided a self-assessment of their performance in handling a number of major functions. These draw on their governance role, that is, goal setting, setting objectives and priorities and overseeing administrative performance and on their representational role linking citizens to government.
by responding to demands and helping to resolve complaints. There are consistently higher ratings in council-manager cities in the broad steering activities of setting goals and priorities and in overseeing performance (Svara 2002b). There is virtually no difference in handling representational functions. Whereas elected officials in council-manager forms may have once stressed a detached oversight role with little attention to constituent demands and complaints (Prewitt 1970), this perception is apparently no longer warranted (Figure 6.1).

The survey of council members also provides a comparison of how the strong mayor and the city manager interact with the council. Council members were asked to assess the ways that each type of executive works with them in providing alternatives for policy decisions, accomplishing the goals that council members set and providing information on performance. In Figure 6.2 the percent of respondents who give the executive (strong mayor or city manager) a rating of good or very good for these functions is presented, divided by form of government and by city size.

There is consistent advantage in the ratings provided to the city manager compared to the strong mayor. Approximately three-quarters of the council rate the city manager’s performance as positive in these areas. Less than half give the same rating to executive mayors. The mayor’s accountability is incomplete if he or she does not provide complete information about performance, and the council is limited in its ability to handle its part in assuring accountability when it has limited information.

The difference between the city manager and the elected executive mayor is not so great when examining aspects of performance that do not involve...
direct interaction with the city council. Still the city managers are consistently rated higher by council members in including all segments of society in government decision-making, maintaining high standards of personal conduct and improving efficiency.

The mayor in council-manager cities is often dismissed as a figurehead, but this view overlooks the potential for leadership that is consistent with the characteristics of the council-manager form of government. When mayors are facilitators and perceived to be visionary leaders, their councils perform better based on their self-assessment at goal setting and oversight (Svara 2008). It is important to recognize that such leaders are only found in one in three council-manager cities, but the quality of leadership makes a difference in council performance.

The record of strong mayors as change agents is also noteworthy (Wolman et al. 1996). They can be innovators who generate popular support and leverage limited political and governmental resources to carry out an agenda of change (see summary in Svara 1990, ch. 3). Flanagan (2004) contrasts the significant transformative mayors of the past such as the first Daley in Chicago and Lawrence in Pittsburgh who altered the

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**Figure 6.2** Assessing the performance of mayor or city manager by city size and form of government (% of ‘good’ ratings)

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Source: Svara (2002b).
governing arrangements of their cities to support their change agenda with successful mayors of the 1990s. Mayors like Giuliani in New York and Riordan in Los Angeles had limited support on the council and in the administration and relied on ‘direct issue-oriented appeals to the public to sustain governing legitimacy’ (p. 206).

This ‘new breed’ of mayors in the 1990s had a positive orientation in their insistence that cities could solve their own problems without large amounts of intergovernmental aid, but their shared commitment to scaling back the size of city government and reducing the urban workforce reflected a negative view of city bureaucracies and established interest groups. Flanagan judges that their record is a ‘mixed bag’ (2004, p. 206). With political independence from ‘the heavy hand of interest groups and political parties,’ they could focus on policy reform, ‘although normally they can only muster sufficient political capital to focus on a single institution and policy, and do little else’ (p. 206). To the extent that they attempt to achieve ‘widespread structural reform in how cities are governed, the more likely they are to fail.’ If this analysis is correct, the scope of reform and improved accountability provided by strong mayors is likely to be narrow. Consistent with the findings in other countries (Gissendanner and Kersting 2006), the strong mayor as innovator is now more likely to offer administrative remedies than political visions.

The presence of a chief administrative officer (CAO), found in almost half of the mayor-council cities, can expand the administrative capacity of the executive mayor and improve communication with the city council. Still, the greater the mayor’s control over the appointment of the CAO, the more this official is viewed as an extension of the mayor’s office (Svara 2002a). CAOs compared to city managers – according to persons who have filled both positions – have narrower functional responsibilities and less authority to direct their management team (Ammons 2008). It is likely that they will provide less professional support for accountability than does the city manager.

There are questions about the possibility of achieving balanced accountability in mayor-council cities. Ehrenhalt (2004) believes that elected executives promote accountability – in his view the capacity to enact a new political agenda – but often also bring ‘managerial cronyism and politically tainted policy decisions.’ Howard and Williamson (2008) in their examination of Richmond conclude that switching to the mayor-council form can be a ‘step in the direction of accountability’ by allowing voters to determine whether the mayor will remain in office – ‘the ultimate expression of being held accountable in a democratic system’ (p. 13). It is not clear, however, whether the mayor-council form can produce meaningful accountability as a ‘more regular feature of day-to-day governance, not just something
that happens every four years on Election Day’ (Howard and Williamson 2008, p. 13). Furthermore, during the lame duck period after the mayor has stood for election for the last time, the power of electoral accountability is limited (Siegel 2005).

In summary the fragmentary evidence does not indicate a necessary linkage between one form of government and heightened accountability. The mayor in the mayor-council form can offer dramatic examples of accomplishing a positive short-term policy agenda or altering administrative performance. When strong mayors fail to provide effective leadership, the performance of city government suffers whereas the council as a whole and the city manager can compensate for an ineffective council-manager mayor. Considering the potential contributions of mayors and city managers in council-manager cities and the sometimes modest and variable accomplishments of mayors in mayor-council cities, it is not clear where the accountability advantage lies.

A GENERAL FRAMEWORK FOR ALTERNATIVE APPROACHES TO ACCOUNTABILITY

The comparison of approaches to accountability improvement in cities with different forms of government appears to be linked to differences in approach to accountability – compelled by superiors, unidirectional and short-term versus volunteered or induced, multi-directional and long-term. The efforts to expand accountability of the first type are likely to occur in mayor-council cities with an elected executive. The call to ‘hold one person accountable for change’ is heard in the campaigns of groups that promote abandoning the council-manager form of government for the mayor-council form.

In this approach change comes from an aggressive political leader with popular support who reasserts control over bureaucrats and restores the traditional chain of accountability (Behn 2000, p. 60). Such leaders would have to be executive mayors in order to have the independent formal and political resources to act. They challenge the ‘bureaucracy’ in an effort to make the managers manage. Some also seek to make the council members decide, that is, approve, the mayor’s policy agenda. Executive mayors can use facilitative methods in dealing with the city council (Svara 2008), but the typical approach used by mayors in campaigning for office and when advancing their policy agenda equates accountability with setting forth policy goals and attacking problems and those responsible for the problems (Flanagan 2004). In view of this definition, changes in structure and process that give the mayor more resources to accomplish his or her goals can be defended (Ferman 1985; Mullin et al. 2004).
Accountability improvement efforts that stress multi-directionality and long-term approaches are more likely to occur in council-manager cities with facilitative visionary mayors, councils committed to governance and innovative city managers. In cities that take this approach there is shared responsibility for improving accountability and broad-ranging contributions. The accountability holder-holdee distinction is often set aside, and many officials recognize that jointly they are ‘accountable for’ achieving successful outcomes. To be sure there are mechanisms to hold officials accountable, in particular the authority of the council to remove the city manager at any time, but this compelled accountability is accompanied by accountability that is induced and volunteered because of a shared commitment based on common values and norms – factors that the normative institutionalists consider to be powerful guides to behavior (March and Olsen 1995). Officials are accountable not only for addressing problems and carrying out specific initiatives but also for responsive, consistent, high quality service delivery and progress toward meeting shared long-term goals.

Change can come from political leaders who inspire and affirm popular aspirations, from council members who combine governance and representational roles and from administrators who are committed to the long-term mission of the city and are responsive to citizens and service recipients. There is a complementary relationship between elected officials who provide guidance and oversight (both general and specific) and administrators who provide strategic and policy advice and deliver services (Svara 2006b). There is likely to be more day-to-day accountability and more continuity in pursuing goals and building organizational resources over time. The council-manager form may promote Behn’s (2000, pp. 203–5) ideal of 360-degree accountability. In this situation changes in structure would be assessed in terms of their impact on the capacity of the government to perform in a proactive and constructive way.

In view of the two approaches to accountability there are choices for officials and citizens to make. The mayor-council form has focused political executive leadership that is powerful but constrained. The potential for success comes in targeting resources on specific problems, performance issues and initiatives, and this is the focus of accountability actions. An inherent risk in this form is that the mayor will not be capable of meeting the broad demands of leadership in the public, political and administrative spheres. The remediation promised by a reform mayor is often to clean up the failures of a previous mayor (Svara 2006a), and new mayors often proclaim the need to restore accountability lost under a predecessor who was out of touch. The orientation of accountability is likely to be focused on short-term policy initiatives and targeted administrative improvements.
The council-manager form has shared political and professional leadership. It typically offers new mayors and council members an infrastructure of accountability within a framework of existing goals that can be used as the starting point for change. The form has the capacity for high-quality goal setting and performance and represents a philosophy of community change that emphasizes sustained progress toward meeting shared goals. The orientation of accountability is likely to be on across the board administrative performance and long-term goals and organizational development. The form is capable of short-range policy initiatives when elected officials are focused on change, although big policy shifts from one mayor to the next are less likely to occur than in mayor-council cities (Wolman et al. 1996).

The form functions best when mayors provide vision and are effective facilitative leaders, although other council members and the city manager partially fill the vacuum when these traits are missing. Still the form is hampered if there is misalignment among leaders or confusion about goals. These shortcomings can be remedied by methods to strengthen group process if there is a will to use them among elected officials. The form also suffers if the city manager is incompetent and allowed to remain in office, although the council can remedy this situation if it uses its authority to remove the manager. In extreme conditions of fragmentation within the council, however, there is no official who can impose order on the situation. Rare as this condition is, it severely hampers performance and undermines accountability when it occurs.

America’s two forms of local government provide two different approaches to promoting accountability and performance. The analysis of the nature of accountability and how it relates to the logic and the performance record of the mayor-council and council-manager forms suggests that each offers a different approach and a different focus to accountability. Which form and which approach is superior will continue to be topics for debate in the future. It is important to more clearly distinguish between types of accountability in assessing the similarities and differences in accountability based on form of government.

NOTES

1. Personal communication with author.
2. City managers do increasingly have employment agreements or contracts. Although they usually do not specify the length of the term, it is common for the contract to specify the benefits that will be received if the manager is fired from the position without cause. The financial costs to the city of firing the city manager may be a deterrent to city councils. The time and cost of finding a replacement is also a constraint.
3. There are a number of indicators of differences in performance and innovation by cities with different forms of government. The Governing magazine/Maxwell School assessment of city government performance gave higher ratings to council-manager cities. The adoption of management innovations occurs more rapidly in council-manager cities overall (Poister and Streib 1989; Streib and Poister 1990; Kearney et al. 2000) and in e-government and utilization of new technology (Coursey 2005; O’Neill 2005). More than half of the 40 cities that received a triple-A bond rating as of December 2003 from both Moody’s and Standard and Poor’s operate under the council-manager form (O’Neill 2005).

4. City managers commonly promote the use of council retreats for goal setting and assessment of progress both to prevent division and uncertainty about goals from occurring and to remedy shortcomings in group process. Council members are sometimes not inclined to have retreats or are too divided internally to make them productive.

5. This is the explanation given for problems in San Diego by Ehrenhalt (2004).

6. Richmond and Hartford appear to be examples of cities with a breakdown of working relationships that extended over a number of years, although Gurwitt (1997) argues that confusion about who is in charge is fairly common.

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7. Political and administrative leadership in a reinvented European Commission*

Anchrit Wille

INTRODUCTION

‘Commission bureaucrats are getting too powerful’ stated European Commission vice-president Gunter Verheugen in an interview with the daily *Sueddeutsche Zeitung* in October 2006.1 The German commissioner voiced unprecedented criticism of high-ranking Commission bureaucrats for their hunger for power in the EU executive, the result of which was a ‘permanent power struggle between commissioners and high ranking bureaucrats. Some of them think: the commissioner is gone after five years and so he is just a squatter, but I’m sticking around . . . The most important political task of the 25 commissioners is controlling this apparatus.’

In the dramaturgy of European politics bureaucrats are commonly perceived as powerful. As always there may be an element of truth in such a caricature. The basic notion that politicians choose policies and bureaucrats execute them loyally is overly simple. The boundary between decision and execution is a grey area and in many cases bureaucrats do much more than ‘executing.’ The potential strain between the roles of politicians and bureaucrats and their boundaries has been a key concern of political analysts since Max Weber and Woodrow Wilson (Alesina and Tabellini 2003). Even though there is a general idea that this ‘frontier’ is an important battle zone, there appears, apart from supporting anecdotes, little systematic empirical evidence as to what is taking place along these borderlines. In this chapter I want to deal with this dearth by exploring the partnership between politics and administration at the helm of the European Commission.

The European Commission – often compared to the US federal bureaucracy – is the Union’s core executive body (Curtin 2004, p. 6). Its tasks gel remarkably well with the central executive tasks in any political system; it initiates legislation and up until recently it was the only
agenda-setter in the EU context. The tasks assigned to it display many of the same features as national governments. Looking at the Commission we perceive an international institution that has more in common with a national government than with other international organizations. Like state executives the Commission consists of a group of politicians at the top and an administrative apparatus beneath (Egeberg 2003). At the top the collaboration between the political and the administrative levels consists of a *ménage à trois*, a delicate threesome of commissioners, heads of cabinet and directors-general.

Over the past years the European Commission has undergone the most significant changes since its inception. The resignation of the Santer Commission in 1999 pushed reform to the top of the political agenda. Faced with a decline in the Commission’s power, legitimacy and credibility, political leaders of the institutions of the EU and the member states have been engaged in putting their House in order (Cram 2002, p. 310). A long series of treaty revisions – Maastricht, Amsterdam, Nice – since the early 1990s have changed the legal and political framework governing the appointment and tasks and accountability of the Commission (Christiansen and Gray 2004; Egeberg 2006a). Moreover a range of internal reform measures – branded as the Kinnock reforms – transformed the administration of the Commission and its executive responsibilities (Bauer and Knill 2007). The achievement of the EU’s largest and most complex enlargement in May 2004 – the inclusion of 10(+2) new member states – was a further impetus for reform. New structures and rules with a range of ex ante constraints and ex post incentives combined to provide a system for more control in and over a ‘reinvented’ Commission (Peterson 2006).

This chapter departs from the idea that these changes have put new political pressures and demands on the working of the Commission in terms of its political executive function and its bureaucracy. The principal question I want to answer is how have these reforms changed the roles and relationships of the political and bureaucratic leaders at the top of the European Commission?

Studying institutional dynamics and the transformation of executive politics is not an easy job. If change is taking place, how should we detect it? In order to gauge the changing nature of executive politics, I will use two qualities that have been used previously in the literature to describe political-bureaucratic relationships (Aberbach et al. 1981; Peters 1987): recruiting patterns and role conceptions of commissioners and their senior bureaucrats. By studying developments in these two areas I intend to portray the changing nature of the relationship between politicians and top-level bureaucrats in the European Commission. Drawing on documentary and other evidence of politics during (and before) the Prodi
Leadership in a reinvented European Commission

(1999–2004) and Barroso (2004–09) years, and on interviews held with political executives and top officials in the Commission, I try to paint a picture of how, up to now, reforms have affected the composition and the operation of the political-bureaucratic interface in the Commission.²

IMAGES OF POLITICS AND BUREAUCRACY

The nature of the relationship between politics and administration has been an important topic in the literature since the writings of Wilson and Weber. In the traditional understanding of this relationship, there is, or at least should be, a clear hierarchical distinction between the sphere of politics and the sphere of administration (Overeem 2005; Svara 2001). The politician functions as a sovereign representative of political values and interests. The bureaucrat is the subordinate expert adviser and policy executor, concerned about efficiency and not acting from biased, personal or partisan orientations.

This classic dichotomy has long been challenged. Several authors have argued that a clear division is impossible, and a number of empirical studies show varying intermeshings of the two spheres (Aberbach et al. 1981; Mouritzen and Svara 2002). These studies suggest that the interaction between politicians and administrators is complex and differentiated (Putnam 1975). Aberbach et al. (1981) pointed to a growing involvement of civil servants in what had traditionally been described as ‘political’ roles. Of their famous four images to describe the relationship between politicians and administrators, Image IV (the complete blurring of roles) seemed to be becoming the face of the future when they conducted their interviews in the 1980s. The four images of the relationship between bureaucrats and politicians reflected a steady progression of bureaucratic influence in policymaking from Image I, with its emphasis on politicians making decisions and bureaucrats implementing them, to the ‘pure hybrids’ of Image IV where the line between policymaking and administration essentially vanishes, producing a seamless partnership between politicians and bureaucrats (Aberbach and Rockman 2006).

A few years after Aberbach et al.’s seminal study, Peters (1987) deduced five idealypical modes of interaction on a continuum of strict, formal, Weberian separation and hierarchy, at one end of which political leaders prevail over neutral bureaucrats, and at the other is the administrative-state model, in which technical expertise, bureaucratic activism and command of information allow bureaucratic professionals to dominate the policy process. Along the continuum there are the intermediate categories of ‘village life’, ‘functional village life’ and ‘adversarial politics.’ The notion
of ‘adversarial politics’ refers to a strongly politicized relationship in which politicians and bureaucrats compete for control over public policy. Most governmental organizations reflect a village life type of model, where backgrounds and behavior lead to more convergence than divergence between politicians and bureaucrats. Fifteen years later Peters and Pierre (2001) indicated that public sector reform and administrative reorganization have had a profound effect on the relationship between politicians and administrators. New management techniques and the changing recruitment and career patterns of officials tend to undermine both the classical dichotomy and the more cooperative ‘village life’ in which jointly socialized politicians and top officials blend smoothly. Moreover the NPM-driven emphasis on performance and measurable outcomes rather than procedural correctness and hierarchical compliance may, paradoxically, have lessened the capacity of politicians to control bureaucrats and created more conflict between them.

TECHNOCRATIC POLITICIANS AND POLITICIZED BUREAUCRACY

When examining the organization of the political-bureaucratic interface within the European Commission at the end of the 1990s (before the various reforms) the thing to notice is that it was complex and that this complexity was intentional from the start. Jean Monnet’s design for the European Coal and Steel Community (ECSC), today’s European Commission, gave a High Authority of appointed expert administrators responsibility for both determining and implementing the policies of the ECSC (Stevens 2001, p. 220). The Commission was designed as a technocratic body to propose solutions to policy problems, to broker deals, to provide the impetus for integration (‘motor of integration’) and to be the guardian of the common European interest. Monnet believed that decisions on the way in which that interest was to be pursued ought not to be subject to some kind of democratic majoritarian mechanism. Politicians are bound to be shortsighted and self-seeking, as they are subject to electoral mechanisms. The European integration and interest mediating function would better be guided by the impartial, general and long-term judgment of a technocratic elite rather than by short-term political judgment.

The Commission’s political level is, therefore, often portrayed as a depoliticized technocratic body; the Commission’s civil service, on the other hand, is often depicted in the literature as a politicized bureaucracy. The fact that the Commission was (and still is) a multinational bureaucracy had a fundamental impact on its cohesion, demographic character and the form
Leadership in a reinvented European Commission

of political control (Page 1997). The educational, professional and cultural background of top officials was extraordinarily diverse and far more heterogeneous than that of top officials in any national bureaucracy (Hooghe 2001). Those that entered the Commission with a genuinely European educational background were for a long time a minority. Studies in the mid-1990s showed that national identifications in the Commission were important for network building (Egeberg 1996) and sometimes became institutionalized in units, divisions and even whole Directorates General (DGs) (Christiansen 1997, p. 83). As a result, promotions at the top depended on one’s nationality and support from one’s national government – not on merit or loyalty to the Commission hierarchy. National quotas and temporary contracts ‘politicized’ the Commission bureaucracy.

Moreover in the EU systems policies are not only subject to extensive deliberations in the legislative phase but are also bound to be renegotiated when it comes to their implementation in different national contexts. Christiansen (1997, p. 77) indicated that the Commission was less bureaucratic than other bureaux because of this nature of continuous bargaining in the Union: ‘having to manage the resultant clash between pervasive political interests and the rigidities of the acquis communautaire is what makes the Commission such a special type of public administration.’ The upshot of all this was that the line between politics and technocracy was far from clear in the Commission and was constantly blurred by the behavior of many officials (Fouilleux et al. 2005). In the words of Hooghe (2001, p. 7), ‘in the complex setting of the European Union, Commission officials often find it impossible to resolve the tension between politics and expertise and impartiality.’

These descriptions of politics and bureaucracy refer to the state of the European Commission a decade ago. Considering that the worlds of these two elites overlapped, the fusion of roles between commissioners and their top officials at that time could best be described by the pure hybrid of Aberbach et al.’s (1981) Image IV. The literature on Commission reforms generally alleges that the Kinnock reforms, perceived as the most radical and comprehensive program of modernization in the Commission’s 50-year history, has turned the Commission into one of the world’s best-managed international organizations, high performance and policy-focused (Bauer and Knill 2007; Kassim 2004; Peterson 2008; Stevens and Stevens 2006). The question that arises is what were the repercussions of the changes that came with the reinvention of the Commission for the political-bureaucratic relationship at its helm? To what extent have the reforms created new selection patterns and a redefinition of the roles of commissioners and their senior officials? And how have these changes affected the nature of the relationships between the political and administrative leaders in the
European Commission? Did it produce an increased cooperation or a greater antagonism? I will examine these questions in the remainder of the chapter.

NEW RECRUITING PATTERNS: ‘POLITICIZED’ COMMISSIONERS, ‘DEPOLITICIZED’ OFFICIALS

In national governments politicians often differ from bureaucrats in their backgrounds, their training, careers and the way they are recruited for the office. This pattern is also marked in the European Commission. Commissioners reach office by a completely different route to their top officials, the directors-general. Whereas the latter typically take a long climb up the Commission ladder, commissioners usually come from outside. Whereas directors-general have spent all or most of their careers in the Commission (civil service ‘lifers’) before they reached the pinnacle of the service, commissioners tend to be ‘passing through’ the Commission, serving usually for relatively short periods and often with their sights set on further advancement, for instance on other political positions. These differences in career paths may influence their vision on leading the Commission. Incoming commissioners can bring new ideas, different experiences and fresh approaches. Brought in from the outside they may, however, not fully understand the Commission’s culture or values. Directors-general, being most of the time home-grown leaders, have spent a great deal of their careers inside the organization and may not recognize the need for change or have the necessary skills to pursue it effectively.

Recruiting patterns have altered for both commissioners and top officials in such a way that we can observe the growth of a demarcation between the political and the administrative spheres. To start with the selection of commissioners, the growing ministerial background of commissioners, a significant trend which has manifested itself since the first Commission (Macmullen 2000, p. 46), indicates a move away from more narrowly technical-based roles towards a broader and more political approach. Wonka (2007) argues that an analysis of commissioners’ prior jobs in the political arena shows that member states rely extensively on candidates who have high political visibility. Over time the share of commissioners who previously served as ministers in their member states and who, therefore, are experienced in exercising political leadership over a large executive bureaucracy increased from 43 percent for the first seven Commissions to 64 percent during Delors I and up to the current Barroso Commission (Wonka 2007). Increasingly the Commission also includes commissioners who have held senior ministerial office (prime minister, foreign minister,
finance minister, interior minister) or led a mainstream political grouping. This has had the effect of making the College of Commissioners less technocratic and more political.

Not only their backgrounds but also the procedure of appointing commissioners seems to have become more ‘political.’ In a 1999 resolution the European Parliament (EP) advocated a strong link between the preferences expressed by Union citizens in EP elections and the nomination of the College of Commissioners and its program for the parliamentary term. Consequently the term of office of Colleges has been extended from four to five years so as to bring them into close alignment with the term of the EP elections. The EP has gradually gained more weight in the appointment procedure; the EP shall not only be consulted on the choice of the president but has also been assigned the right to approve his/her appointment. Steps have been taken to render the College directly accountable to the EP, as illustrated by the EP committees’ examination of nominated commissioners, its vote of confidence and its right to dismiss the entire College. Moreover the new investiture procedures by the EP may contribute to a new form of ‘credit’ that commissioners can build up for their internal and external leadership during their mandate; commissioners can claim a legitimacy that is not simply based upon bureaucratic hierarchical rank but reflects the fact that their appointment is a political one via support by a parliamentary procedure.

As the selection of commissioners has become more ‘political,’ the appointment of top officials is designed to become less ‘ politicized.’ In the past, time-serving and the right political and national connections were often more valuable for promotion prospects than a good performance record. The Santer and the Prodi Commission both claimed that more weight should be assigned to merit and internal recruitment and less to nationality and ‘parachuting.’ The new staff regulations that came into force in May 2004 were intended to change the Commission’s personnel management practices. While the services should maintain a broad geographical balance, nationality would no longer be allowed to be the main determinant in appointing a new person to a particular post. However, in addition to the proportionality concern, the new system now requires that the immediate subordinate and superior of top officials should be of another nationality than himself/herself. A mix of nationalities in a DG and within individual units has become the norm. A director-general should not share the same nationality as the commissioner responsible for his/her service (Peterson 2004, p. 26). Directors-general in turn should be of different nationalities from their deputy directors-general and their directors. The purpose is to ensure a wide spread of nationalities in senior positions and to avoid nationality clusters (Spence 2006, p. 143).
Moreover a new procedure for appointments to posts at senior levels was established (Spence and Stevens 2006, p. 201) by the introduction of a system of compulsory mobility. In the first few months of his Commission, Prodi directed that directors-general should be rotated to new posts periodically to ensure that permanent officials do not become too powerful in their relationship with commissioners. The incumbency in any post of director or director-general should generally be limited to five years with seven years as a maximum. The objective of this reform was to remove ‘flags’ from the posts and to diminish the impact of national networks.

Generally the selecting of commissioners and their senior officials has demarcated the two sets of elites. One element in the changes in recruiting appears, however, to advance a shift in the direction of Peters’s (1987) village life model of interaction. In the case of the current European Commission we observe at the top a decreasing number of specialist career patterns on both the political and the bureaucratic side. Most commissioners of Barroso’s College have general and not specialist backgrounds, and if we look at the top of the administration, we also see a tendency towards the development of generalist career patterns among top officials. Usually the more generalist orientation of political executives contrasts with the more specialized background of top officials. Generalist political executives will be less able to contest issues on substantive grounds than executives with more specialized training. Generalists are, therefore, associated with Peters’s administrative state model. Given the new mobility policy for top officials, managerial competencies are increasingly preferred over professionalism based on a specific knowledge about policy fields and the handling of them. This development towards generalist career patterns among both commissioners and their senior officials, with generalist patterns of training – law and economics are the most typical study area among both commissioners and their top-officials – may lead to an integration of values in the political-bureaucratic interface.

Cabinet heads occupy extremely important positions in the Commission’s organizational system. They are in charge of a loyal group of advisers placed outside the mainstream bureaucracy. Cabinet heads are appointed by and directly responsible to their commissioner and retain their post at his/her personal discretion. Commissioners choose heads of cabinet as agents on whom they can rely.

The structure and the demography of the cabinets have truly changed in the past decade. Cabinets have become smaller, more European and more like private offices. In the past the nationality of the head of cabinet directly reflected the nationality of the lead commissioner (Egeberg 2003, p. 139). Cabinets were often national enclaves. The role of cabinets
Leadership in a reinvented European Commission was transformed in crucial respects under the Prodi Commission. One of Prodi’s first injunctions after his appointment as president was that all commissioners would be required to appoint a head or deputy head from a member state other than their own. Moreover all cabinets should be staffed multinationally, representing at least three nationalities. This marked a significant break from the past, when each cabinet was required to include only one non-national. Moreover at least half of the cabinet members should be recruited from within the Commission services. This also has implications for the role of nationality in the cabinets since those coming from the Commission administration usually have weaker ties to any particular national constituency.

The enhanced ‘float’ of officials that work for the commissioners and go back after a while to work in the services increases the amount of both informal and formal interaction between the political and administrative levels (compare Jacobsen 2006, p. 307). Most of the present heads of cabinets come from the Commission’s administration (seconded to the cabinet for a five-year term) and are selected because they possess the necessary ‘inside’ knowledge about the Commission’s administrative machine. This is well-established practice because commissioners need staff who have a good understanding of how the Commission works (Nugent 2001, p. 122). When the commissioner leaves the Commission, this part of the cabinet staff is usually transferred back into the services. For Commission officials a passage through a commissioner’s cabinet is an undoubted key to a successful career because it provides them with experience in the political sphere (compare Spence 2006, p. 65). This has resulted in an increasing proportion of senior officials in the service who have served in one cabinet or another.

Whereas the changing recruiting patterns of commissioners and top officials in the Commission has contributed to a growing political-administrative division, the flow from central positions in the bureaucracy to central cabinet positions and vice versa has promoted elite integration between the political and administrative levels.

THE EVOLUTION OF POLITICAL AND ADMINISTRATIVE LEADERSHIP ROLES

There has always been a differentiation between the roles of commissioners and their directors-general (Egeberg 2003; Nugent 2001). The top political layer was expected to provide the Commission’s political direction and make its major decisions; the administrative top level was expected to direct the executive and administrative tasks. Yet the hybrid
nature of the Commission, being partly political and partly administrative in nature, contributed to a blurring of political-administrative roles in the Commission.

The changes in organizational designs in the last decade have not only resulted in a shift in recruiting patterns. It became clear from the interviews that they have also contributed to a change in the ‘psychology’ of roles and the behavior of the political executives and top officials in the Commission.

From Competent Technocrats to Committed Politicians

I will deal with the commissioner’s role first. There is little doubt that changes in the political context have made the Commission’s job more awkward and demanding in the last decade. Shifts in the commissioner’s role are visible in four areas.

First, in the commissioner’s policymaking role the reforms in the Commission and the emphasis on improved public management are assumed to be best achieved when the political level in the Commission makes its objectives sufficiently explicit and transparent. Since the introduction of the Commission’s reform strategy, the organization of work in the European Commission has been regulated by a strategic planning and programming (SPP) system. Central to this system is a management cycle concentrating on the setting of political priorities and the appropriate allocation of resources, with the focus on results. According to the reform model, the roles held by commissioners are those of strategist and opinion-leader. From the interviews it became clear that commissioners are expected to clarify and communicate visions and values, choose appropriate strategies, and to identify, allocate and commit resources at the macro-level. The managing of operations will then be done by their directors-general, whose performance will subsequently be appraised against clear objectives and targets. The reform system seems likely to encourage commissioners to adopt these ‘political’ roles more and more. Their political success (not their survival) depends upon their skill and creativity in putting together coalitions of support to steer through particular programs. Most commissioners with backgrounds as senior politicians in the member states have no trouble in playing such a role.

Second, while the policy role of commissioners has evolved, so the value that commissioners attach to public responsiveness has become more significant in the past years. Since the seismic political shock of 2005 (after the French and Dutch referendums), EU leaders have been trying to do more than just pay lip-service to getting citizens on board the ‘European project.’ The European Commission has launched a whole series of citizen-friendly
initiatives, and commissioners have gradually been obliged to give more attention to the needs and demands of the European public.

Third, the interviews showed that the role of commissioners with regard to parliamentary politics has also grown. In their relation to the European Parliament many commissioners are obliged (as a result of the introduction of co-decision brought about by the Maastricht Treaty) to include Members of the European Parliament (MEPs) in their negotiating strategies. MEPs are taken more seriously by commissioners as policy experts and negotiators, and commissioners depend increasingly on the EP for support. The actual practice of securing accountability through a host of means has evolved and affected the roles of commissioners. Egeberg (2006a) argues that if the Commission’s relationship to the European Parliament continues to grow, both as regards to the appointment of Commissioners and their daily policymaking, there is reason to believe that more emphasis will be put on their ‘political’ role (party affiliation) in future Colleges.

Finally the revised code of conduct for commissioners allows them to be active members of political parties or trade unions. If they are to play an active role in an election campaign, they have to withdraw from the work of the Commission for the duration of the campaign. In previous years the Commission and its commissioners tended to keep a distance between Brussels and national politics, hovering somewhat above the domestic fray. Yet under the Prodi and Barroso leaderships, commissioners appear to cultivate a more explicit political role. Louis Michel, the EU’s commissioner for development, took a temporary unpaid leave to take part in Belgium’s federal elections. The Italian commissioner Frattini and the Cypriot commissioner Kyprianou left in 2008 after they were appointed ministers at home. Margot Wallstrom, the EU communications commissioner, made an all-out plug for French socialist president candidate Ségolène Royal in her blog. Dutch commissioner Neelie Kroes openly supported Angela Merkel to become chancellor just days before the German elections. During the last Commission Italian prime minister Romano Prodi actively campaigned in the general elections in Italy while still head of the Brussels executive, and Greek commissioner Anna Diamantopoulou also took a leave of absence for domestic elections and then resigned after winning a seat in parliament.

These developments reflect the increasing trend towards politicization of the European Commission. The treaties says that commissioners should be impartial and work for the European cause, stipulating that they must be ‘completely independent in the performance of their duties’ in the general interest of the European community. But as the European Union has evolved, the political level of the Commission has sought to rebrand itself as more of a political entity.
From Policy-oriented Professionals to Political Appointees

Reforms in the Commission have not only influenced the roles of the commissioners but of their directors-general, too. As with the political executives the roles adopted by top civil servants manifest an important psychological element. The interviews revealed that the creation of management systems that secure performance according to Commission targets and standards has increasingly emphasized the accountability of senior officials. The extent to which performance indicators and target regimes are employed in the Commission in order to set explicit goals, to apply performance measures and to impose more demanding and transparent reporting and accountability regimes, and the extraordinary growth of central auditing, inspecting and monitoring has not been easy for top officials. This may account for the somewhat ambiguous responses from directors-general – they have experienced greater freedom to deploy their skills, but at the same time they have felt themselves under closer scrutiny than ever before as far as results are concerned.

As a result of the internal reforms, top officials in the Commission are taking up a new role as ‘managerialist’ leaders. Policy-oriented professionalism is being supplemented by managerial skills, performance measurement and financial control. The focus for most senior officials has shifted from a policy advisory role with a clear focus on content to ‘process management’ or ‘getting things done through people.’ This tendency is described by Suleiman (2003) as the gradual de-professionalization of the upper echelons of public bureaucracies in terms of public policy orientation.

As the policy role of senior officials is diminished, the political responsiveness dimension is increased. In the new mobility system, personal compatibility of directors-general with commissioners has become more important. Some officials indicated in the interviews that a strong dependence on the approval of commissioners can in the long run undermine traditional public service values, threatening the ability of the civil service to provide frank and fearless advice. Whether or not ‘speaking truth to power’ qualities suffer from this change is presently unclear, but it seems logical to assume that as the criteria for success become more arbitrary or capricious, top officials will begin to behave more like political appointees whose jobs depend on personal loyalty to commissioners. One way or another, short-term contracts, in combination with performance goals and objectives created by the college of commissioners, obviously increase the responsiveness of senior officials to political direction.

The Commission reform has thus had important implications for senior officials: a reconfigured policy role, new performance demands and skill
requirements, and new accountability expectations and mechanisms; and increasing demands for political responsiveness.

From National Delegates to Coordinating Chiefs

The role of cabinet heads is a rather neglected one in the literature. Their main function is coordination and to serve the incumbent commissioner. The role and success of commissioners is closely connected to that of their heads of cabinets and their teams. Cabinets can counterbalance a commissioner’s shortcomings, and they are used by commissioners to strengthen their own performance in areas where they might otherwise be weak.

In a way the heads of cabinets have, partly, the same function as the directors-general: ‘enhancing simultaneously the effectiveness of the Directorate General and the commissioner’s profile by providing (informal) guidance on the commissioner’s wishes’ (Spence 2006, p. 73). For commissioners this means that they can draw advice from at least two sources: the director-general who is primarily responsible for policy development and the cabinet head who is responsible for operations at the political-administrative interface. Directors-general are more likely to be advocates for their DG, whereas heads of cabinets are more likely to represent the political ‘Berlaymont view.’ The provision of advice is not monopolized under this design, and this of course diminishes the likelihood that commissioners are captured by their services.

The new rules on recruitment of cabinet members and the changed composition have redefined the role of cabinets as the interface between national governments and the Commission. Thus multinational staffing and an increased emphasis on internal recruitment have made the cabinets more European and more professional and less oriented on the national capitals. Moreover cabinets feature a lot of new faces, in contrast with the pre-Prodi era when officials often served in multiple cabinets of multiple commissioners and thus effectively remained in post for long periods of time. Insiders conceded that the effect of this change has been that a more diverse range of views than in the past tends to be reflected within individual cabinets (Peterson 2004).

It seems logical that with a shift in the roles of the commissioner, the roles of their heads of cabinets will have changed, too. But the data from the interviews are still moot on this point. The detachment of leading servants from the DGs to serve in cabinets means that cabinets have gradually acquired a major influence over the day-to-day running of the Commission. Heads of cabinets usually know enough about the services, the policies and European decision-making to know and understand the
mechanisms for control. Besides, the cabinets appear increasingly to be drawn into the details of policymaking and monitoring. As a result the heads of cabinets (can) have an important role in setting priorities in the policymaking process and dealing with problems of governance. How far they have actually been drawn into the day-to-day management of the Directorates General is hard to say. This varies from cabinet to cabinet and is often a function of the policy sector and the approach of the individual commissioners and their heads of cabinets.  

Overlapping Roles but Distinct Perspectives on Leadership

At the top sharp distinctions do not always count. There are areas of substantial overlap between the roles of politicians, heads of cabinets and the top Commission civil servants in policymaking and other processes. Having witnessed considerable shifts in the conceptions of the roles that commissioners and their top officials play in the Commission, it is, however, possible to say that there is a growing disconnection between its political and bureaucratic leadership.

Commissioners and their top officials have very different backgrounds, aims, jobs and styles of work. They all work in a political environment, but their roles differ in the kind of politics they are involved in. Commissioners deal mostly with broad ideas, parliamentary politics, member states and the politics of parties, where heads of cabinets and directors-general deal most of the time with the politics of bureaucracies, advising commissioners and so on. Generally speaking the interview data revealed persistent and sharp differences in the perspectives of commissioners, heads of cabinets and directors-general. Their core values, functions and means, their ways of thinking about public policy were all largely distinctive across roles. Table 7.1 summarizes the essentials of their roles.

The key functions of the political leadership of commissioners are adding political vision to the policy process and mobilizing support, whereas the key functions of the bureaucratic leadership emphasize management and delivering policy proposals. The key function of heads of cabinets relates to fostering coordination, communication and the monitoring of the policy process. Commissioners, heads of cabinets and top officials have different ‘perspectives’ on their leadership, not only according to the function they fulfill in the policy process but also in their core values, their orientation to their counterparts and in the use of means to accomplish their goals. On the whole I found that commissioners (as politicians) acted more and more as ‘energizers’ in the European Commission and directors-general (as top bureaucrats) as ‘equilibrators.’ These images from Aberbach and Rockman (2006) are a good empirical approximation of their leadership.
Heads of cabinets function gradually more as a ‘third force’ between the distinctive worlds in the European Commission.

The result is collaboration at the top that mixes different types of leadership. Politicians and their top officials stressed the virtues of the complementarity of their leadership (see Mouritzen and Svara 2002; Svara 2001; ’t Hart and Wille 2006). The key notion of complementarity is based on the presumption that politicians and administrators are highly dependent upon each other for getting their respective jobs done. Top officials accept the control of commissioners and commissioners respect what top officials do and how they do it. At the same time there is interdependency and reciprocal influence between politicians and administrators who fill
distinct but sometimes overlapping roles in policy and administration. Complementarity does not equal ‘blurring’ (Aberbach et al.’s (1981) Image IV) of roles but is based on the conditions for maintaining the distinction between politics and administration, while at the same time describing how the two are intermixed. Once the College of Commissioners sets a course the details were more likely to be worked out by their bureaucrats. Each set of actors, taken as an aggregate, brought unique assets (and revealed unique shortcomings) to the process of government. Given these interdependencies they recognize that their relationship must be collaborative, not adversarial.

CONCLUSION

Verheugen, quoted at the start of this chapter, still portrays the political-bureaucratic relationship in terms of Peters’s (1987) administrative state model, in which political actors, nominally in charge, were ultimately controlled by the services with their greater access to information. Documentary evidence and results from interviews with top officials in the Commission show, however, that the Commission gradually evolves and is slowly attaining the features of a normal core executive (Egeberg 2006b). The College of Commissioners has turned into a genuinely political rather than a technocratic body, something which is reflected in its composition. The top of the services is increasingly ‘depoliticized’ by changes in the recruitment system that have made it more merit and management based. Changes in organizational design not only affect recruitment patterns but also behavior and interactions at the top.

Role research reflects changing governmental systems and, thus, changing role expectations (Aberbach and Rockman 2006). The conception of the Commission as ‘pure hybrid’, in which commissioners and bureaucrats act as in Aberbach et al.’s (1981) Image IV, is gradually disappearing. The general tendency of the political changes examined here has been toward controlling the influence that the Commission exerts over the design and execution of the policymaking process. The motivation for this shift was that the Commission’s services were perceived as too powerful, too unresponsive to political directions and unable to ensure efficient performance. The new governmental arrangements assume actors (‘agents’) that need to be controlled, given proper incentives and held accountable through contracts. It is safe to describe the intent of the changes as improved responsiveness to elected (EP) and appointed (College of Commissioners) officials. The desire to improve the hierarchical political direction of the services has led to a significant redefinition of the role of commissioners and of higher officials.
Leadership in a reinvented European Commission

This has resulted in a clearer demarcation of the political and the administrative parts of the Commission. Relations between bureaucratic and political leaders in the Commission are closer to Aberbach et al.’s Image II, ‘Facts/Interests’, with directors-general bringing facts and knowledge (by management) to the policy process as their distinctive contribution and commissioners defining values and representing the interests of the European public.

Faced at the end of the 1990s with declining societal and political acceptance of the Commission’s purposes and the way it pursues its mission, the Commission’s legitimacy and authority were seriously threatened. Both commissioners and their top officials recognized that for the Commission to continue playing a significant role at the European level, it must turn into a more credible and capable organization in terms of its agenda-setting responsibility and policy leadership role. The ‘reinvention’ of the Commission may help to beget this. Reform has ensured that the roles of political and administrative leaders have become clearly demarcated. The changes within the Commission’s leadership are, therefore, best characterized as a response and adaptation of an institution to internal impulses and to the increasingly demanding and changing political environment within which the European Commission finds itself entrenched.

NOTES

* An earlier version of this chapter was presented at the Third Transatlantic Dialogue at the University of Delaware, Newark, Delaware, USA and at the CONNEX Workshop Meeting of Research Group 1, Barcelona, 7–9 June 2007, at the Universitat Autonoma de Barcelona. I wish to thank all the participants in these workshops for their helpful comments.

1. Quoted in EuObserver, 10 October 2006.

2. I conducted in 2006 a set of qualitative in-depth interviews with over 50 top officials working at the apex of the European Commission. I asked them about their jobs in the wake of a reforming European Commission. All conversations were recorded (with the permission of the respondents) and transcribed.

3. The bureaucrats in the Commission consist of a staff of several thousand full-time European career officials, responsible for public administration with above them the directors-general, the administrative heads of the Commission services. Above them again floats the commissioner, who although appointed, is generally a politician by background. Together with his or her colleagues they form the College of Commissioners. This College functions much like a government (ministerial cabinet) in that each commissioner is responsible for a particular policy area and for overseeing one or more Directorates General (DGs), which in turn are the functional equivalent of national government departments. Each commissioner has a cabinet of personal appointed officials who offer policy advice, who function as the gate-keepers to the commissioner’s desk, and who perform a crucial role in the political-bureaucratic divide. The result of all this is a very complex set of relations between political and bureaucratic officials within the European Commission.
4. A staff of personally appointed officials, hired and fired by the commissioner, consisting of five to seven advisers plus a number of clerical staff, which is organizationally separate from the administrative services.

5. The Berlaymont is the building in Brussels in which commissioners and their cabinets (private offices) are based. The Berlaymont view represents the political view as opposed to the bureaucratic view of the services which are located in buildings scattered all over Brussels.

6. Complaints have long been widespread in the Commission’s permanent services that the cabinets interfered far too aggressively and directly in the work of the DGs (see Peterson 2004, p. 24) and that cabinets evolve into a parallel bureaucracy.

REFERENCES


Leadership in a reinvented European Commission


8. Russian bureaucracy as an alternative model of leadership

Marc Holzer and Iryna Illiash

Do we need a new leadership paradigm for the public sector, bureaucratic and political? For the last several decades the sentiment in the USA and Europe has been largely antigovernment. This is expressed not only as distrust of government and an antipathy to large bureaucracies but as a rush to privatization and contracting-out as well as calls for smaller government, greater efficiency and accountability. Distrust of, and disappointment in, government underscores a collective desire for more effective leadership.

Such frustration has spawned many theories of leadership. But according to Stillman (2006), more than seventy abundant years of leadership studies in political science, history, philosophy, psychology and other academic disciplines has failed to produce a ‘school of leadership with a single unifying theory’ (p. 106). Lacking that agreement the dominant (or ‘default’) paradigm in the US public’s mind – and from the viewpoint of their elected and media surrogates – is that of the ‘strong’ leader who will set things right. The 2008 American presidential campaign certainly projected that image from the very top of the governance hierarchy. At the bureaucratic level, although new views on leadership are continually being proposed in the literature of practice and theory – from transformational and servant leadership to group leadership and leadership of organizational culture – the Weberian model is still dominant. On the business side an ongoing economic crisis has generated calls for equally strong leaders who can turn failing corporations, such as General Motors, toward profitability.

The search for efficacious leadership models in the USA and Europe has not, however, considered distinctly non-Western leadership models and expectations. Yet there are compelling arguments in favor of studying Russian bureaucracy as a relevant phenomenon. Hollander (1971, p. 13) argues that ‘The study of Soviet bureaucracy is important and challenging because it is a type of bureaucracy largely undreamed of in the philosophy of Western sociologists and students of bureaucracy, a type which defies
many of our major preconceptions about bureaucracy.’ Ryavec (2003) adds to the argument by indicating that the type of administration that has existed in Russia does not conform to Weber’s definition of bureaucracy and is ‘not bureaucratic, at least not in the Weberian sense’ (p. 5). He explains, ‘The overall pattern of administration in both imperial and Soviet Russia was highly informalistic, personalistic, and with a tendency toward corrupt and self-aggrandizing behavior by bureaucrats – hence, definitely non-Weberian’ (p. 6).

Through centuries and regime changes from Ivan the Terrible to Peter the Great to Stalin and, most recently, to Vladimir Putin and Dmitry Medvedev, pre-revolutionary, Soviet and even post-Soviet Russia has always been associated with an autocratic leadership style. As Chubarov (2001) observes, whatever the political system, autocracy is typical for the traditional Russian state: ‘The prerogatives of the Russian leader – be it Moscow prince, all-Russian tsar, or Soviet general secretary – have traditionally been vast and autocratic and have also been hostile to pluralism’ (p. 273). This ‘seemingly overwhelming continuity in the autocratic pattern of Russian politics’ (Theen and Wilson 1996, p. 265) is ascribed first and foremost to the ‘impact of Russian history and political culture as part of the background against which the Soviet political system evolved and post-communist Russia is evolving’ (p. 266). Therefore, essential to understanding the Soviet leadership style is the fact that the change of regimes brought about by the October Revolution did not break the autocratic tradition of czarist Russia. To the contrary, ‘the personalization of political power’ (ibid.) in the form of Stalin’s leadership came down through history as the leadership cult and continued to exist, minus bloody repressions, long after Stalin’s death.

But autocracy does not necessarily equate with ineffectiveness. The Russian model has produced some significant successes: the defeat of Napoleon and Hitler, rapid industrialization, the space program and arguably universal health and education systems. And there is certainly a cultural preference for autocratic leadership across the Russian Federation. The relationship between culture and leadership is as clear in Russia as it is anywhere in the world. The enduring nature of this one model over many centuries of change and its similarity to the ‘strong leader’ model often put forth in the United States suggests that we might profitably examine its strengths and limitations.

Is there good reason for Russia to be open to the more complex leadership styles that are characteristic of the Western leadership literature? Is there reason to believe that Russian society, particularly Russian public services and Russian democracy, would better serve citizens with more complex, adaptive models of leadership? Does Western leadership theory
apply at all to Russian public sector leadership, and what are the prospects, possibilities and problems raised?

In a parallel sense, is there something in the Russian leadership model that might be advantageous to the USA as well as other Western democracies, that might validate relatively simple, superficial desires for strong remedial leadership?

The main body of the chapter consists of three parts in which we examine political and bureaucratic leadership trends in pre-revolutionary, Soviet and post-Soviet Russia. The conclusions follow.

IMPERIALIST RUSSIA

For centuries the Russian Emperor was revered as God’s deputy on earth. From a historical perspective,

Russian autocracy was a form of absolutist government that derived its sanctity from the concept of the traditional ‘God-given’ power of the Russian tsar and from the claim of the right of succession to the great empires of antiquity. An absolute monarch was the central element in the Russian political system. There were no recognized formal limits on his political authority and no rule of law to curb his arbitrary will. (Chubarov 2001, pp. 26–7)

Unlike absolutist monarchies of Western Europe that had to deal with the parliament or powerful social classes such as the bourgeoisie or aristocracy, in the absence of civil society or strong political opposition, the Russian monarchy reigned supreme, dominating (and subjugating) its subjects and treating them as its property. Even at the end of the nineteenth century when other European nations were transformed into constitutional monarchies or parliamentary democracies, and despite some attempts by the czars at political reforms, Russia remained an absolutist autocracy where political dissent was little tolerated and opposition and independent thinking were ruthlessly crushed.

The failure of the czarist regime to broaden the base of political participation eventually led to the revolutions of 1905 and 1917. Thus we may argue that as a supreme political leader the Russian monarch failed to rise above the conservative Russian mentality and to move Russia to the levels of governance and quality of life of European societies in the twentieth century.

The Russian czar was not just an embodiment of political power. He was also the ‘ultimate’ bureaucrat, heading an enormous administrative machine. Throughout the centuries, Russian bureaucracy, as the power of officialdom, played an essential – and in the last three or four centuries
decisive – role in Russia’s state system. The reach of the state extended to all aspects of Russian life, religious, cultural, economic or political, thus affording bureaucratic elites enormous political power. It was common knowledge that before the revolution ‘the path to political power lay through the civil service and . . . in Russia instead of bureaucracy serving primarily as administration it has long acted excessively as a key agent of both political control and bureaucrats’ self-aggrandizement with its administrative or governance duties ignored or downplayed’ (Ryavec 2003, pp. 13–14).

For centuries political patronage was a fact of life and the top positions in government were occupied by the czar’s cronies. Other prominent features of Russian officialdom were arbitrariness and corruption. The czarist regime perpetuated these traits within the Russian bureaucratic class by failing to provide it with adequate salaries and pensions. Instead, civil servants (even of the lowest ranks) were afforded substantial discretionary powers which they freely exercised in pursuit of their self-interest. Having analyzed the historical roots of corruption in Russian officialdom, Clark (1993, pp. 30–31) concludes:

[T]he critical psychological distinction between private activity and public office, so crucial in the development of a professional administrative structure, came late to Russia, only in the second half of the nineteenth century. Prior to this time, the notion that the appointment to public office was in large part a kind of personal sinecure, and that a living could be maintained only by extracting measures of wealth from the local population, was widely accepted and encouraged to a degree by the central authorities.

Even the absolutist monarch understood how strong and powerful the institution of bureaucracy was in Russia, that the day-to-day ruling power resided in the bureaucracy. Under the czar the government official, the chиновник, became disproportionately powerful. In the context of absolute monarchy and lack of civil society, Russian bureaucracy acquired outrageous and extreme forms. The lawless autocracy of provincial rulers, the mercenary officials, the hypocritical policies of ministers, the petty tyranny of the police and the absurd actions of the authorities – such were the characteristics of nineteenth-century Russian officialdom. Even if in that stagnant and corrupt milieu there were a handful of visionary and extraordinary public figures, such as Speransky, Stolypin and Witte, with truly revolutionary ideas, their modernization attempts were defeated by the conservative mass of the state bureaucracy with the tacit support of the czar. Under the czars the country’s administrative leadership failed to effect change that would allow Russia to overcome its political and economic backwardness and face the forces of modernization that were sweeping the rest of the world.
THE SOVIET UNION

The political system that emerged after the October Revolution differed significantly from the proletarian dictatorship as originally envisioned by Lenin with its provisions for the equality of all citizens and their empowerment through the bodies of people’s representatives – the so-called ‘soviets’. Instead, by claiming monopoly of power for the Communist Party, Bolsheviks essentially established a one-party dictatorship.

When Lenin conceptualized the idea of the soviets he envisaged that these ‘representative organs of the popular masses’ would render such democratic institutions as the parliament, the civil service and the separation of legislative, executive and judicial branches redundant. However, Lenin’s pre-revolutionary vision of the stateless society never materialized. Confronted with the economic chaos and civil war that followed the revolution the Bolsheviks put into place government machinery that would restrict the access of the working people to participation in the political process. Thus as Chubarov (2001, p. 54) indicates, ‘From the start, the idea of “rule by the people” through soviets was compromised, and the soviets themselves were gradually transformed into a decorative façade masking the party’s power monopoly.’ Officially, power was divided between the soviets, which represented all state power, and the Communist Party, which provided them with ‘guidance.’ In reality the Communist Party was always the sole ‘real agency of power and policy’ (Eaton 2004, p. 11).

The way in which the Soviet government was created further reaffirmed the Communist Party’s power monopoly. After the Bolsheviks had seized power in 1917 Lenin himself set up a governing council of people’s commissars (ministers) comprised of prominent party members and became its first chairman. This structure, in which top party leaders held top government offices, remained essentially unchanged. Public policies were not enacted by the legislature but handed down as decrees from the highest party authorities: the Secretariat, Politburo and the Central Committee. As a result ‘a tiny group of men were the sole source of legislation and state institutions existed to carry out their decisions’ (Eaton 2004, p. 55). The Communist Party virtually monopolized the decision-making process in the USSR. Theen and Wilson (1996, p. 313) call it ‘by far the most important institutional actor on the political stage in the Soviet Union.’

The government bureaucracy was not at all powerless. As Theen and Wilson (1996, p. 290) point out, ‘administration and enforcement of rules and regulations are an exceedingly important part of the process of government and the exercise of power.’ Responsible for implementing party decisions and running the country on a day-to-day basis the
central ministerial hierarchy, through firm control of key positions in the Soviet economy, gained unprecedented decision-making power, which it exercised in all significant areas of social life (ibid. p. 313). Moreover, the Council of Ministers, defined in the Soviet Constitution (Article 128) as ‘the supreme executive and administrative body of state power’, in reality possessed and extensively exercised much of the legislative power as well (as a matter of fact most Soviet legislation was actually issued by the USSR Council of Ministers; ibid. p. 289). Ryavec (2003, p. 11) indicates that the Soviet regime had ‘at least two particular reasons for large and powerful bureaucracies: industrial administration and political control.’

As indicated by Eaton (2004), from the first days of seizing power Bolsheviks regarded ‘an economy dominated by industrial workers’ as politically imperative for the survival of the young Communist state. Hence Stalin’s late 1920s ‘industrialization at a blistering pace’ and a simultaneous subjugation of agriculture ‘into the servant of industry and cities’ (p. 134). This tactic, accompanied by unimaginable human sacrifices, allowed the Soviet Union an unprecedented breakthrough in terms of industrial growth. In the absence of a market economy it also meant that this effort had to be coordinated from a single center.

The socialist mode of production adopted in the Soviet Union was founded on the principles of public ownership of the means of production and a planned economy. Under these conditions all resources and commodities in the country were centrally distributed; economic planning was also highly centralized and hierarchical leaving very little decision-making power for republics and regions; the circulation of money was severely limited; and prices were determined not by the supply and demand ratio but by bureaucratic decision-making (Chubarov 2001, p. 78). At the heart of the system of centralized planning was the State Planning Committee, or Gosplan – the top economic planning agency of the Soviet Union – assigned the task of setting annual production targets and developing a five-year blueprint for national economic activity in accordance with the major political objectives of the party leadership. The five-year plan translated these broad objectives, such as electrification targets or agricultural goals, into industry-specific requirements such as outputs of generators or tractors. These requirements were then transmitted down to the ministries in charge of the respective industries at the national level and from there on down the hierarchical structure. From the launch of the first five-year plan in October 1928 the pressure was always on fulfilling the plan’s objectives ahead of time. There was even an official slogan ‘The five-year plan in four years!’ However, overcentralized planning did not always work as anticipated and could not account for and pre-empt many ‘unintended consequences,’ such as local conditions or inadequate training of workers
operating complicated machinery (Chubarov 2001). Therefore plans were often unrealistic and production goals could not be met.

As the Soviet economy followed the extensive growth model its structure became more ramified and sophisticated. The proliferation of ministries and their increased specialization created conditions under which industries were run as absolute monopolies, concentrating enormous economic power in the hands of ministers and their department heads.

Free of control and accountability the decisions of this central bureaucracy were often arbitrary and autocratic. Chubarov (2001, p. 79) writes,

...the management monopoly of the party-state bureaucracy bred recklessness, irresponsibility, and arbitrariness in economic policy making... Paradoxically, the Soviet system of centralized planning did not have any built-in mechanisms to prevent arbitrariness and unpredictability in economic decision-making. No amount of the most careful planning could override authoritarianism and willfulness as the cornerstones of the command-bureaucratic system.

From the first days of Soviet power it became apparent that to exercise political control a security apparatus had to be developed. Thus in December 1917 the Bolshevik government established the Extraordinary Commission for the Struggle against Counterrevolutions, Sabotage and Speculation – the famous ‘Cheka’ – to defend the young state from internal threats, and a month later it formed the Red Army to provide defense against external enemies. The Bolshevik secret police, for that is what Cheka really was, was granted a wide arsenal of repressive powers against those they perceived as ‘enemies of the people,’ from property confiscations to arrests, interrogations, sentencing and executions. With the passage of time the system of coercive control grew ever larger by incorporating new forms or transforming the old ones (Cheka into KGB).

In the 1930s Stalin created a system of government that ‘stamped Soviet society with its fundamental identity’ (Eaton 2004, p. 108), that of totalitarianism. State priorities were determined by the party elites, military leaders, central planners and ideologists – a new ‘service class’ ‘fathered’ by Stalin, as Dunham (1990) called them. State institutions were designed to support the regime by mass terror (in the extreme) and other oppressive means. Their abnormally large size and number and equally abnormally compressed ‘brain’ power led Dunham (1990, p. 132) to speak about the emergence of ‘a hydrocephalic bureaucracy’ that ‘required the parceling out of limited, yet lucrative, power to the bureaucrats.’ The side-effect of this power however was, according to Dunham (ibid.), the emergence of anxiety and fear among them. She writes:

The middling bureaucrat... feared to rock the precarious boat. He feared decisions, for he could neither make them nor not make them. He feared change...
But such power as he held was penetrated through and through by fear, which he transmitted in turn to the people . . . Such a Stalinist drowned ideas and ideals in bureaucratese. Bowing and scraping to superiors, dealing and wheeling with peers, oppressing those below him, he ensconced himself behind the desk of local power.

This proverbial bureaucrat did not care about scientific and technological revolution or innovation, or intensification of production. His goal was the status quo. But what impact did the ‘revolution’ then have on its ‘subjects’?

On paper the constitution guaranteed Soviet citizens a wide array of rights and freedoms (of speech, religious affiliation, assembly, the press, the inviolability of the home). In reality, ‘through its police powers, the regime dictated if, when and to what extent people could enjoy their promised civil liberties’ (Eaton 2004, p. 55). There was always a ‘convenient’ premise – the cold war was the best one – to justify the encroachment on these liberties by constant police surveillance and maintenance of the vast prison labor system, or to validate the necessity for the people to endure hardships and make sacrifices, or to rationalize the underfunding of agriculture and consumer goods in favor of heavy industry and military spending (ibid., p. 24). As Eaton (2004) points out, the Soviet people had no legal recourse against false accusations and arbitrary persecution as the constitution did not provide them with any means of constitutional rights enforcement through the courts. In addition the Soviet judicial system was a loyal although insignificant servant of the party. Even the supreme court had very little real authority. It did not have the power to decide on the constitutionality of the law, interpret the law or rescind it. With no presumption of innocence the Soviet judicial system was heavily weighted against the defendant. To this day Russian prosecutors can overturn a court’s decision (Eaton 2004).

However, it is impossible to fully grasp the relationship between Soviet bureaucracy and its citizenry outside the context of Stalin and his industrial revolution of the 1930s. People and their needs always came second to the demands of the military-industrial complex. As Filtzer (2006 p. 96) argues,

The decision to erect factories and coal mines at breakneck speed, to bring millions of peasants into the towns to build and staff them, but not to provide these workers with accommodations, infrastructure and public services was a political decision, a reflection of the regime’s essential priorities and its view of its citizens as expendable objects, valuable only for their capacity to generate the surplus from which the Soviet elite drew its privileges.

Continual malnutrition, cramped living conditions (4.67 square meters per person in 1950 (Filtzer 2006, p. 96)), absence of running water,
sewerage and central heating as well as chronic shortages of consumer
goods and food supplies characterized the life of the citizens of one of the
two superpowers in the world in the 1950s and, in many aspects, well into
the 1980s and beyond.

As a result of the state ownership of the means of production, the force-
ful elimination of a market economy and the Communist Party’s power
monopoly, the bureaucratic machine that was put into place in the Soviet
Union was undoubtedly one of the biggest in the world. Highly central-
ized and formalized it controlled every aspect of human life: it employed
the majority of the adult, able-bodied population; established production
targets for industries and agriculture; determined prices for housing, utili-
ties, transportation, groceries, education and healthcare; directed spiritual,
intellectual, physical and cultural development of the individual; and for-
mulated and executed external and internal policies. And all this was done
not through a democratic legislative process but through decrees, orders,
regulations and resolutions. The ruling Bolshevik/Communist Party itself
was transformed along the way from ‘the revolution’s headquarters into a
bureaucratic machine charged with mobilizing and channeling energies of
society into a massive modernizing program’ (Chubarov 2001, p. 10).

Another important fact is that Soviet bureaucracy was not created from
scratch; it did not grow from the theoretical tenets of Marxism – there
was simply no time for that. The young Bolshevik state inherited it lock,
stock and barrel from its defeated enemy, the czarist regime. Lenin himself
acknowledged this continuity of administrative apparatus by saying, ‘We
took over the old machinery of the state and that was our misfortune
. . . Down below there are hundreds of thousands of old officials we got
from the tsar’ (Ryavec 2003, p. 60). With them many of the features of
the previous administration were transmitted to its successor, such as an
obsession with paperwork. What became typical for the Soviet command-
and-control type of administration was that policies that had direct bearing
on people’s lives were carried out not through a legislative process but by
decrees of top leadership, put in place or withdrawn by their will (Eaton
2004). There was no place for logic or common sense in routine decision-
making, as Solnick (1998, p. 2) indicates: ‘Procedures and documentation
mattered far more than any sort of Weberian rationality in guiding the
behavior of policy makers.’

Similarities between the two regimes in recruitment practices are attrib-
uted to the historical roots of Russian officialdom. In the Soviet Union
the party elite, the nomenklatura, held enormous control over cadres at
all levels, from all-Union to local, by making decisions as to who got
appointed or ‘elected’ to positions of authority (called nomenklatura posts)
in the party itself, government and all other important social structures.
The selection was limited to the candidates who were on the nomenklatura list which meant the party’s endorsement of their political fitness (a factor that played a much more decisive role than the candidates’ abilities, experiences or levels of professionalism).

Advancement within the nomenklatura was contingent upon the acceptance of certain behavioral norms (personal loyalty to leaders at the higher level being most important) and adherence to ‘the path of political orthodoxy,’ as any deviation could result in the termination of the office holder’s career (Brown 1982, pp. 263–4). As Brown (1982, p. 264) humorously pointed out, ‘a mild deterrent in comparison with the prospect of physical annihilation offered in Stalin’s time, but on the whole . . . a very effective one.’ However, once you were in and played by the rules you were there for life as part of nomenklatura, a network of privilege often above the law, that maximized its own wealth. A.D. Sakharov, a great Soviet scientist and a well-known dissident, wrote in this regard:

‘The whole manner of getting a job and advancement is very strongly connected with the interrelationships within the system. Each important administrator has attached to him personally certain people who move with him from place to place as he is transferred. There is something irresistible about this and it seems to be a kind of law of our state structure.’ (Quoted in Brown 1982, p. 264)

However in time the nomenklatura degenerated, a phenomenon that became known as ‘the law of a totalitarian pyramid.’ Chubarov (2001, p. 60) explains:

A leader selected his team on the principle ‘more stupid than I.’ As there was no regular mechanism for handing over power, the next leader could only be a person from his team . . . As a result, the system aided the survival of the ‘unfit-test,’ promoting to leadership positions individuals like Leonid Brezhnev . . .

It is hard to tell whether the intolerance to criticism was a Russian cultural trait or a part of its autocratic tradition or both, but criticism of authorities especially from the bottom up was always a dangerous and punishable thing to do. The October Revolution most certainly did not break with the past there. A one-party system, a weak, even non-existent civil society and the suppression of any democratic discourse created and perpetuated an atmosphere as intolerant of criticism as that of the previous regime. The infallibility of the party and its leadership was an axiom taken for granted and never questioned, at least not without the harshest of consequences, anywhere in Soviet society. Government bureaucracy was a system put into place to protect the party’s power and to provide a political buffer for its leadership.
Corruption was another vice the Soviet state inherited from the previous regime. Lack of political accountability and the chronic scarcity of virtually everything provided fertile soil for the seeds of corruption. Those who had access to consumer goods and food supplies through their jobs ‘regularly and illegally skimmed off a certain amount for personal use’ (Eaton 2004, p. 117).

The biggest of the rip-offs of the Soviet state by the party-state-managerial nomenklatura, however, occurred after the breakup of the Soviet Union. Bureaucrats and party officials enriched themselves by appropriating state assets, often natural resources, with virtually no restraints.

So what was the end of the road for the state that nurtured autocratic tendencies for seven decades? By the 1980s, according to Chubarov (2001, p. 13):

it was clear that the Soviet Union had come to the point at which its legitimizing doctrines, institutions, and decision-making procedures were hopelessly outdated and no longer capable of meeting the growing demands and modern complexities of Soviet society. The bankruptcy of the neo-Stalinist system of government was obvious to any unprejudiced observer . . . The old Leninist ideology seemed no longer capable of incorporating the broad masses of the population into the communist project. Thus, the Soviet regime by its own policies had nurtured powerful forces . . . that in a matter of decades were destined to become the regime’s own ‘gravediggers’.

POST-SOVIET RUSSIA

In the almost two decades that have passed since the dissolution of the Soviet Union the Russian Federation has changed from a one-party political system with a state-owned economy and a Marxist-Leninist official ideology to a country with a multiparty system and the private ownership of means of production. On its way to capitalism and democratization Russia endured the so-called ‘shock therapy’ that overnight pauperized the majority of its citizens and the ‘nomenklatura’ privatization of state assets that further increased the divide between the elites and the common people by robbing the latter of property ownership. With the end of the Communist Party hegemony there has also been a shift in political power to the president and his administration (Theen and Wilson 1996); however, this power is diffused. Some of it has devolved to regional leaders, the new class of business entrepreneurs (the ‘oligarchs’) and criminal groups (the mafia). Consequently, the central government is presently neither feared nor respected as confirmed by pervasive draft and tax evasion practices. Despite the fact that it has increased in size in the years since independence
the post-Soviet Russian government is unable to perform the most basic administrative tasks such as collecting taxes, paying wages, regulating banks or financing the debt – the culmination of decades of bureaucratic mismanagement.

There are many instances of continuity between postcommunist Russia and the previous regimes. The preservation of the Soviet bureaucratic apparatus and *nomenklatura* appointees, especially at the mid-level of leadership, with its old-style traditions and culture, is one of them, as was the frustratingly slow responsiveness of the bureaucracy in implementing Putin’s policies. Rampant corruption and bureaucratic indifference are corollary problems. Intent on preserving their privileged position in society the actions of top government officials are borderline piratical. A case in point is that of the Ministry of Atomic Energy, which in the pursuit of additional funding is selling nuclear know-how to rogue nations. Besides the old *nomenklatura* civil service conducting ‘business as usual’ a Russian civil service has emerged that caters to the interests of the new Russian entrepreneurial class and for whom the function of a public office is simply to facilitate corporate profitability.

It seems that ordinary Russian citizens are the only group that does not have advocates of their interests in the vast government bureaucracy. Mistrust and avoidance of government are the most prevalent responses among citizens. As surveys indicate, citizen perceptions of public service leadership as lacking accountability, as corrupt and pursuing their own interests seem to be unchanged from the Soviet period while the level of citizen alienation from government bureaucracy rose in comparison with the last years of the USSR (Stewart et al. 2002, p. 282).

**CONCLUSION**

What can we learn about public sector leadership from the Russian experience? Seven observations may apply.

First, bureaucracy is important to societal continuity. Bureaucratic functionaries, even the largely dysfunctional and corrupt, may still represent a framework for society: issuing civil documents, collecting taxes, representing the center, legitimatizing legal relationships and so on. Although corruption is universally condemned Russia may represent an enduring balance between acceptance of bureaucratic corruption as a cost and societal identity as a benefit. That is Russian citizens seem to accept dysfunctions at a moderate level as long as the state is intact. Western nations seem less likely to tolerate obviously corrupt leadership although low-level graft or theft is not uncommon in those systems. The Weberian
model may be appropriate to the West but a significantly different model may work in Russia; one that does not rely on merit, qualifications or career civil service.

Second, bureaucracy and democracy have different relationships to one another in different societal contexts. Russia is lurching toward democracy and may progress by degrees in a manner very different from that of the USA or other Western countries. Democracy evolved in the USA for a century without a large bureaucracy; Russian bureaucracy pre-dates democratic institutions by several centuries. Perhaps Russian organizations will provide the stability necessary to nurture democracy, and the inevitable pressures of globalization and open information will help foster democratic institutions.

Third, the pathologies of bureaucracy are universal. The negative adjectives that Russian citizens have applied to their bureaucrats are very much embedded in the Western bureaucratic stereotype. In the USA the media daily attack bureaucrats for their uncaring, callous, officious attitudes. Even if the levels of service in the West are significantly higher bureaucrats are still susceptible to the same temptations and dysfunctional behaviors as are their Russian colleagues. Citizens in those countries can just as easily laugh at caricatures of bureaucrats, and sarcastic Russian cartoons from the last two centuries translate easily:

In a cartoon from a satirical magazine, Zanoza (Splinter), published in 1863, a bureaucratic boss is sitting on a tower made of folders, while his subordinates are bringing him more folders with the word ‘projects’ written on them. The boss says, ‘Give me these new projects! I do love projects, I do love progress. I have about two hundred projects here.’

In a cartoon by Kanevsky, 1920s, a low-level ministry official is explaining to a visitor how the new ministry functions, ‘Our staff in NARKOMAT (Ministry) is really big, but only two of us, the minister and I, are actually doing something: I deliver the official documents and the minister signs them.’

‘Plan for the Fourth Quarter’ by Trunev (artist), Lezunov (poet), ‘The Fighting Pencil’ group, 1966:

Two officials from a central planning agency are trying to push a reluctant elephant of enormous proportions through the tiny gates of a factory. The factory director is trying to stop them from destroying the facility. The words ‘Plan for the Fourth Quarter’ are written on the elephant. The poem reads:

The giant clearly was born
With no thought or foresight . . .
The planners care less – they’re done,
Out of sight and mind.
In a cartoon by Talimonov (1993), a Greek runner carrying an Olympic torch is chased by two bureaucrats who are trying to put out the fire with water coming from firefighters’ hoses.

Fourth, the cult of leadership, deeply entrenched in Russia and supported by a large bureaucracy, is a potential danger in other societies. In imperialist Russia it was a God-like czar. In the Soviet era Lenin was made into God (with young schoolchildren chanting, ‘Lenin lived, Lenin lives, Lenin will live forever’) and Stalin was idealized as the people’s father and mentor while millions were being destroyed. To many, post-Soviet Russia has exhibited signs of a leader’s cult with Vladimir Putin. The Germany of the 1930s and the Second World War was a parallel phenomenon. Even in the USA that danger arises. After the tragedy of 9/11 New York’s mayor Rudy Giuliani projected himself as a strong leader and not a few politicians suggested that he remain in office, delaying the swearing in of his duly elected successor. President Franklin Roosevelt was elected to office four times, contravening an understanding that presidents would limit themselves to two terms. And many politicians are now trading elected offices in order to evade term limits much as Putin moved from the presidency to the post of prime minister. Neither the American nor the Russian bureaucracies evidenced any objections or lack of cooperation with those arrangements.

Fifth, the dysfunctions of Russian bureaucracy and the entrenched nature of its political leadership may both erode in the global society. As Russia’s citizens observe and experience more efficacious bureaucracies, pluralism and non-permanent leaders in other countries, they will demand changes from Moscow outward to the entire country. They have already begun to do so via term limits for the presidency built into the constitution. Even if those limits are now being manipulated, de facto, they may take root in the post-Putin era that will necessarily follow.

Sixth, as Russia opens to the West it will unavoidably open itself to the multiple perspectives on leadership that are evident in the Western literature. Although we have no one model of leadership the traditional autocratic model that has lingered in Russia will have to cede ground to the realities of global competition and heightened expectations of public services to its citizens. The simple top-down model resting on an enormous bureaucratic foundation is simply too inefficient and costly to continue as a status quo entity. Russians will be searching for more efficient and effective organizational tools; the West’s leadership ‘toolbox’ offers those innovations.

Seventh, the ‘strong leader’ model is not to be emulated by the USA and the West in general over the long term. It may have served Russia as a
crisis management tool in terms of overthrowing the Czar, defeating Hitler or industrializing, but the long-term costs are excessive in human and economic terms. Production is only at a low level and not at all competitive in the global marketplace. Both the West and Russia need to attend to the more complex, subtle – and ultimately more effective – approaches to leadership.

REFERENCES


PART III

Leadership processes in interorganizational networks
INTRODUCTION

Collaborative networks have come to form a large part of the public sector's strategy to address ongoing and often complex social problems. The relational power of networks, with its emphasis on trust, reciprocity and mutuality provides the mechanism to integrate previously dispersed and even competitive entities into a collective venture (Agranoff 2003; Agranoff and McGuire 2003; Mandell 1994; Mandell and Harrington 1999). It is argued that the refocusing of a single body of effort to a collective contributes to reducing duplication and overlap of services, maximizes increasingly scarce resources and contributes to solving intractable or ‘wicked’ problems (Clarke and Stewart 1997).

Given the current proliferation of collaborative networks and the fact that they are likely to continue for some time, concerns with the management and leadership of such arrangements for optimal outcomes are increasingly relevant. This is especially important for public sector managers who are used to working in a top-down, hierarchical manner. While the management of networks (Agranoff and McGuire 2001, 2003), including collaborative or complex networks (Kickert et al. 1997; Koppenjan and Klijn 2004), has been the subject of considerable attention, there has been much less explicit discussion on leadership approaches in this context. It is argued in this chapter that the traditional use of the terms ‘leader’ or ‘leadership’ does not apply to collaborative networks. There are no ‘followers’ in collaborative networks or supervisor-subordinate relations. Instead there are equal, horizontal relationships that are focused on delivering systems change. In this way the emergent organizational forms such as collaborative networks challenge older models of leadership. However despite the questionable relevance of old leadership styles to the contemporary work environment, no clear alternative has come along to take its place.
Leadership processes in interorganizational networks

To progress the development of a new conceptualization of collaborative network leadership two interrelated issues will first be addressed in this chapter. The first issue relates to the need to distinguish between the different types of networks and their associated leadership functions. In this regard particular attention is paid to the unique characteristics of collaborative networks. The second issue relates to how these unique characteristics of collaborative networks have an impact on what is meant by leadership in these types of networks. Although some of the more recent literature, particularly on distributive and shared leadership (Chrislip and Larson 1994; Korac-Kakabadse and Korac-Kakabadse 1997; Murrell 1997), can be applied to some types of networks, it is argued that tightly linked collaborative networks present a unique situation that requires a new conceptualization of leadership.

By focusing on the interrelatedness of these two issues this chapter develops a new way of formulating leadership in collaborative networks, one that looks at the emergent process of leadership, not individual traits of leadership. In order to better conceptualize leadership in collaborative networks we use the term ‘process catalyst’ to define such leadership activities. The lack of focus on leadership in collaborative networks will be augmented by empirical data on leadership styles from those involved in two such efforts. Finally, drawing from the literature and the findings of the two case studies, a framework for the development of a new conceptualization of leadership in collaborative networks will be developed. The chapter ends with a discussion of this new conceptualization of leadership and examines the implications for our understanding of leadership in collaborative networks.

UNDERSTANDING DIFFERENT TYPES OF NETWORKS

The term network, as used here, refers to linkages that occur in organizational and/or professional settings rather than to personal types of networks. In the literature these are often referred to as collaborations (Agranoff 2003; Agranoff and McGuire 2003; Alter and Hage 1993; Bardach 1999; Huxham and Vangen 1996, 2000). Although networks are ways in which different organizations, groups and individuals work together, to refer to all of them as collaborations muddies the water (Mandell 1994, 2001; Mandell and Steelman 2003). Instead a distinction has been made between different types of networks (Agranoff 2006) with some authors (Brown and Keast 2003; Keast et al. 2007) summarizing these as cooperative, coordinative and collaborative, or the ‘3Cs.’
Cooperative networks occur in a variety of settings and generally involve only a sharing of information and/or expertise. There is very little if any risk involved in the transactions. Each participant remains independent and only interacts with the others when necessary. This is the case for instance with professional social workers who routinely exchange information about best practices and methods for dealing with their clients. Leadership in this type of network is diverse and dispersed. Leadership is only about connecting the individuals in the network.

Coordinative networks occur when the delivery of services is integrated among all organizations involved in their delivery to increase service efficiency. In a coordinative network, organizations, groups and/or individuals go one step beyond merely exchanging information and explicit knowledge. They interact with each other in order to better align their individual efforts. The participating organizations still remain independent entities but are willing to make changes at the margins in the way they deliver their services. Most of the literature on networks is based on these types of interactions (Alter and Hage 1993; Bardach 1999; Goes and Park 1997; Provan and Milward 1995, 2001). Leadership in coordinative networks is focused on guiding the integration process through planning, joint projects and other mechanisms that encourage others to work in a more collective manner.

In a collaborative network the participants are interdependent. This means members know they are dependent on each other in such a way that for the actions of one to be effective they must rely on the actions of another. There is an understanding that ‘they cannot meet their interests working alone and that they share with others a common problem’ (Innes and Booher 2000, p. 7). This goes beyond just resource dependence, data needs, common clients or geographic issues, although these may be involved. It involves a need to make a collective commitment to change the way in which they are operating (Mandell 1994, p. 107).

This means that the members can no longer only make changes at the margins to the way they operate. Instead they will be involved in actions requiring major changes in their operations. The risks in collaborative networks are very high. Participants must be willing to develop new ways of thinking and behaving, form new types of relationships and be willing to make changes in existing systems of operation and service delivery.

A key characteristic of a collaborative network is therefore that the purpose is not to develop strategies to solve problems per se but rather to achieve the strategic synergies between participants that will eventually lead to finding innovative solutions. In this way a collaborative network is not about accomplishing tasks but rather finding new ways (by developing new systems and/or designing new institutional arrangements) to get tasks
accomplished. Tasks are still accomplished in collaborative networks; however the focus is on the processes and institutional arrangements used to accomplish tasks (Cordero-Guzman 2001; Keast et al. 2007; Mandell 1994, 2001; Steelman and Carmin 2002).

The emphasis is on the need to learn new ways of behaving and dealing with each other. To do this requires a high level of trust among participants and takes much time and effort to develop. New rules of behavior (Koppenjan and Klijn 2004) need to be developed that are based on flexibility and the norm of reciprocity (Agranoff and McGuire 2001; Mandell 1994, 2001).

Success in collaborative networks is based on establishing and maintaining appropriate interactions between partners (Agranoff and McGuire 2003; Keast et al. 2007; Mandell 1994; Walker 2002). In collaborative networks leadership does not refer to one person but rather the process of getting all members to interact in new ways that tap into and leverage from their strengths. The processes involved in building a new whole, working toward systems changes, recognizing the interdependency of all participants, building new relationships and learning new ways of behaving are at the core of the concept of leadership in collaborative networks. The key element is recognition that leadership in collaborative networks is about focusing on the processes of building a new whole rather than primarily focusing on more efficient ways to deliver services. Getting tasks done is achieved through the cooperation of the member organizations using the resources of their organizations. Those in leadership roles are not ‘in charge’ of the collaborative network. As one participant of a network indicated, ‘I am the orchestra leader in [agency], in the [network] I am a partner’ (Agranoff 2003, p. 11). This chapter is about this kind of leadership.

It is clear that the ‘3 Cs’ are very different from traditional organizations. Furthermore the review has highlighted alternative leadership roles for each of the network types. These emergent network leadership roles are considered against conventional leadership theory in the next section.

LEADERSHIP THEORIES

Arising from an increasing awareness of the importance of social relations in the leadership contract (Bolden 2004), more recent studies have tended to focus on the notion of leadership as a distributed process. Referred to also as informal, emergent or dispersed leadership, these new models emphasize the importance of follower participation, democratic involvement and decision-making, and make a claim for a less formalized, hierarchical model of leadership. That is leadership is perceived as an evolving property of a group or network of interacting individuals rather than a phenomenon
A new look at leadership in collaborative networks

that arises from the personality or attributes of the individual. Further, because leadership within this perspective is centered on performing acts that assist the network/group to meet goals and maintain itself, varieties of expertise are distributed across many actors rather than a few.

Thus, over time there has been a shift in the theorizing and practice of leadership such that it no longer emphasizes the properties of individuals or organizations but recognizes the growing interaction and interdependence between people and the various contributions that can be made by diverse members. Many of the new leadership aspects, with their emphasis on facilitation rather than direction, their focus on interactions not individuals and their distributed orientation, now have strong resonances with networks and network leadership characteristics.

For instance according to Huxham and Vangen (2000) there are three perspectives of leadership in networks. These are manipulating and influencing activities; empowerment or facilitating access to agendas for all members; and opening up agendas in new ways, to think creatively and shift mindsets. The third perspective has strong resonance with what is meant by leadership in collaborative networks. This is echoed in the work of Feyerherm (1995), Innes and Booher (1999, 2000) and Connick (2006) in terms of the critical importance of reciprocity, relationship learning and creativity and shifting mindsets in order to move a network forward. The question though is whether existing theories and understandings of leadership are sufficient to explain collaborative networks, or do collaborative networks require new leadership skills? Two case studies of collaborative networks are used to answer this question.

METHODOLOGY

In order to gain a deeper understanding of leadership within collaborative networks, a cross-national and cross-jurisdiction approach was initiated using insights drawn from multiple levels of government and community operation and from the international arenas of Australia and the United States. Two case studies of acknowledged collaborative networks, the Water Forum (WF) in the USA and the Services Integration Project (SIP) in Australia, were selected to highlight the critical findings on collaborative leadership.

Services Integration Project

The Services Integration Project in Goodna, Australia, was convened by a local social change agent who brought together the full set of public service
and community organizations with responsibility for providing services to the Goodna district in Queensland. This resulted in a cross-section of representation from federal, state and local government, community-based agencies and community members. It was recognized by the participants from the public sector from the beginning that a fundamental change in the service delivery system was required and further, that such a change in working models could only be accomplished by establishing much better relationships between concerned agencies and the community than had been the experience in the past (Keast et al. 2004). As a result of the enhanced relationships between members, including the establishment of higher levels of trust and reciprocity coupled with the shift in orientation from single agencies to a collective approach, the project was able to secure many layers of indirect and direct organizational and community benefit such as locality-specific services and programs, a new governance regime, training initiatives to aid service and community capacity building and improved infrastructure and facilities (Boorman and Woolcock 2002). The case demonstrates that a perspective which focuses only on tasks accomplished clearly overlooks the potential for a real and sustained effectiveness, such as the social impact that occurred within this project and changed the way people worked.

The Water Forum Project

The Water Forum was convened by the Sacramento City Council Office of Metropolitan Water Planning to negotiate an agreement on how to manage the water supply for the region and also to preserve the environment. The initial meetings were held in 1993. They included representatives from the city and county of Sacramento, environmentalists, businesses, agricultural leaders and citizen groups. In many cases there was competition between these groups that led to a number of lawsuits. In order to break the resulting gridlock the city and county of Sacramento decided to convene the Water Forum to try to reach an agreement with these diverse groups. They recognized from the very beginning that new relationships needed to be established and that their role was not to be ‘in charge’ but rather to allow the participants to develop new ways of working with each other. As a result all of the representatives were treated equally and allowed to develop the process as necessary in order to reach new agreements. The process took six years but in the end all of the agreements made were contained in a Memorandum of Understanding (MOU) for the Water Forum Agreement. This MOU was signed in January 2001 by all of the stakeholder organizations. According to the Water Forum website the MOU provides overall political and moral commitment to the agreement. Other
contracts, authorities and similar actions will supplement the MOU. The agreement commits the signatories to work together on continuing and new water issues over the next 30 years.

Insights on leadership were derived from semi-structured in-depth interviews (both personal and telephone) and background data secured from the internet and those involved in both cases. The use of a semi-structured interview approach allowed respondents to describe their experiences and understandings of leadership in their own words (Denzin 1989). In the SIP case there were also two focus groups that more systematically explored network member perceptions of the leadership role and the nature of the actions taken in fulfilling this function. The dynamic interactions possible through the focus groups allowed members to disclose and challenge opinions, thus identifying differences between individuals’ responses and organizational policy stances and highlighting consensus and dissonance levels for different points of view (Johnson 2002).

FINDINGS AND DISCUSSION

This section reports on the leadership experiences and understandings of respondents in the case studies in order to identify the level of congruence or ‘fit’ between the elements of collaborative networks and the extant leadership literature. A number of factors emerged from these cases that have an impact on what is meant by leadership in collaborative networks, including building relationships and climate, sustainability and commitment, focus on process, not just tasks, and building a new whole and systems changes.

Building the Network Relations and Climate

For many respondents in both cases there was an understanding that a key leadership role centered on identifying, building and sustaining relationships between members. To move beyond ‘business as usual’ and concentrate on bringing together the often-fragmented service providers, the need for relationship building was recognized early in both the SIP and WF processes. Indeed it was stressed in both cases that if participants were to be genuinely different they would need to make an earnest attempt to build relationships, change their behaviors and learn from each other (Boorman and Woolcock 2002; Connick 2006; Keast et al. 2004).

Enhanced relationships were achieved in the WF case through using an interest-based negotiation approach. The idea behind the use of this approach was for participants to learn the difference between maintaining positions and their underlying interests. It also allowed them to explore
different alternatives to a final agreement (Connick 2006, p. 31). The participants spent over a year learning and exploring the benefits of this type of collaborative effort.

In the SIP case, member participation in a graduate certificate in social sciences (a course in inter-professional leadership) provided the vehicle for improved relationships. Most SIP participants spent sixteen full days over two semesters learning new theories, unlearning old behavior and developing shared language and skill-sets (SIP interview). In both cases the key to change was to learn new ways of behaving. This included learning a new language and developing a new paradigm or way of thinking and perceiving others that would lead to establishing and maintaining directed collective action.

For all cases there was also an understanding that the leadership function was complex and shifting. Moreover it was identified that different types of leadership roles can appear within the life-cycle of the collaborative network. Although participants in collaborative networks may not indicate which participants are leaders in collaborative networks, they can readily point to key members who make a difference. As one network participant indicated, leaders ‘are those who understand and listen and try to work out ways to address all the interests involved’ (WF interview).

The key in terms of influence is not the use of power or ‘clout’ but rather the ability to encourage and assist people to come to an agreement. These core influential members are in effect taking on particular types of leadership roles. The importance of facilitating interaction and building of relations was described as follows: ‘Relationship building and maintenance have been very important to this network project. It helped us to break down barriers and see points of commonality; this allowed us to go forward’ (SIP interview).

**Sustainability and Commitment**

For many the dense and embedded relationships that have formed and the new types of engagement that are now built into the network culture and psyche of both efforts represent the most important outcomes of the projects. This is because they provide a basis of sustained commitment to enable the participants to mobilize and act together when necessary (Boorman and Woolcock 2002; Connick 2006; Keast et al. 2004). On this link between commitment and sustainability one SIP respondent indicated, ‘It was vital to develop a . . . common framework for them to move forward and stay together as one.’ As a consequence, for the duration of SIP there was ongoing commitment to the project and no member withdrew from the initiative.
A similar obligation to the project and the process was evident in the WF case where it was stated:

We have no choice. We have to stay at the table. There is no alternative . . .
The Water Forum process transformed me. I now understand that collaboration is the only way to solve problems. I do it now in everything I do, including running my business, and dealing with my suppliers, employees and customers. (WF interview)

The long-term intention of both collaborative initiatives centered on establishing an orientation, environment and process that engendered sustained commitment beyond the specific project. That is, the interaction processes would generate a community readiness or capacity that could be drawn upon for future issues.

A Focus on Process

Action plans and specific project plans guided the delivery process for both initiatives. However despite this administrative basis, for most participants the building of relationships was, at least initially, a primary focus of the efforts, not the completion of tasks (that is, the delivery of services). This represents a big leap of faith for those representing the public sector, but based on the two case studies one that is crucial to the effectiveness of the collaborative network.

In the WF this view is reflected in the way one of the key people in the network sees his role. He emphasized that what he does has more to do with people management than anything else; it is about getting people to work together. He does this by being respectful to everyone (regardless of whether he likes them or not) and asking everyone to be respectful of each other. Once this is established, he asks people to listen and understand what each one’s interests are, to keep all interests in the forefront, and finally, when recommendations are made to be sure the other parties’ interests are met (WF interview).

In the SIP the same view was expressed as follows:

It is focused on the task of delivering services – but also actively engaged in doing something that moves beyond the provision of services. It is about the creation of processes in which the infrastructure and environment allow for the innovations needed to deal with complex problems.

However, although within the networks themselves there was a realization of the importance of attendance to processes to enhance and sustain relationships, the initiatives were frequently subject to more conventional
Leadership processes in interorganizational networks

expectations of tangible outcomes. This view is encapsulated by the following comment on SIP by a funding provider: ‘It is just a channel for money with no observable results . . . It is just about cups of tea and feel good results’ (Keast 2004, p. 150). Despite these views there remained within SIP and its local community a strong groundswell of support for a process that encourages people to continue to act collectively and to challenge ‘old ways of working.’ A similar impetus for change and collegiality was apparent in the WF and was made evident through more formalized actions and arrangements.

Nonetheless it was also acknowledged that network outcomes do not occur by virtue of a group of people meeting and building rapport. These relationships have to be massaged and directed in order to achieve results. In both cases participants cite the critical efforts of a ‘driver’ of the relational process. That is one or more individuals who can push the relationships beyond conventional levels and in so doing drive the collective action toward better or more innovative outcomes. However this ‘driver’ was not seen as the ‘leader’ in either case. Rather the driver is a catalyst for the participants to stay on track and work collaboratively toward building a new whole. Indeed the findings suggest that network leadership is a balancing act or an alliance between the more facilitative and nurturing functions and the need to leverage relations and drive for outcomes. This duality was also identified by Vangen and Huxham (2003) who described this phenomenon as the simultaneous enactment of both the facilitative (spirit of collaboration) and the directive (collaborative thuggery) roles.

**Building a New Whole and Systems Change**

Collaboration is essentially a process that enables individuals and organizations to combine their human and material resources to accomplish objectives that they are unable to bring about alone (Huxham 2000). The synergy that partners seek to achieve through collaboration is more than the exchange of resources. By combining the individual perspectives, resources and skills something new is created – a whole that is greater than the sum of its individual parts.

In both cases those interviewed saw participation in the network as not only a new way of working but as a way to build a new whole and to change the existing systems in which they worked. In SIP this was recognized as ‘re-establishing the value we placed on each other as people and professionals and committing to working more holistically together’ (SIP interview). A process of information-giving sessions and direct lobbying was used to inform and to gain the support of not just community members but also of many of the heads of participating departments and senior officers of the
department of the premier and cabinet and treasury (SIP interview). In the WF it was considered vital that all the external stakeholders were committed to the process. In order to achieve this the WF documents were continually brought to the boards of the organizations represented in order to ensure the approval and support of all external stakeholders. As a result:

Although the Water Forum consumed large amounts of the stakeholder representatives’ time and was a relatively expensive undertaking for the City and County Office of Metropolitan Water Planning, those involved in the process and their stakeholder organizations continued to see it as a valuable way to address their problems. (Connick 2006, p. 46)

In this way the focus of the leadership of both collaborative networks was on bringing together and mobilizing the full set of actors to a common point for action. This role and the others identified from the case studies point to a movement beyond influencing to focusing on the facilitation of relational process that engender commitment and capacity to change.

LEADERSHIP IN COLLABORATIVE NETWORKS: PROCESS CATALYST

We agree with Huxham and Vangen (2000) that the work of several authors (Bryson and Crosby 1992; Chrislip and Larson 1994; Feyerherm 1995; Murrell 1997; Stewart and Joldersma 1997) applies to a great extent to leadership in networks. These theories cover the concept of shared leadership, nurturing and communicating and supporting individuals, all of which apply to leadership in networks, including collaborative networks. Indeed the cases in the previous section reflect the emphasis in the literature that network leadership is equated with relational leadership (Murrell 1997) as well as the processes for inspiring, nurturing and supporting these relationships (Bryson and Crosby 1992; Chrislip and Larson 1994; Feyerherm 1995). Other areas of their work can also be applied to collaborative networks. These areas include the need to build trust among participants, the fragmentation of power and sharing responsibilities.

The difficulty is that these works focus primarily if not wholly on cooperative and/or coordinative networks. There is an assumption that the organizations represented in the network are independent, not interdependent as in collaborative networks, and only make changes at the margins, not systems changes. This is not the case in collaborative networks. It is these unique characteristics of collaborative networks that require building a different concept of leadership: one centered on the ‘process catalyst.’
As the two cases have highlighted, in collaborative networks the leadership focus is not on individuals per se but rather on the process by which new learning occurs and new ways of behaving emerge. As indicated, although there may be one or more influential participants in a network, it is the ability to find and develop a pool of shared meaning through a process of creating ‘a new collective value’ (Innes and Booher 1999, p. 15) or a new whole that gets at the meaning of leadership in collaborative networks. In this context the concept of leadership is the ability to be a ‘process catalyst’ and the focus is not on leadership skills per se but rather on understanding the critical importance of focusing on and valuing the processes that lead to building a new whole. Collaborative leadership thus ‘produces rather than a solution to a known problem, a new way of framing the situation and developing unanticipated combinations of actions that are qualitatively different from the options on the table at the outset’ (Innes and Booher 1999, p. 12).

Along a similar line Chrislip and Larson (1994, p. 138) have argued that the primary role of collaborative leaders is to promote and safeguard the collaborative process. The leadership roles exhibited in both case studies reflected this orientation and established mechanisms for monitoring and protecting the collaborative process including the introduction of process or climate checkers. These consisted of external facilitators who would monitor the interactions and relationships within the network in order to provide feedback and reflection on attendance to collaborative principles.

In both cases the emphasis was not primarily focused on the tasks of delivery of services. Instead the members were actively engaged in processes that moved beyond the provision of services. Through these processes new infrastructures and environments were created that allowed for the innovations needed to deal with complex problems in the future as well as those currently being worked on. In SIP this was seen in the way that they have been able to build new capacities for both the government and the community. In the WF this was seen in respondents’ recognition of the importance of using interest-based negotiations to deal with former adversaries and their use of this method in future network situations. While respondents generally indicated that they were heavily involved in the development of this culture it was often left to the ‘leaders’ to implement and maintain. Together these findings have resonance with Harris and Lambert’s (2003) assertion that a central leadership task is to generate the conditions and create a climate for improvement to be initiated and sustained.

Drawing from these findings it can be seen that a range of leadership roles and functions over and above those identified for cooperative and coordinative networks are evident. These roles center on creating a space
A new look at leadership in collaborative networks

and the processes to enable network members to understand and appreciate each other, push boundaries, and discover and leverage synergies for innovative outcomes. In essence the leadership role in collaborative networks is one of initiating, facilitating and ‘minding’ the processes for collaboration.

Table 9.1 delineates this new type of leadership in collaborative networks and how it differs from leadership in the other types of networks.

CONCLUSIONS

Although current leadership theories help us to understand what leadership in cooperative and coordinative networks means, they cannot be used in and of themselves to define leadership in collaborative networks. Instead the concept of leadership in collaborative networks as ‘process catalyst’ is presented to more clearly describe what is meant by leadership.
Leadership processes in interorganizational networks. This concept highlights the difference between solutions proposed and the process needed to reach these solutions (Feyerherm 1995). It shifts the focus from the importance of achieving tasks to the importance of being able to reach agreements and to take the risks needed to build a new whole and make changes to existing systems.

Traditional leadership theories are based on an intra-organizational view in which someone is in charge, there is a supervisor-subordinate relationship or some kind of leader-follower relationship and there are specified goals that the leader is trying to reach. Even in the most recent theories that focus on cross-organizational leadership, the emphasis is on independent organizations working in concert. These characteristics do not apply in collaborative networks. Instead, the concept of ‘process catalyst’ is needed to better articulate the role of leadership in collaborative networks.

NOTE

1. According to the website of the Water Forum, four water suppliers did not commit themselves initially to the agreement. They are: Arcade Water District, El Dorado Irrigation District, Georgetown Divide Public Utility District and the Rancho Murieta Community Services District. In addition, three water suppliers decided not to participate in the Water Forum. They are: Arden Cordova Water Service, Elk Grove Water Works, Fruitridge Vista Water Company.

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A new look at leadership in collaborative networks


10. Executive involvement and formal authority in government information-sharing networks: the West Nile virus outbreak

J. Ramon Gil-Garcia, Theresa A. Pardo and G. Brian Burke

INTRODUCTION

In late summer and early fall of 1999 the United States experienced the first outbreak of West Nile virus (WNV) in the Western hemisphere. The first cases appeared in the New York City area; two and a half years later and 1800 miles away, the State of Colorado documented its first case. In both states the response required many new relationships to facilitate the sharing of required information; animal and human public health professionals unaccustomed to collaborating across traditional government boundaries came together with a mix of other public and private sector organizations representing both human and animal healthcare facilities and providers.

Information-sharing and interorganizational collaboration emerged as lead strategies in both states. Recent research highlights the level of changes required to create the kind of high-functioning, cross-boundary capability necessary in these response efforts as being among the most complex, deep functional and institutional changes (Cook et al. 2004). Previous studies have identified the challenges to efforts to create this capability as ranging from data and technical incompatibility to the lack of institutional incentives to collaborate and the power struggles around multi-organizational settings (Gil-Garcia and Pardo 2005). Some of the challenges faced by response agencies were new. In particular government leaders faced new challenges resulting from the nature of the threat and the complex requirements of an interorganizational response. They needed to find ways to facilitate and foster interorganizational collaboration and information-sharing across organizations from multiple sectors and three levels of government.
Two critical components of the response to the crisis in both states were the use of information and communication technologies to share relevant information and the development of networks of organizations. Although there were important differences, the responses in New York and Colorado shared several characteristics, such as their dependence on information technology and multi-sector organizational networks. The organizations involved included federal and state agencies, local governments, and a mix of public and private human and animal healthcare facilities and providers, such as hospitals, university labs and veterinarian practices. The comparative analysis of these two cases focuses on the role of government executives, formal authority and informal leadership in these networked response efforts. In this chapter we attempt to disentangle the ways in which these leadership factors affected collaboration and cross-boundary information-sharing in the context of the response efforts. To do so we provide not only evidence of the importance of each of these variables but also uncover some of the mechanisms through which they have an impact on interorganizational information-sharing. The chapter also provides some lessons on how to leverage executive involvement, formal authority and informal leadership in highly complex networks enabled by information and communication technologies.

The chapter is organized in five sections, including the foregoing introduction. The next section presents a review of previous studies that focus on the relationship between leadership and IT projects, with a particular emphasis on cross-boundary collaboration. It offers insights into how researchers have thought about key leadership variables such as executive involvement, formal authority and informal leadership. This is followed by an explanation of the research methods used and a brief description of each of the cases. The fourth section presents the analysis and highlights our main findings. The final section provides some concluding remarks and suggests areas for future research.

LEADERSHIP, INFORMATION TECHNOLOGIES, AND CROSS-BOUNDARY COLLABORATION

The delivery and management of public services increasingly relies on complex networks of interdependent organizations (O’Toole 1997). Crosby and Bryson (2005, p. 8) describe this setting as a ‘no-one-in-charge, shared-power world’, where a great number of organizations and groups have only partial responsibility to act on a public problem and share the power that is required to solve it. As a result there is a need for a new type of leadership that crosses boundaries of departments, levels of government and sectors.
As Huxham and Vangen (2000) point out two fundamental assumptions of traditional leadership literature do not apply to collaborative settings. First a leader cannot exert formal authority based on hierarchical rank because the individuals involved are from different organizations. Second it is very difficult to agree upon a common goal because participating organizations have different and often conflicting goals. The following literature highlights the importance of three variables closely related to the concept of leadership – executive involvement, formal authority and informal leadership – for the success of IT initiatives, with a particular emphasis on cross-boundary collaboration and information-sharing. Although previous research has clearly established the importance of leadership, there is a lack of systematic study about the mechanisms through which this factor affects interorganizational information-sharing in multi-sector collaborative networks.

Executive Involvement

Since the advent of management information systems (MIS), executive support has been regarded as a critical IT success factor. As early as 1963, for example, a McKinsey and Company survey of 27 companies with extensive computer systems experience concluded that ‘realization of computer systems potential basically requires that top management take the right action in respect to . . . specific factors – managerial, not technical, in nature – which principally determine computer systems results’ (Garrity 1963, p. 7). The Standish Group’s ‘CHAOS Report’ (1994), a widely-known study of IT project success and failure in the USA, identifies ten critical success factors for IT initiatives and regards executive support as the second most important factor next to user involvement, based on the results of a survey of IT executive managers. In the 2001 update of the report executive support became the number one factor that influences the success of IT projects (Standish Group 2001). The role of an executive sponsor includes providing strategic input for the project team and marketing the benefits of the project to the business unit (Parr et al. 1999), offering a point of overt authority for the project within the organization (Pinto 1998) and lobbying management for necessary resources (Standish Group 1999).

The importance of executive support for IT success applies to the public sector as well. Researchers have found that support and buy-in from top-level executive leaders was critical for the success of IT initiatives such as IT governance in state governments (Anderson et al. 2003), integration of criminal justice information (Cresswell and Connelly 1999; Bellamy 2000; Gil-Garcia and Pardo 2005), government data warehouses (Zheng 2000) and state digital archives (Cresswell and Burke 2006). A recent case
study of public sector knowledge networks by Eglene et al. (2007) finds an explicit link between the success of IT initiatives and the support of a chief elected official, which is especially useful in ‘negotiating powerful bureaucratic processes such as budget formulation’ (p. 105) and augmenting a legal basis for the projects. Support from elected officials and policymakers is also essential for expanding an agency-level, single problem-focused initiative to an enterprise-wide, sustainable effort to achieve information integration in government (Pardo et al., in press).

**Formal Authority**

Formal authority refers to the recognized, legitimate right to make a decision, and in an interorganizational setting such authority may be possessed by one organization, such as the government or a convener, or may be shared between different organizations as in a joint venture (Hardy and Phillips 1998). As discussed above the focus of interorganizational, cross-boundary leadership literature has been on the informal aspects of leadership. Commentators such as Tuite et al. (1972) assert that the basic difference between intra- and interorganizational decision-making is the lack of a formal authority relationship in the interorganizational setting. However formal authority still plays an important role in successful implementation of interorganizational IT projects, particularly in governmental settings. This is because organizational networks in the public sector are governed by legally constrained politico-administrative processes (for example, staffing, budgeting, procurement and oversight) and often established by specific legal requirements (Eglene et al. 2007).

As Dawes and Préfontaine (2003) point out, multi-organizational collaboration in the public sector needs institutional legitimacy, which commonly begins with law or regulation and is strengthened by the sponsorship of recognized authority or formal relationships between participants, in order to survive political transitions and changes. A survey of public managers in New York state government found that managers regarded legal authority as more important than any other element of interagency information-sharing projects such as administrative costs, potentials of the projects and involvement of stakeholders, and their preferred form of authority was general permissive statutory authority to share information without mandates (Dawes 1996). Based on the findings of their case study Eglene et al. (2007) suggest that knowledge network initiatives in the public sector benefit from legal authority, although the particular structure of formal authority relationships does not significantly affect their success. Also a recent case study by Pardo et al. (2006) finds that the thoughtful exercise of formal authority can provide a foundation for a collaborative
effort and help build trust among participants in information-sharing initiatives in governments.

Clearly, recent literature highlights the importance of leadership as an influence on information technology initiatives in general and information-sharing in particular. These studies also acknowledge the differentiated impact of executive involvement and exercise of formal authority as manifestations of a more general leadership concept. However this literature does not closely and systematically analyze the mechanisms through which these three variables affect interorganizational information-sharing and collaboration. The present study shows the effects of these important variables and explains some of the causal mechanisms involved in this complex phenomenon by disentangling some of these relationships through careful qualitative analysis. In doing so we extend this basic framework to incorporate other variables and their corresponding effects and clarify why these factors are important for cross-boundary collaboration and information-sharing. We will now briefly describe the cases and research methods and then present our analysis and main findings.

RESEARCH METHODS AND DESCRIPTION OF THE CASES

This research is based on a study conducted by the Center for Technology in Government at the University at Albany and supported by a grant from the National Science Foundation. The research included eight in-depth case studies of state-level efforts to create the groundwork for sharing information across agencies and across government levels in two policy domains: public health and criminal justice. The public health domain was studied through a retrospective analysis of the state and county public health response to West Nile virus using interviews and document analysis. Approximately 70 facilitations and semi-structured interviews were conducted with public managers and other actors involved in criminal justice and public health information-sharing initiatives at the state and local level. Facilitations and interviews that comprised the project’s data collection phase were transcribed and analyzed following an inductive logic approach and using grounded theory techniques (Strauss and Corbin 1997, 1998). The research team used Atlas.ti, a qualitative analysis software tool, to support coding and analysis activities. For this chapter the team focused on the subset of variables related to leadership and authority: executive involvement, exercise of authority and informal leadership. Propositions about how these three variables affect cross-boundary information-sharing were generated and refined through multiple iterations of qualitative data
Leadership processes in interorganizational networks

analysis. For this chapter we discuss these factors and the propositions generated in the context of two public health cases: the West Nile virus responses in New York and Colorado. Each case is described briefly first as background for the analysis.

New York State’s Response to the West Nile Virus Outbreak

In 1999 New York was the site for the first outbreak of West Nile virus (WNV) in the Western hemisphere. In preparation for a possible re-emergence of the disease in 2000, the New York State Department of Health led an effort to improve the statewide capacity to respond. A critical component of this response capacity was the development of a web-based integrated information network designed to support the collecting and sharing of information considered critical to the state’s ability to effectively respond to the initial virus outbreak and subsequent re-emergence. This network, the Health Information Network (HIN), was originally created to provide a secure, web-based, electronic health information exchange for a multi-sector group of organizations, including state and local health departments, healthcare facilities and providers (Eidson et al. 2001). Based on the existing infrastructure, the state health department worked with other state agencies and local health departments to develop and implement a new integrated electronic system used to collect and provide access to West Nile virus-related case data. The creation of this network brought together animal and human public health professionals unaccustomed to collaborating across traditional government boundaries. At the local, state and federal levels, new relationships needed to be formed between multiple agencies with diverse expertise in human health, birds, mammals and mosquitoes. Similar relationships needed to be formed between organizations from different sectors, such as healthcare facilities and providers.

The Response to West Nile Virus in Colorado

The first cases of WNV in the State of Colorado occurred in Larimer County in 2002. In these first cases the virus was reported only in birds and horses. The first human cases were reported in 2003. The Larimer County Health Department was responsible for coordinating the response to the initial outbreak and the subsequent annual re-emergence of the virus since then. This response capacity included a cross-boundary information-sharing initiative that involved a wide range of Larimer County organizations, as well as surrounding counties, the state and the federal government. As in New York, in Colorado local government is ultimately responsible for providing public health services to its citizens. With over 2800 local governments
The West Nile virus outbreak

of various types, each with different kinds of statutorily defined authority and responsibility, coordinating West Nile virus response efforts among local governments was a complex task. The cross-boundary information-sharing initiative between Larimer County, the state and neighboring local governments reflected this complexity and was characterized by an inter-organizational process of collecting, disseminating and analyzing information from a disparate group of information providers and users. As in New York, Colorado created a state-level system for collecting and disseminating WNV case information to both the relevant government organizations throughout the state and to the appropriate federal authorities, such as the centers for disease control and prevention (CDC). However at the local level the coordination of response efforts relied heavily on a less formal or single system. This ‘system of systems’ was comprised of email, phone and fax communications, as well as ad hoc databases and even geographic information system (GIS) applications.

ANALYSIS AND FINDINGS

Previous research has established the importance of leadership in inter-organizational settings. This chapter extends this by systematically analyzing the mechanisms through which three leadership variables impacted the effectiveness of cross-boundary collaboration and information-sharing. This section presents our main findings and proposes a series of propositions about these relationships. The results clearly support a core set of mechanisms or intermediate variables that affect the relationships between cross-boundary information-sharing and each of the three leadership variables identified: executive involvement, formal authority and informal leadership. Below we present the different mechanisms found in the cases and the corresponding propositions and causal relationships.

Executive Involvement and Cross-boundary Information Sharing

Executive support has been identified as important for IT projects in general and cross-boundary information-sharing in particular. One of the ways executives in the cases were found to have a positive impact in the response to the West Nile virus outbreak was by supporting the actions of influential informal leaders. Informal leaders were found to be powerful actors in the interorganizational efforts. This power was, in part, influenced by the involvement and support of top executives such as agency commissioners. A state-level public health representative with IT responsibilities clearly explains this relationship:
I really look at the people and see – if you got really good, strong people that work together, that’ll make any project successful. And I look at [name] getting us working on it and [name], involved in negotiating with the counties and [the informal leader] taking the lead. I mean, these are some really good, strong people that made sure that this was successful. And all of it under the support of our commissioner, you know, which I think is – and she was definitely involved early on in establishing the way we were going to proceed and I think that just worked out well.

Although executives have no formal authority over individuals from other organizations, when involved in interorganizational initiatives they can still be very supportive of informal leaders within their own agencies and others. In Colorado a public health director for one county was very willing to support the actions of an influential informal leader by supporting his participation in national disease surveillance initiatives and local regional collaborations. This informal leader, who is a county public health manager from another county, mentions this support:

I think she really has a great vision on where she thinks public health should be and how to improve that and is willing to fund that. Because sending me to conferences where we talk about this stuff or having me participate, unfortunately, which she will pay for me to participate in that one survey and flew me out to the meetings . . . But that’s kind of, that’s the direction of the health director.

**P1:** Executive involvement has an influence on cross-boundary information-sharing initiatives through executive efforts to support the actions of informal leaders.

Another important way in which executives influenced cross-boundary information-sharing initiatives was to demonstrate and ensure respect for the autonomy of participating organizations. In the case of New York this was demonstrated through willingness to consider the concerns of peer county commissioners about information disclosure. With the help of an influential informal leader, the group was able to establish a rule that allowed county commissioners to be notified about West Nile virus cases in their respective counties 24 hours before this information was released to the rest of the state and potentially to the press. A state public health representative remembers some details about this situation:

And the counties were concerned that if a West Nile bird showed up in their county, the other counties would see it and that maybe they could release to the press this information immediately. And so the press would be notified of a problem before the county commissioner was notified – which happens all the time. I mean, sometimes it’s in the newspaper and the commissioners are reading about it before they’re notified about it. They were really concerned about a
system that we had set up so that the lab results would immediately go in and become available to everyone. And that was like a deal-breaker to them in some ways. I don’t really – I think that we should always make the data available. But they were really concerned about that. That’s a valid point. They needed time to react and marshal their resources.

In contrast there were other situations in which the lack of respect for the autonomy of participating organizations negatively affected the willingness to participate and consequently the effectiveness of the cross-boundary information-sharing effort. The involvement of top executives can mitigate or exacerbate these tensions and promote or detract from rules and mechanisms that ensure a certain degree of autonomy for participating organizations. In Colorado tensions were created when the state took an authoritative position in its relationship with the counties. State executives did not demonstrate respect for the autonomy of county governments and this resulted in a conflict between these two entities. A county-level public health IT manager describes the situation:

The state decided you are going to now use our system. We said ‘no’ because we’ve already got something we’re using. How about we just share data? And there was a big fight – no, you work for us. And we’re saying, no, you get our data and it’s our data, not yours and there was a big fight. Well, after the fight had ended, we all sat down and got together and said . . . You know what? What we’re getting right now is, here’s my system, here’s what you will use if you want to do collaboration. Well, that’s not collaboration; that’s you dictating a system to me and that’s different.

In the end the county managers accepted the state system but they also kept their own. The use of parallel systems was considered by participants to result in a less than ideal situation; creating issues in the timeliness and accuracy of the information shared with the state and reported to the public.

**P2:** Executive involvement has an influence on cross-boundary information-sharing initiatives through executive demonstration of respect for the autonomy of participating organizations.

The cases provided evidence that executives have the ability to affect willingness to participate either from members of their own organizations through traditional organizational incentives or from members of other organizations through their negotiation ability. In New York the commissioner of the state department of health played a critical role in promoting collaboration across divisions (human, mosquito, bird, mammal) of the department and other state agencies to respond to the West Nile virus
outbreak. A state senior public health manager identifies her as a very important actor:

I think you really want to trace it all the way back; you can almost start with our state health department commissioner, you know. She pretty much said we’re going do this; we gotta get it done; we don’t have much time and we’re going to all work; we’re going to all cooperate, you know. And I think it was understood by everyone that we were going to work together and we were going to get it to work, at least within this department of health.

In some policy areas such as public health, the professional background of the top executives is also considered an important factor for people willingly to accept their decisions and promote a collaborative environment. In Colorado several previous health commissioners did not have public health backgrounds and some individuals at the county level noted that this hurt relationships between the state and the county health departments due to a lack of professional respect for these political appointees. This and a lack of a common professional identity was also found to influence willingness to collaborate. A county public health manager highlights the importance of this aspect of the relationship between state executives and counties:

Governors moved away from appointing a health officer, state health officer, who’s got public health training to basically a political appointment. And so I would say nobody has much professional respect for the state health officer. It’s not like when we had physician health officers trained in public health. They’ve appointed people as state health officers with no public health training. It’s, I think, very negatively impacted the state health department. And then when you take the money away too, it strains relations [with the counties].

In the case of West Nile virus, the degree of involvement of and support from executives was affected by the severity of the problem and the potentially catastrophic effects in terms of losing human lives. The nature of the event directly influenced the willingness of many individuals to participate but also had an impact on how executives promoted participation. A state senior public health manager in New York explains the role of executives:

I think because the top administrators, particularly in health, saw that there was a real health threat – people were dying in New York City and elsewhere from West Nile. And it was a new disease to the hemisphere, lack of experience and skills with dealing with this disease. We had to come up to speed, define controls and education right off the bat and study it and see just where it was going to go. They made a high priority of doing just that. And therefore, epidemiologists and virologists and all these people came online to work on it. And the information services had to be part of that and it was a statewide program.
The case analysis also shows how executives can use formal authority in making resources available, or in some cases unavailable, for a cross-boundary information-sharing initiative. In New York the state health commissioner was instrumental in making resources available and encouraging collaboration. A state senior public manager describes how involved she really was in the response:

The then state health department commissioner was at a meeting and I think she was a key also in calling for everybody coming together, get the resources, do something about this risk. It was sickening and killing people in New York and elsewhere. So she was a key in bringing people together.

Decisions made by executives can also have significant negative impacts on the availability of financial resources and consequently on the capacity to develop effective cross-boundary information-sharing. In Colorado resources were very limited and individuals needed to find creative ways to participate in the collaborative efforts. A county-level public health manager describes how they started collaborating with the cities as a result of a lack of financial and human resources:

We had had a big financial hit in the summer of 2002. The governor basically eliminated all infrastructure funding for local health departments and so that was a huge hit to us. And the Board of Health prioritized some services and the mosquito monitoring actually wasn’t even on the list at that time ’cause we had, were basically not doing it. So we knew we weren’t going to have a lot of additional money for 2002. So we figured that the best role that we could do is to be educators and facilitate getting the cities to step up to the plate.
nature of some organizations, negatively influenced this willingness. The ability of executives to apply or, in some cases, withhold support influenced the cross-boundary information-sharing efforts in the responses.

**Exercise of Formal Authority and Cross-boundary Information-sharing**

The exercise of formal authority was found to facilitate cross-boundary information-sharing by affecting the existence and nature of problems and the necessity of localized and episodic solutions for those problems. In some instances the exercise of formal authority was found to solve some of the existing problems; in others it produced new problems. The case analysis sheds light on how tensions created by the exercise of authority by states can influence the willingness of autonomous local governments to participate in collaborative information-sharing. As mentioned before, in Colorado this led to problems between the state and some of the counties because the state attempted to force a system on them.

In a different context formal authority can help to build agreement among multiple organizations, especially if the individuals involved in the discussions have enough authority to make decisions and solve common problems or concerns. As discussed in the previous section on executive involvement in New York the counties were concerned about information disclosure and therefore the state needed to create some rules about this. With the help of an informal leader the state health department came up with a rule stating, ‘Lab results would be delayed 24 hours for all the other counties to see . . . And actually the county could at any moment make it visible, but it would be delayed for 24 hours before other counties could see it.’ This strategy was the result of the state health department thoughtfully exercising its formal authority as well as supporting an influential informal leader.

**P5:** *The exercise of formal authority has an influence on cross-boundary information-sharing initiatives by affecting the existence and nature of localized episodic problems.*

The exercise of formal authority was also found to have a direct influence on the willingness of key actors to participate. As mentioned before the relationship between the state and the county governments was necessary for an effective response. This relationship was affected by decisions taken at the state level that had implications for counties and their capacity to respond. In some cases the exercise of authority by the state reduced the willingness of the counties to participate. One example of this was the creation of bioterrorism regions in Colorado. A county-level public health manager in Colorado remembers this experience:
Well, just recently, with the state getting all the bioterrorism money, the state has basically forced people into regions, whether they make sense to be regions or not. I mean, we’re in this region that goes from our county all the way to the Kansas-Nebraska border and to some counties that are along the Kansas-Nebraska border, as far south as Colorado Springs. Now if this makes any sense to you as being a region but, you know, that met their, they had some other thing divided up that way and so they said, these will be your bioterrorism regions. So, yes, we do have those. They’re sort of state-imposed; they’re not natural, people who naturally would necessarily be working together.

The analysis highlights the need for collaboration and information-sharing between state and local governments, as well as other organizations in the response efforts. The data also showed the need for each actor, states in particular, to be sensitive to the differentiated needs of local governments as well as their own needs in creating aggregate data. In New York there was a tension between the state and New York City (NYC) regarding the development of the HIN for disease surveillance. The state was trying to use its authority to develop a single solution for all local governments but initially did not take into consideration that NYC is very different from other local governments in the state. Early in the initiative this affected NYC’s willingness to participate. However the state named a public health manager from NYC as the co-chair of the data committee and that helped give NYC more influence and increased their willingness to participate. This public health manager explains the situation:

I think there was a certain amount of state-city kind of issue. And I think it comes out with, around the state having the solution that works for forty-five other counties. And they say, well, why don’t you just do what the forty-five other counties are doing? You know, we have a solution that works well for everybody and you have to, you know, you should adopt it. And that doesn’t always work for New York City because New York City is in some ways, is as big as the rest of the state. And we have, we’re pretty deep in certain areas and we have different needs in certain areas. And, you know, the fact that we are, we have this capacity in some ways, can introduce a situation where we’re not going to just accept the state solution because it may not meet our needs. And maybe we’ve already developed a solution that works well for us. So that’s when there needs to be this negotiated compromise that meets everybody’s needs. And I think that was why it was probably helpful for me to be the data co-chair with [name] on that work group.

**P6:** The exercise of formal authority has an influence on cross-boundary information-sharing initiatives by affecting the willingness of key actors to participate.

The cases provide illustrations of the influence of formal authority on cross-boundary information-sharing. In particular the mechanisms
through which this influence was realized are made clear. Localized episodic problem solving is one mechanism highlighted in the cases. Formal authority served to both exacerbate and mitigate localized episodic problems in the cross-boundary information-sharing efforts. The creation of appropriate and effective strategies for cross-boundary information-sharing was positively influenced in the cases through both direct authority being exercised within agencies and through support of informal leaders from across other organizations. The cases also provide insight into how formal authority influences information-sharing by highlighting willingness to participate as an influence mechanism.

CONCLUSIONS

Cross-boundary information-sharing is essential to government efforts to respond to pressing public problems. In some critical situations, such as public health crises, information needs to be shared not only across levels of government but also between public agencies, private companies and non-profit organizations. The role of leadership in these multi-sector interorganizational networks is well understood as critical; in particular, the differentiated impact of executive involvement and exercise of formal authority is acknowledged. However, as indicated above, research in this area does not systematically analyze the mechanisms through which these variables affect interorganizational information-sharing and multi-sector collaboration. The cases presented herein serve to illuminate the influence of these important variables and the causal mechanisms involved in cross-boundary information-sharing. The cases served to unpack our understanding of executive involvement in cross-boundary information-sharing initiatives. Executives in the cases exerted influence through their involvement; they could support or disapprove the actions of informal leaders, demonstrate and ensure respect or disrespect for the autonomy of participating organizations, encourage or discourage individuals within their own organizations to participate, and increase or reduce the financial resources available for the response efforts. The exercise of formal authority also affected interorganizational collaboration and cross-boundary information-sharing by producing or mitigating problems, enabling or hindering the development of appropriate and effective strategies and encouraging or discouraging individuals to participate in the initiative. Although the evidence comes from two public health crisis response efforts, the findings may apply to other situations in which interorganizational collaboration and information sharing is required. Figure 10.1 presents the full theoretical framework that was developed.
Figure 10.1  Influence of leadership variables on cross-boundary information-sharing

Future testing of this framework will be undertaken to explore the generalizability of our findings. Future research should also explore if the propositions suggested in this chapter are applicable to other realities and social phenomena.

Overall, this study provides further evidence of the importance of leadership and authority in cross-boundary information-sharing between multiple organizations. In doing so, it extends this basic framework to incorporate other variables and their corresponding effects and clarifies why these factors are important for cross-boundary collaboration and information-sharing.

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INTRODUCTION

Over the past two decades urban policy in both the USA and the UK has sought to engage business leaders in various forms of public-private partnership (PPP) with city governments. Business is regarded as a key actor in facilitating the regeneration of urban areas, and a variety of formal and informal governance arrangements have emerged to structure its relationship with city government. By their nature such arrangements often presume significant leadership of public policy by business people. The academic literature of urban governance presents the formation, governance and consequences of PPPs as crucial to understanding urban politics, and thus often addresses in detail the exercise and consequences of business leadership in specific urban development and regeneration projects and in urban governance more generally (for example, Austin and McCaffrey 2002; Squires 1989; Stone 1993; Ysa 2007). Our focus here is on examining the origins of business leadership in what Bogason (2000) has called collective public action – the joining of nongovernmental networks with local governments’ authority, legitimacy and other resources in order to solve specific policy problems – at the sublocal level. Recently there has also been considerable interest among policymakers and academics on both sides of the Atlantic in business-led structures of sublocal (or ‘subdistrict’) governance such as town center management (TCM) and business improvement districts (BIDs). Much of the debate about BIDs in particular – like much of the debate about PPPs more broadly – revolves around questions of identifying the appropriate role of business leadership in policy formulation and implementation.
But assuming that business leadership of sublocal governing structures is a significant determinant of policy decisions, behaviors and consequences, where does it come from? This question often goes unasked. Studies of business leadership in cities, in sublocal governance and in project-based PPPs often take the existence of business leadership as a given, the starting point for investigation. They have therefore tended to neglect the matter of whether and how business leadership emerges in the first place (North et al. 2001). Further, as is the case with sublocal governance structures generally, there is some question as to what the real locus of leadership is (Pill 2008). Do larger, general-purpose jurisdictions and their governing regimes delegate governance to sublocal actors in the interest of empowering them to act independently, or as a way to govern at a distance – steering subdistrict actions while conserving their own resources (of attention, as well as money)? The question with which we are concerned – what is the origin of business leadership in sublocal governance? – thus has two dimensions. First, how and under what circumstances is leadership elicited from among business-sector actors within an urban subdistrict? Second, is business leadership of sublocal governance in fact exercised solely by actors who conduct their business within the subdistrict itself, or do citywide business and/or political elites or urban governing coalitions steer subdistrict governance ‘from a distance’?

In this chapter we use case studies of four US BIDs to explicate the role- and identity-framing processes by which the institutional design of a PPP can succeed or fail to elicit leadership from among the business people directly affected by the PPP’s collective decisions and actions. BIDs in their typical form create sublocal jurisdictions that use local governments’ taxing authority to finance business-led planning and management of commercial districts, on the presumption that business people can lead district regeneration efforts more effectively than local government. It is not always the case that appropriate and sustainable business leadership exists within a given business district, however. In analyzing these cases we find that the specific institutional design features of BIDs influenced the formation and quality of business leadership. Establishing BIDs as ostensibly self-governing sublocal jurisdictions rather than as overt ‘tools of government’ facilitated both the emergence and sustenance of institutional leadership and a form of distributed leadership within business communities, as business people came to frame their situationally appropriate roles as being those of co-producers and co-leaders of their business districts. At the same time, however, these cases – like the larger literatures on BIDs specifically and neighborhood governance and metagovernance more generally – provide some evidence that even ostensibly self-governing sublocal jurisdictions can be steered by external elites. This too is consistent with
Leadership processes in interorganizational networks

a distributed leadership model, which, while emphasizing the importance of leadership from the bottom up, nevertheless retains a focus on how deliberate intervention by hierarchical superiors can direct that ostensibly bottom-up coordination (Ancona 2005).

The organization of the chapter is as follows. First we describe what BIDs are, how they (are presumed to) respond to the problem of managing public space in urban business districts, and how the questions of leadership arise. Then we use Goffman’s (1974) concept of framing to guide an institutional analysis of whether and how the specific institutional designs of four US BIDs failed or succeeded in eliciting bottom-up sublocal leadership and/or facilitating governance of district regeneration efforts from a distance.

BUSINESS IMPROVEMENT DISTRICTS AND BUSINESS LEADERSHIP

A number of observers have commented on the variety of institutional forms exhibited by urban (re)development and revitalization PPPs in both the UK and the USA (for example, Lowndes and Skelcher 1998; Ysa 2007). These include city-wide regimes, the focus of much analysis by US academics (for example, Stone 1993), as well as more localized PPPs on which UK academics have concentrated (for example, Skelcher et al. 2005). The construction and maintenance of such partnerships in their diverse forms is typically viewed from a perspective that sees PPPs as instruments of rational choice and resource exchange by established public and private leaders and/or coalitions of leaders. This is certainly the case in much of the literature concerned with the informal but enduring public-private governing coalitions with which urban regime theory is concerned (Lauria 1997; Painter 1997). For example, writing from the perspective of ‘business leadership coalitions’ Austin and McCaffery (2002) observe that at any given time and locale, US urban business leaders’ various collective goals (such as direct financial interests or generalized ‘community betterment’) lead them to choose different ‘activity foci’ (social, economic and/or political) and to employ ‘various partnering configurations’ which include but are not limited to urban governing regimes. From a local government’s perspective, the creation of even an ostensibly autonomous policymaking subdistrict jurisdiction can also be seen as a rational/instrumental ‘tool of government,’ albeit not one to which much attention has been given to date by theorists of policy instruments.1

In the case of urban commercial districts the shared problem motivating cooperation is the need to revitalize and manage districts facing the
challenges of population decentralization, competition from shopping centers and other forms of managed estate and the scarcity of resources for district management. The work of regeneration involves several elements which jointly work to construct attractive places both physically and socially. One category of elements involves managing a place’s physical characteristics and image through programs of sanitation, security, marketing and promotion and urban design. An equally important element comprises the behavior of individual property owners and business operators – especially the ground-floor retailers whose storefronts create much of the visible environment of a commercial district. Unlike suburban facilities urban business districts generally lack a single owner who has the ability to compel businesses, local governments and other stakeholders to contribute financially to common improvement and marketing efforts; to require businesses and property owners to observe common or complementary operating hours, visual merchandising practices, product lines, or building upkeep standards; or to coordinate these individually produced outputs with the collective provision of common spaces. The collective-action problem of commercial-district management thus involves not only financing and providing collective goods but also mobilizing individual stakeholders to produce their own behavioral contributions to the collective goal in ways that cannot readily be dictated to them using conventional principal-agent directives, incentives and monitoring.

Originated in Canada in the 1970s, BIDs are an increasingly popular model for accomplishing the resourcing and management of revitalization worldwide (Houstoun 2005). In their archetypal form BIDs are urban subdistricts created by larger, general-purpose local governments, pursuant to state or national government authorization, to solve the resource and leadership problems of revitalizing and managing urban commercial districts. In creating a BID both public officials and local businesses delegate some of their authority and resources to the new jurisdiction in the expectation that it will promote their individual and complementary interests. From the city government’s perspective these include the usual fiscal imperative of local economic development as well as anticipated direct public benefit from the enhancement of business districts. From the perspective of local businesses BIDs are expected to enhance locational advantage, thus generating additional sales and profits, by making it possible for businesses to undertake collectively financed and beneficial investments outside the formal structures and procedures of city government. The BID is expected to realize these ends by mobilizing businesses’ financial and creative resources and exploiting their particular knowledge of and stake in the neighborhood.
As partnership designs BIDs exhibit several distinctive features. Two of those features are generally held to be jointly key to the presumed efficacy of BIDs as a solution to the revitalization problem (Justice and Goldsmith 2008). First, BIDs use coercive special assessment financing to pay for ongoing supplemental services such as district marketing and promotion, security and sanitation, rather than only for the construction of capital improvements, thus overcoming free-riding problems of collective action. Second, the archetypal BID design puts the planning, management and control of the special assessment funds into the hands of a nonprofit or special district management entity controlled on a day-to-day basis by the subdistrict’s assessment-paying property owners and/or business operators rather than by the parent general purpose government.

A third distinctive characteristic is that BIDs represent new jurisdictions to which policymaking as well as implementation responsibilities are delegated by the concerned local governments and business actors. It is this feature which raises the central question here, since the new entity will require leadership, whether elicited from within the new jurisdiction’s designated subdistrict territory, exercised from a distance by city-wide political and business leaders, or both. The problem of leadership is closely related to the rationales favoring the self-governance of BIDs, and those rationales in turn represent the two aspects of the ‘whence leadership’ question.

Among the espoused rationales for BIDs, as for other forms of neighborhood governance, are the polycentric logic of allocative efficiency in the production of local public goods and the idea that stakeholders’ local expertise and closeness to the situation enables them to make better policy decisions and to supervise and evaluate implementation more effectively. These rationales would seem to require that leadership be drawn from among those neighborhood or business district stakeholders themselves. Less openly employed rationales include the advantages for city-wide elites of conserving their own time and attention while still directing sublocal activity through steering and deflecting demands and blame by relying on a public rhetoric of self help (Pill 2008). Critics of the BID concept have predicted and observed both possibilities – dominant influence over BIDs and commercial districts by local business people as well as dominant influence over ostensibly autonomous BID partnerships by local governments – as have advocates of the BID concept (Justice and Goldsmith 2008). Finally in the case of BIDs specifically, a final consideration is the importance of uncoerced ‘consummate cooperation’ (Blau and Scott 1962; Williamson 1975) by business people toward creating and sustaining successful business districts. This implies the need for BIDs (or other subdistrict governance arrangements) to elicit some form of distributed leadership from among the stakeholders within commercial districts.
BUSINESS LEADERSHIP, FRAMES AND FRAMING

Although research suggests that both small and large retailers are motivated to participate in commercial-district management efforts, mainly in order to benefit their own businesses (Medway et al. 2000), one challenge of mobilizing business actors for commercial-district revitalization is convincing them that such participation will in fact contribute to their own businesses. A closely related problem, particularly in the case of the smaller, independent businesses prevalent in many commercial districts, is what some US revitalization practitioners term ‘retail mentality’ – that not all business operators are highly ambitious profit maximizers. This can be a significant obstacle to securing even modest levels of stakeholder participation in revitalization initiatives, let alone active leadership, and since district-based business participation and leadership are widely presumed to be important determinants of efficacy, this is considered a serious obstacle to revitalization. Thus a central concern in efforts to revitalize business districts is how to obtain suitable leadership of the revitalization efforts.

In a study of the owner-managers of small and medium-sized enterprises (SMEs) in the UK, Spence and Rutherfoord (2004) used Erving Goffman’s (1974) frame analysis technique to identify some of the dimensions of business operators’ decision-making orientations and motivations. Spence and Rutherfoord identified four major frames among the business people in their sample that could be distinguished empirically on the dimensions of profit orientation (maximizing versus satisficing) and ethical or social practices (self- versus socially interested). Consistent with the observations of US practitioners, Spence and Rutherfoord found that that the profit-satisficing frames (‘subsistence’ and ‘social’) were more common than the profit-maximizing frames (‘profit maximization’ and ‘enlightened self-interest’) among the UK owner-managers in their sample. Significantly, however, they also found that business owners moved among the frames, both over time and according to the contexts in which specific practices and decisions were situated. In other words it is possible that for one reason or another business people may shift towards (or away from) understandings of themselves and their circumstances that promote participation, leadership and profit maximization rather than passivity.

Goffman (1974) was concerned with how social actors are able to make sense of the social world and their places in a given situation by using ‘typifications’ and ‘conventional understandings’ to ‘cope . . . with experience’ (pp. 14–15) and answer the question ‘What is it that’s going on here?’ Goffman suggested that while people often may not create the situations in which they find themselves, they do seek to ‘assess correctly what the situation ought to be for them’ in order to be able to act accordingly.
Leadership processes in interorganizational networks

Frames establish ‘what it is that persons are allowed (or obliged) to treat as their official chief concern’ (p. 201) and define their situationally appropriate roles, thereby determining how they must direct their attention and behave in context. While ‘primary frameworks’ are generally cultural constructs, with their content taken for granted and not susceptible to immediate modification, actors do have the ability to switch between frames according to circumstances. Further, through various forms of consciously created ‘keyings’ and ‘designs’ it is possible for actors to come to believe that different frames – and so roles, identities and behaviors – are appropriate.

Framing and reframing thus might be expected to facilitate or hinder distributed leadership of revitalization efforts by providing both (a) a means by which district stakeholders do or do not come to believe that their roles are appropriately those of community leaders and (b) a means by which existing external or within-district leaders can foster understandings among district stakeholders that promote affirmative attitudes and cooperation with revitalization efforts. To the extent that public policy design takes the form of institutional design, with authority over operational planning and the details of governance delegated to the newly-created institution and its decision-makers, the policy-design task becomes how to design an institution that fosters the most desirable decisions and behavior with the lowest costs of information, monitoring and sanctioning of undesired behavior. BID practitioners often argue that the self-governing characteristic typical of BID designs facilitates this.

BUSINESS LEADERSHIP IN FOUR US BIDS: RESEARCH DESIGN AND METHODS

We explored the relationship between designs for policy delegation, framing and the emergence and locus of leadership using data from four in-depth case studies of US BIDs conducted in 2002 and 2003. All four BIDs were in the same state but because of that state’s very flexible enabling statute, two of the cases had self-governing designs while two were governed by externally appointed boards. The statute empowers municipalities to designate BIDs at their discretion and to assign the governance and management of the districts to district management corporations (DMCs) of nearly any type. There is no statutory requirement for municipal governments to provide for stakeholder petitions, referenda or remonstrance before designating BIDs. DMC forms observed among the more than 50 BIDs existing statewide at the time of data collection ranged from municipal commissions to membership-controlled nonprofit groups.

All four cases were Main Street BIDs, both in the literal sense of
encompassing the traditional central business districts of small cities and in that they fit within an intermediate category of budget size and scope of activities compared to the very large, ‘Corporate’ BIDs or small-scale, ‘Community’ BIDs found in bigger cities (see Rogowsky and Gross 2000, for the typology). All four communities were within a major US metropolitan area but not dominated by extensive direct commuter ties to the area’s central city. Three of them – including both of the self-governing cases – were traditionally commercial centers serving regional markets beyond their own residential populations of 10 000 to 12 000 each and had mayor-council governments (cases A, B and C). Municipalities A (self-governing) and C (externally governed) were also county seats, with county headquarters facilities and courts located at the hearts of their business districts. The fourth case (D) was an area initially developed as the retail and civic center for a twentieth-century residential suburb of more than 50 000 residents with a commission form of government. The special assessments which funded each BID in our sample were imposed on property owners.

Together with data from direct observations, documents, records and secondary sources, the case studies involved conducting semi-structured in-depth interviews with a non-probability sample of 52 key stakeholders and observers (business operators, property owners, BID staff people and consultants and public officials). The interview data help us understand the ways in which different institutional designs and contexts influenced participants’ frames and interactions, and how those variables both shaped and were shaped by leadership of the BID-centered revitalization initiatives. Interviews relied on a mix of direct and indirect questioning. In order to avoid ‘contaminating’ interviewees’ responses, the interviewer advised participants that he was interested in understanding local stakeholders’ experiences in the four business districts but not specifically that the research was concerned with their motivations and self-understandings (Babbie 1995; Wengraf 2001). In each case, we found evidence that the specific formal institutional designs and other local rules-in-use influenced the frames and behaviors of stakeholders, at the same time as they reflected the composition and predilections of the business people and public officials who established them. The cases are summarized in Table 11.1.

BUSINESS LEADERSHIP IN FOUR US BIDS: FINDINGS

Typically for US Main Streets, the commercial life of all four districts was dominated by independent owner-managers, with few chain stores. Most of the property owners in the districts had relatively small and predominantly
<table>
<thead>
<tr>
<th>Case</th>
<th>A (county seat)</th>
<th>B (commercial center)</th>
<th>C (county seat)</th>
<th>D (suburban core)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of BID Business types</td>
<td>Main Street</td>
<td>Predominantly independent owner-managers</td>
<td>Predominantly independent owner-managers and property investors</td>
<td>Predominantly independent owner-managers</td>
</tr>
<tr>
<td>Leadership types and sources</td>
<td>Partially distributed leadership, orchestrated by local business leaders in concert with municipal and county governments, overlapping with city/county government-business coalition (regime)</td>
<td>Fairly widely distributed leadership, closely orchestrated by local business leaders in concert with municipal government, overlapping with city-wide regime</td>
<td>intermittently distributed leadership, orchestrated by municipal commission members and local voluntary business group, loosely linked with weak citywide regime</td>
<td>Centralized, somewhat weak, leadership by municipal staff and BID board members, especially those from the existing citywide regime</td>
</tr>
<tr>
<td>Impact on stakeholder frames</td>
<td>Strong evidence: both business district-oriented and community-betterment</td>
<td>Strong evidence: both business district-oriented and community-betterment</td>
<td>Limited evidence: some effects apparent, but limited in scope</td>
<td>Limited evidence: very little effect, and only for a small circle of participants</td>
</tr>
</tbody>
</table>
local holdings, and many of them were current or former business operators in the districts as well. Cases B, C and especially A had significant numbers of business operators who owned their premises. There were a handful of development-oriented, multi-property owners in case B, and many of the most centrally located properties in case D were held by two mutually antagonistic landlords, both heirs to a former dominant developer.

Business Stakeholder Predispositions

As we have noted it is as much a truism among commercial-revitalization specialists in the USA as it is ‘an enduring reality in the UK economy’ (Spence and Rutherford 2004, p. 53) that SME owner-managers are not consistently or even predominantly profit-maximizers, let alone ‘enlightened’ in the sense of understanding collective action as an appropriate means to fulfilling their profit goals. Many landlords are similarly less than perfectly ‘rational’ in their pursuit of profits and somewhat reluctant to take initiatives. In all four cases this so-called retail mentality was described by revitalization leaders and consultants as one of the primary obstacles they sought to overcome, whether through the BID or other means. For example a consultant to the DMC in case A characterized the initial positions of most local business people this way:

What you’re talking to is entrepreneurs. You are talking to people maybe who are second and third generation in the business. And nobody told their father what to do, and nobody told their grandfather what to do, ‘and you’re not telling me.’ They’re independent store owners. If they weren’t so independent, they’d be in the mall.

BID Origins and Institutional Designs

In all four cases the initial leadership of Main Street revitalization efforts came from municipal government. In each case the impetus for the efforts was related to apparently high commercial vacancy rates and other symptoms of decline associated with competition from newly constructed out-of-town retail spaces, combined with the effects of an early-1990s recession. In all four cases the elected leadership of local governments included local business owners. In both cases A and B at least one member of the local council at the time the BID was designated operated a business within the BID area. In cases C and D elected officials’ business interests were within city limits but not within the BID area. This, together with the use of business-oriented revitalization consultants in A and B but not C or D, may have influenced their institutional-design choices.

In case A local business leaders – one of whom was also a member of
the city council – proposed the BID as a way to provide money and an organizational structure to sustain the efforts begun several years before with publicly funded capital improvements in the business district. Before asking the local government to designate a BID, local business people incorporated the future DMC as a membership organization. Ten of the DMC’s 14 voting board members are elected by the larger membership, which comprises all the district’s property owners and any business operators and residents who take the step of registering as members (there is no charge for this registration). The other four voting board members represent residents and the municipal and county governments. The DMC had one full-time employee, its executive director.

In case B the BID was proposed by a joint committee of the local council and local business people, chaired by a new council member who was also a business owner-manager in the district, as the initial policy response to perceived economic decline. This DMC’s 30-member board included 22 members elected by the district’s property owners (each of whom could delegate their votes to a tenant if they chose) and eight appointed to represent local government, residents, and the local hospital, arts council and chamber of commerce. Staffing varied over time, ranging from 2 to 3.5 full-time equivalents, including an executive director. In both cases A and B, the new BID organizations supplanted previously existing retail business associations.

In case C local officials initially adopted the BID primarily in order to finance a program of capital improvements desired by municipal officials. The DMC in case C was established as a municipal commission, unambiguously designed to be a subordinate unit of municipal government, with all of its six members appointed by local government. By the time of our case study the appointed BID board shared its executive director and several of its members with the local city-wide voluntary association of retail and professional/office businesses.

In case D there was no remaining evidence of a prior retail organization or of close working links between the BID and any local organization other than the municipal government, with which it shared its two staff members. The BID designation in 1993 responded to a recommendation by the local chamber of commerce, after an apparently sharp rise in commercial vacancies in the district. The DMC was incorporated as a separate entity from the municipality, but with organizational governance assigned to an eight-member board appointed by the township committee.

**Framing and Distributed Leadership**

The four BID revitalization programs each included a range of relevant promotional, design-oriented and business-recruitment/development
activities. In cases A and B, DMC board members, committees and other local volunteers played leading roles in the planning and management of revitalization strategies and activities as well as in organizational governance. In case C, board members were active in planning strategy and activities but with little involvement by other stakeholders, and they largely delegated the management of revitalization activities to staff, vendors or the cooperating business association. The appointed board in case D had primarily an oversight and outreach role, with most activities planned and managed by staff. Partly because of their greater need for volunteers from their business constituencies, the activist core groups in A and B were much more aggressive in recruiting new participants for committees, board membership and other involvements in the BIDs.

Business people interviewed in cases A and B were on average more likely than those in C and D to frame their goals as centrally including the active pursuit of economic success and their situations as requiring cooperative action with other business people and local public officials. In terms of Spence and Rutherfoord’s typology they were profit maximizers and socially active, employing an enlightened self-interest frame. Viewed only in cross-section this result could be a result of selection bias in the participant sampling, and/or evidence that more profit-oriented and collective action-oriented business people and their collaborators in local governments sought out self-governing forms of organization. However more compelling evidence for the effects of institutional arrangements on stakeholders’ outlooks came in the form of narratives many interviewees provided of how involvement in BIDs and revitalization efforts reinforced or altered their understandings of their individual business goals and the importance of cooperation with public officials and other business people in their efforts to achieve those goals. Interviewees in self-governing cases A and B tended to describe how they and others came, sometimes reluctantly, to take it for granted that they needed to be socially active in order to be successful in their own businesses. The major mechanisms of transformation appeared to be repeated face-to-face interactions with other participants and the role expectations associated with participants’ collective and individual ‘ownership’ of and governance responsibility for the BIDs. In addition the greater apparent legitimacy of self-governing BIDs in the eyes of business people skeptical about the motivations and ‘business sense’ of local governments seems to have made them readier to accept that responsibility.

More implicitly many interviewees’ remarks indicated that the orientations of many participants as well as other business people in the BIDs turned from subsistence towards profit maximizing. For example numerous participants in the self-governing BIDs (cases A and B) described the contagious effect of seeing other businesses opening on Sundays or for
evening hours, participating in promotional activities or improving their storefronts and merchandise displays.

One second-generation owner-operator with stores in both of the self-governing cases (a BID organizer and participant in one case, but non-participant in the other) and a third in a nearby shopping center described two important ways in which a participatory BID reframes business problems and orientations for participants and (re)structures their relationships. First, he observed that the BID approach is ‘the best idea they ever found. It forces business people to think like a mall, in a lot of ways . . . And now . . . the other jewelry store in town is not my competition: he’s my ally, where 25 years ago, we would hate each other, because they were taking money out of my pocket.’ Restaurateurs in cases A and B offered accounts similar to those of retailers: formerly hostile rivals became caught-up in the BID-fostered environment of collaborative self-determination, formed cooperative arrangements and learned to support each other.

Second, BID implementation provided the opportunity for a new generation of cooperation- and profit maximization-oriented business operators and property owners to break into local leadership roles. Prior to the BID in case A, the jeweler noted, young people who wanted to be active in the local business leadership were frozen out by the old-line leaders of existing organizations and so either became frustrated or formed competing organizations. ‘So you had multiple businessmen’s associations, that all had 15 people in ’em’ and so had little chance of accomplishing collective projects or of influencing local government effectively to act in their interest.

Participants in the governance of BIDs A and B consistently recounted developing close bonds of interpersonal loyalty in tandem with their growing assumption of personal responsibility for contributing to the joint governance of place. This loyalty tended to be explicitly associated with social bonds based on expressed ‘camaraderie,’ ‘spirit,’ ‘community’ or ‘hometown’ feelings and identifications. (Note that one business leader in A, who spoke repeatedly and with considerable warmth about A as her and others’ ‘hometown’, lived several towns away and had never been a resident of A.)

The self-governing districts also provided opportunities to tap into the talents and predilections of established as well as newer or younger business people. A number of interviewee anecdotes involved the co-optation of formerly antagonistic business people into assuming leadership roles in the BIDs, and some local leaders described being co-opted themselves from self-involved to collectively-involved frames. One activist in case A described convincing antagonists that BID arrangements required business stakeholders not only to ‘put their money where their mouth was’ but also to follow up their mandatory financial contributions by participating constructively and voluntarily in the governance of the district (retailer,
Another described his motivation to become involved instead of antagonistic as simply an effort to keep an eye on where his money was going. A retailer in case B described being ‘indoctrinated, brainwashed’ into abandoning her vocal public criticism of the BID and its leaders and being induced to take on a leadership role in the BID by a BID staffer who ‘begged and pleaded and worked with me to join them.’

This ‘brainwashing’ extended to the co-optation of local officials as well. One BID activist in B said of the formerly skeptical chief municipal administrator, ‘He is now one of us, in the sense that he’s been exposed to it enough [that] now he’s sold’ (property developer/manager, case B). Local officials tended to express support for the BIDs and their business leaders (administrator, case A; municipal attorney, case A; mayor, case B; council member, case C). At the same time, local officials in cases A and B observed that the tight social bonds and unity of purpose among business leaders occasionally fostered a kind of groupthink and failure to grasp fully that local government was responsible to more constituencies and geographic areas than only those represented by the BIDs. While most business people in each US case expressed frustration with some aspects of local government attitudes and behavior, those in the self-governing districts appeared more likely to believe that they would be able to engage officials in mutually constructive dialogue in order to address their concerns.

By contrast, interviewees in cases C and D sometimes observed that their externally governed BIDs perpetuated, or failed to support efforts to change, the more introverted and satisficing orientations among local business people. Both of these BIDs had evidently capable and committed boards and staff people but because of their governance designs and lack of committee structures provided few opportunities for widespread participation. One activist in C recalled her frustration with the municipal officials, BID staff, and other BID board members who called an end to her program of engaging merchants in the hands-on maintenance of street furniture and plantings, and thereby allowed business people to retreat back into the subsistence frames from which the maintenance effort had roused them:

No, you’re missing the point. Now, because we have the money for someone else to do it, we should pull the merchants away from taking pride? . . . You can’t expect anybody to come in and revitalize your town, and you can’t expect the town to revitalize your town. I think you have to do it as a merchant . . . You have to do it yourself . . . You have to have pride. (DMC board member, case C)

In both externally governed cases, other BID board and staff members expressed considerable frustration at the subsistence orientations of their business constituents, but they did not appear to see participatory planning and governance as an available option. A comparable, and similarly
Leadership processes in interorganizational networks

self-fulfilling, sense of powerlessness with respect to collective action and the revitalization of the business district as a whole was apparent among business people in general in those cases. One retailer and BID board member in D observed:

I think merchants in [district D] are depressed. We need Prozac or something. I do think when you’re busting your ass, and you’re putting in 80 hours a week, and you’re still not seeing anything, you get discouraged, absolutely . . . You have to say to yourself, ‘Come on,’ or get out. And I think some of them should just get out. They should close and move aside.

Another locally popular and respected merchant in case D, not a member of the BID board, described his own disappointment with the policies and practices of the BID, as well as his fears of being visibly opposed to what he appeared to view as an organization controlled by vengeful politicians who would punish rather than co-opt him if he spoke up. In fact this retailer appeared to have moved from a more maximizing and collectively-oriented posture toward the subsistence frame. While it seems somewhat unlikely that the BID was the sole cause of this transformation, it was clear that the BID did nothing to prevent or reverse it.

In both C and D business people consistently saw the BIDs as extensions of local government and so, except for the handful who were members of the BID board, described their roles in the business district-revitalization efforts as simply financing and consuming the collective goods produced by the BIDs. Even the most dissatisfied among them appeared not to consider direct engagement in the organization’s activities to be a viable response to their dissatisfaction. In these cases, as in A and B, the leadership models and expectations about stakeholder behavior and roles in revitalization that were implied in the DMCs’ designs and practices appeared to be self-fulfilling. By explicitly pursuing a more distributed form of leadership, DMCs A and B framed stakeholders’ self- and situational understandings in ways that prompted greater involvement and affirmative cooperation. By contrast the leadership of case D appeared to help perpetuate a subsistence frame among most of its business people, while the leadership in case C failed to take advantage of opportunities to reframe stakeholders’ roles, perhaps because their own leadership frames did not presume a distributed model of leadership.

CONCLUSION

The four US cases suggest how the formal design of new subdistrict jurisdictions can alter as well as reinforce their leaders’ and other stakeholders’
Framing business leadership in urban subdistrict regeneration

The formally self-governing BIDs appeared both to elicit leadership from among district stakeholders and to render stakeholders more amenable to cooperation with the revitalization efforts to a greater degree than the externally governed BIDs. The stakeholder narratives of a turn to collective action and the emergence of a new generation of district-level leadership in the self-governing BIDs suggested that these effects stemmed both from actual participation in governance and from the framing of leadership as an institutionally appropriate role for any business person in a district. By providing a greater number of opportunities for participation in and leadership of revitalization planning and implementation, the BIDs in the self-governing cases further provided opportunities for business people and officials to understand one another as natural and inevitable partners in the management of business districts.

Even in the externally governed cases business people who actively participated in BID leadership came to form strong normative commitments to one another and to an ideal of place in the course of acting out their BID-framed roles. By explicitly requiring business people’s participation in and leadership of revitalization planning and implementation, however, the BIDs in the self-governing cases provided greater opportunities for business people and officials to understand one another as natural and inevitable partners in the management of business districts. The development of shared understandings and distributed leadership in cases A and B responded to the nature of the governing responsibilities shared by participants as well as to their having engaged in repeated face-to-face interactions over extended periods of time. In all four cases formal leaders’ and other stakeholders’ expectations and behaviors appeared in part to be framed and reframed by the specific governance designs of the BIDs.

The archetypal BID design, at least as reflected in cases A and B here, thus appears able, in part through framing effects, both to elicit distributed and formal leadership from among its business stakeholders and to reproduce the leadership of pre-existing political and business elites. This is consistent with Stone’s (1993) hypothesis that the preferences and choices of a governing regime’s participants can be altered as a consequence of that participation. Clearly caution is warranted in any attempt to generalize these findings, however. In the case of large and highly professionalized (‘corporate’) BIDs, opportunities for face-to-face interactions, participatory governance and so for individual stakeholders’ reframing of their situations and roles are likely to be no greater than in the externally governed BIDs in our sample. On the other side of the coin non-BID institutional designs for third-party governance might conceivably elicit third-party leadership without the counterbalancing role played in BIDs by local governments, in part through their ability to regulate the flow of assessment...
funds to DMCs. Our results suggest that the creation of new institutions of third-party governance unmistakably has the potential to transform the leadership of local public policy in ways that are not necessarily either unmixed blessing or curse but certainly merit additional scrutiny in light of their continuing popularity.

NOTES

1. Salamon’s (2002) list of 15 tools of government action does not include the kind of jurisdiction-creation strategy represented by BIDs. Government corporations and government-sponsored enterprises are the most similar of the tools to BIDs, but there are enough differences in structure to treat BIDs and other subdistricting strategies as belonging to a distinct category.

2. A majority of US retail sales volume occurs after 6 p.m. or on Sundays, but independent retailers in the US are often reluctant to work at these times and frequently cannot or will not delegate full responsibility for opening and closing their establishments to employees.

REFERENCES


12. Leadership in the unglued organization

Patricia Wallace Ingraham

Despite a massive literature devoted to the topic, leadership – its many definitions, its many implications and impacts, its many ‘how to’ manuals, and its many demands – remains a somewhat elusive concept (see the summary, for example, in Alexander and Van Slyke 2006). At the same time, for organizations in all sectors, governments at all levels and the millions of people in those combined workforces, leadership is of fundamental importance. This duality of elusiveness paired with great significance creates problems for organizations throughout the world. In the United States, for example, three-quarters of citizens responded that they believe that public leaders are not prepared to lead in a crisis and are out of touch with the ordinary citizens they serve (Schwab 2007). Bouckaert (2009) concludes that around the world governments require ‘new models for governing and also new types of political, administrative, and citizen leadership.’

Many of the new models of governance, however, create particular dilemmas for leadership. For public sector organizations, which are the primary focus of this chapter, a prominent example of the dilemma is provided by contracting for public sector goods and services. To understand the dilemma more fully it is necessary to view contracting through several lenses. Organization theory literature, leadership literature and public policy literature, for example, all contribute useful perspectives. In combination they can present critical insights into a contemporary leadership dilemma. Even in combination, however, these three do not permit a full understanding, either theoretical or practical, of the dimensions of the dilemma. The necessarily simplistic examples from organization theory that follow are intended to be just that: examples, but clearly not full explication of either organization theory or the leadership issues now confronting public organizations.
ORGANIZATION THEORY AS AN EXAMPLE OF THE CONUNDRUM

The organization theory literature is voluminous and often contradictory. In his important summary, however, Rainey notes many of the points that are central to this analysis. For example, he notes that leadership plays a ‘crucial’ role in organizations and that ‘whether or not leaders shape the destiny of their organizations and stride like titans over the rest of us, anyone who has served in an organization knows how much leaders can mean, or fail to mean, in the apparent direction and success of an organization and in the work lives of the people they purportedly lead’ (2003, p. 289). This assertion implies the many unanswered questions about the specific impacts of leaders and the organizational contexts in which those impacts occur. Other authors have pinpointed this issue, arguing that leaders can shape an organization through achieving clarity in mission, goals and objectives (Moynihan 2005), that they have a profound impact on organizational culture (Khademian 2002), and that they can have an effect on the relationship of the organization with strategic actors in its environment and on the support the organization has – or does not have – from environmental influences, such as instability and turbulence (Lorsch and Morse 1974).

Another way of viewing the influence of leaders is in their relations to members of the organization and their motivation and commitment to the organization. Though there is disagreement about the precise conditions under which leaders can have the greatest impact in motivating employees, there is consensus that the impact can be positive or negative (perhaps strongly so), but is rarely neutral. Herzberg discusses the potential motivators available to leaders, distinguishing them from incentives or ‘rewards’ that have little influence or an essentially negative impact on the employee (2008). Vroom specifies complex decision matrices that would allow (were this a rational world!) the manager/leader to choose the optimal incentives (1994). Other contingency theorists provide similar perspectives.

Dunkle et al. (1992) and other authors argue that motivational patterns in the public sector differ from those in private organizations and may be less susceptible to the rewards and incentives specified by private sector theorists in that there are strong motivational ties between perceptions of public service (‘doing good’) and employment in public organizations. This literature implies a dramatically decreased role for popular private sector incentives, notably money, in public organizations. This not only suggests particular motivation/incentive issues for public sector leaders but also suggests a necessarily stronger reliance on intrinsic factors – values, commitment to mission and perception of the organization’s success in meeting public needs, for example.
The common denominator in all of these theories is the assumption of a relatively coherent – indeed, in many cases a hierarchical – organization. One exception is the set of system theories, some of which argue (see, for example, Gawthrop 1984; Lawrence and Lorsch 1986) that even in the presence of environmental turbulence and unclear organizational boundaries, an organization can survive and stabilize if common values and commitment to purpose is present. Organizational value coherence, therefore, continues to argue for some fundamental broad organizational order. So, too, do theories related to organizational boundaries in another sense: that of creating clear limits for organizational action and for the implied organizational authority of leaders and leadership teams.

Leadership theory and literature takes us to much the same place. Strong emphasis on the qualities of the leader rather than the organization are the emphasis, of course, but even the most ardent advocates of discretionary and contingent leader behavior assume at their base that leaders of an organization have the authority to allocate organizational resources in the interest of pursuing the organization’s mission and have or should create some level of organizational allegiance from its members. This can be attenuated by decentralization, by collective bargaining and by market or other turbulent influences. For public organizations such assumptions are dramatically attenuated by external control of resources and priorities and by the exigencies of political oversight.

THE IMPACT OF CONTRACTING-OUT ON ORGANIZATIONAL CLARITY

Assumptions of both sets of literature are thrown into substantial disarray by the impacts and implications of contracting-out for organizational goods and services. These impacts vary by the good or service contracted for and the centrality of them to the organization’s ability to pursue and meet its mission. For government organizations the ability to hire quickly and temporarily (at least in theory; but see, for example Romzek and Johnston 2002) frequently offsets some negative impact. Further the ability to contract for routine, stable activities has been viewed as a potential cost saving measure. At the same time routine and stable tasks are what large bureaucracies do best and having someone else do them is somewhat akin to shooting oneself in the foot. Contracting for more expert tasks limits organizational learning and institutional knowledge and may place the organization at a long-term strategic disadvantage (Ingraham 2006). The literature here is extensive (see for example, Brown et al. 2008) and again, summary points are noted only to forge the link to the challenges of
leading the hybrid organizations created by the contracting process. The critical point to emphasize is that contracting contributes mightily to a situation in which contemporary leadership increasingly means leading and collaborating with organizations, staff, levels of government and sets of stakeholders different from your own and bound only by limited common elements of mission and/or by financial considerations and constraints of contract. Thus the organizations in which they attempt to lead are, at best, very loosely linked.

In addition, as Van Slyke (2007), Romzek and Johnston (2002) and others have noted, contracting demands and processes place strains on the organization in other ways. Over time the process of contracting for what were initially ‘simple’ tasks and functions has come to address much more complex and multidimensional issues. This has been particularly true of defense-related projects and contracts, but the condition is present across government (Kettl 2005). Increasingly contracts now address problems for which government lacks the expertise or human resources. Contractors are a large part of the current American presence in Iraq. They play a critical role in planning for disposal of nuclear waste and related problems. They are responsible for overhauling a good part of the core Coast Guard fleet (Brown et al. 2008). They are involved in assessing educational outcomes for the Department of Education. This limited set of examples is all federal, but the problems are also endemic at the state and local levels of government. A related central issue is this: if governments do not have the expertise or the resources to undertake some of the contracted activities themselves, they probably do not have the expertise or resources to design and monitor contract activities adequately. In such a case the rationale for increased contracting is unclear: if government does not have the expertise to perform the task, how do they design an evaluation activity for its outcomes?

Further, Romzek and Johnston (2002) argue that continued reliance on a contractor – or set of contractors – decreases market competitiveness over time and that the contracting relationship, rather than the competitive market-based activity originally envisioned, becomes relational and trust-based. In this setting, the contractor may become an extension of the organization. Even so, the question of similar and overlapping values remains because the contracting organization continues to function as a profitmaking organization as well.

In this setting the linkages that have long been presumed to exist in public organizations – some commonality in motivation, incentives and desired rewards, common commitment to mission and organizational values, an organizational culture in which those common values can be pursued and reinforced – become ‘unglued.’ That is to say, there are many
fewer 'sticky' elements of the organization that allow its members to adhere to one another, to the organization and to various levels of organizational leadership. As a result, both existing and new public policy demands become more difficult to meet. This is so even as the intensity and scope of those demands increases from elected officials, citizens and other organizations. One chief executive recently referred to this dilemma as 'Leadership in the Spin Cycle' (McAllister 2006).

LEADERS AND THEIR ORGANIZATIONS IN A PUBLIC SETTING

The above discussion underpins some fundamental issues for organizations serving government. There are others that also have enormous impact. Public organizations frequently do not have the flexibility to change quickly or the nimbleness required for rapid response to changing events. Despite many cycles of personnel reforms and other management improvement efforts, in many cases they continue to cope with overly standardized and rigid management systems. Leadership is, at best, bifurcated because it is divided between political and career executives. Ever increasing demands for new and expanded services are faced by a workforce that has difficulty changing its skills and often does not have the expertise for the problem at hand. This problem is not unique to the public sector, but public lack of flexibility causes it to be exacerbated (Yang and Pandey forthcoming).

An additional complexity is the contemporary reality of collaboration as central to day-to-day organizational operations. Collaboration across organizational boundaries, across jurisdictional boundaries and across governmental boundaries is a matter of course for organizations at all levels of government. Certainly activities related to homeland security and border defense have played a part in the increasing reliance on collaboration, but other governmental activities – law enforcement, economic development and transportation, for example – have also been long-term contributors to necessary collaborative networks. For leadership this implies an ongoing need to collaborate with organizations, staff and levels of government different from your own which, in turn, can lead to searching for ways to identify and cement common mission and values.

Leadership in public organizations, then, confronts sets of problem strings that are related to changing mission demands, uncertain resources, limited flexibility in obtaining and directing crucial human resources and political oversight. The issues of leading in unpredictable organizations are not, of course, new. Indeed several decades ago Cohen and March (1974) analyzed what they term 'leadership in an organized anarchy'
Leadership in the unglued organization

– universities. A number of analysts have revisited the general topic over the years (see again, Alexander and Van Slyke 2006). At the same time long-term assertions that ‘leadership matters’ are being buttressed by evidence that leadership and leadership teams do indeed make a difference to organizational capacity and potential for performance (see, for example, Ingraham and Moynihan 2003; Ingraham et al. 2003).

How and when leadership matters and the context in which potential impact can occur are appropriate matters for continuing debate. Nonetheless a brief examination of the confluence of extensive contracting and widely recognized leadership talent provides important insights. The following example draws on the experience of the United States Coast Guard, frequently recognized for its overall excellence and exceptional leadership, and the contract, commonly referred to as ‘Deepwater’, awarded for assistance with refurbishing and modernizing the Coast Guard fleet. Even a brief examination of this case and its follow-on within the agency demonstrates the speed with which tightly linked or ‘glued’ organizations can begin to lose some organizational stickiness in the face of perceived failure. The brief case also demonstrates, however, the pervasive significance of effective leadership.

THE US COAST GUARD

The Coast Guard is a multi-mission organization whose responsibilities range from boater safety education and rescue through law enforcement activities (drug interdiction, for example) to harbor and waterway security, maintaining open waters on the Great Lakes, deep-sea rescue operations and now increased focus on combating illegal immigration. For many the indelible image of the Coast Guard is that of rescue helicopter pilots plucking bedraggled citizens from roofs after Hurricane Katrina struck New Orleans and large parts of the southern coast. Following that remarkable effort and explaining why the Coast Guard acted when other organizations did not, the commander of the New Orleans Coast Guard station, Captain Bruce Jones, noted ‘We didn’t have to wait for orders. We knew what our job was’ (US Coast Guard Oral History 2005).

This clarity of mission is a result of an organizational culture that is carefully built and maintained. This culture emphasizes linking each Coast Guard activity to overall organizational goals and mission and the organization prides itself on professionalism and good management. Although the Coast Guard weathered some difficult times following government-wide budget and personnel cuts in the mid-1990s, it rebuilt carefully; Admiral James Loy made that rebuilding a cornerstone of his years as
Leadership processes in interorganizational networks

Commandant. When the Government Performance Project examined the management capacity of federal agencies about five years later, the Coast Guard garnered one of the top two positions (Ingraham et al. 2003)

Initially a unit of the Department of Transportation, the Coast Guard (a quasi-military organization) was transferred into the newly created Department of Homeland Security after the terrorist attacks of September 2001. Its responsibilities for harbor and waterway security and for curbing illegal immigration increased dramatically after that date, as did public focus on the Coast Guard’s achievement of mission. When the Department of Homeland Security turned its attention to implementing management flexibilities, the Coast Guard’s reputation for good management and leadership placed it in the early implementer category.

The Coast Guard is also noted for the exceptionally high quality of its leadership cadre and for the care with which that cadre is nurtured and developed. Two of the Coast Guard’s recent leaders, Admirals James Loy and Thad Allen, are frequently cited as exemplars of excellent leadership. Both pride themselves on their ability to articulate and live by clear conceptual models of leadership and both are intensely proud of the Coast Guard. Admiral Loy refers to his ‘Architecture of Leadership’ (2006). Admiral Allen refers to ‘meta-leadership’ and to leading for the future (2006). Admiral Loy’s reputation for building organizational strength and for skilled leadership led federal officials to name him the administrator of the effort to create (or to ‘stand up’) the Transportation Safety Administration following his resignation as USCG Commandant. He later became the Under Secretary of the Department of Homeland Security (Getha-Taylor, forthcoming a). Admiral Allen became Commandant of the Coast Guard in 2006. For his part, Allen was the Director of Atlantic Region Operations for the Coast Guard at the time of 9/11; he was dispatched to New Orleans to oversee the entire federal effort after Hurricane Katrina. His official Coast Guard biography notes that he is regarded as ‘the face of the Coast Guard’ (United States Coast Guard 2007b).

For both men, these are notable – indeed, rather stunning – credentials. It was under Admiral Loy’s watch at the Coast Guard that the controversial Deepwater contract was awarded. In the first year of Admiral Allen’s service as Commandant significant flaws in the massive contract became evident. Loy’s role in the contract design and award is attributable to his firm conviction that it is impossible to achieve the objectives of government agencies without private sector contracts. At a conference at Syracuse University in December 2005, for example, he argued that academics who questioned the role of contracts in government were ‘behind the curve’ and that contracting ‘is now the way that government business gets done’ (Campbell Institute 2006). In an interview in 2008 Admiral Loy recalled his
thinking behind the contract design: ‘my design offered . . . the better way . . . to go to the people who did that (large scale system integration) the best’ (personal communication¹, 21 March 2008). Loy clearly recognized that it would be significant to carefully monitor the process over time.

In announcing modifications to the contract in the first year of his term, however, after encountering substantial difficulties with Deepwater contractor performance, Admiral Allen observed: ‘We understand all too well what has been ailing us for the last five years. We’ve relied too much on contractors to do the work of government’ (Lipton, 2007). If contracting is increasingly the way that government business gets done, these opposing perspectives are troubling. Was Deepwater unusual or is it representative of a larger problem?

THE DEEPWATER CONTRACT

Deepwater was launched under Admiral Loy’s leadership at the Coast Guard. Its overall intent was to allow the Coast Guard to better meet its expanded maritime security mission, notably that relating to long-range surveillance presence and capacity. It was designed to be a twenty-five year program. It was a $24 billion contract that was intended to refurbish 91 ships, 195 helicopters and planes and many small boats, all of which were intended to have more rapid response capability after renovation. The contract was awarded to Northrup Grumman and Lockheed Martin, both among the federal government’s most frequent contractor choices (Ingraham 2005) and was technically responsible to the Integrated Coast Guard Systems (ICGS) command. The contract was initially designed to have five-year checkpoints, performance assessments and renewal targets. The long-range strategy, coupled with a governance structure adopted by Admiral Thomas Collins, Loy’s successor as Commandant, gave decisions a long timeline and split responsibility for performance nearly evenly between the Coast Guard and the contractors. This allowed the private contractors unusual discretion to not only influence their own performance standards but also to play a large part in assessing their own results.

In many ways the contract design reflected Admiral Loy’s conviction that government was well advised to stay out of the way of private sector innovation capabilities. Admiral Collin’s adjustments reflected continuing trust and confidence in the contractor. Sadly – or perhaps predictably – the initial results of the contract did not meet such high expectations.

The fast response cutters that were the first to be refurbished were not seaworthy (United States Coast Guard 2008). In Admiral Loy’s later description they reflected all of the ‘problems associated with the prototype
Leadership processes in interorganizational networks

of a massive project’ (personal interview, March 2008). Although this was stage one of the contract, and the Coast Guard itself had begun revision of contract terms prior to the patrol boat debacle, political response to the initial lack of success was intense, enraged and very public. Admiral Allen, not even one year into his term as Commandant, was derided in congressional hearings for his failure to properly oversee the contract, for lack of accountability, and for poor leadership (Lipton 2007). In April 2007, the Coast Guard formally announced revision of contract terms, assuming the lead role in contract supervision and assessment. Under the new terms, meetings and assessment sessions with the contractor took place no less than quarterly. In his press conference announcing the changes, Admiral Allen announced that the eight patrol boats modernized under the contract would be permanently decommissioned and recompense would be pursued, a stark admission of failure for that part of the contract. He then outlined six management principles to guide the contract for the future (if it were to be renewed) but also emphasized his intention to ‘move beyond the tyranny of the present’ to a vision of the future that will permit the Coast Guard to ‘meet the challenges of the new environment and to be “always ready” to meet its missions in a seamless way’ (United States Coast Guard 2007a). In this way Thad Allen re-emphasized his stance on leadership as well as his willingness to stand for the agency and its reputation in turbulent times. His emphasis on working toward ‘seamless integration’ across the components of the agency also noted, however, the need to rebuild commonalities – not only with the contractors, but within the Coast Guard itself. Perhaps most significantly, Admiral Allen reframed the challenge: it was not about contract failure or poor performance, or the tyranny of the present. The challenge was for the Coast Guard to remember its strong record and to continue to build its vision for the future on that strength and to not allow that strength to be derailed by a short-term problem.

The record of Deepwater since that time has shown greater success; other classes of ships, helicopters and surveillance systems covered by the contract have, in fact, performed as anticipated. One academic analyst of the contract’s impact and lessons observed that ‘this contract should not be viewed as a complete failure; the problems were primarily associated with the early patrol boat modernization’ (D.M. Van Slyke, personal communication, 19 March 2008). Admiral Loy reaffirmed his earlier belief in the overall design strategy in 2008: ‘It (Deepwater) is, in my mind at least a success, if not a ringing success . . . I remain convinced today as I was in 1999, 2000, 2001 that it was absolutely the right approach to modernize the Coast Guard’s ability to do things offshore . . . and further has been a model . . . for a high number of other kinds of projects in the Department of Homeland Security and the Department of Defense’ (personal interview, 11 March 2008).
WHAT ARE THE LESSONS TO BE LEARNED?

What are the lessons that can be taken from the juxtaposition of a decentralized yet firmly glued organization, strong leadership and a major contract that fundamentally addressed the organization’s ability to meet its mission but was designed for minimum oversight and limited accountability in its crucial early years and thus had the potential to unglue a strong organization?

First, the glue in the Coast Guard held throughout this major challenge to its leadership and capability. It can be argued that the necessary organizational design of the Coast Guard – its extremely decentralized, delegated structure – allowed the Deepwater event to be primarily a headquarters issue. The Command and its past decisions were challenged, but the fundamental soundness of the organization was not. Sea rescue, drug interdiction and harbor security operations, for example, essentially proceeded with business as usual. At the same time, Admiral Allen’s determination to not be trapped by the ‘tyranny of the present’ as he put it, allowed the organization’s leadership to focus again on longer term strategy, overall mission and internal repairs. In some ways the organization’s complexity permitted it to absorb a shock that would likely have had a greater impact on a more rigid organization.

Even so, the Coast Guard’s early intervention in contract management and oversight will be crucial in the long term. The contractor’s initial performance was, to be sure, spectacularly sub-par. To remedy that performance, the organization of the Coast Guard itself became necessarily more complex as it took on additional responsibilities for tasks it had originally been thought unable to do. This is probably not that unusual in the new contracting world, but it has enormous implications for the effectiveness and cohesion of public organizations and certainly for their leadership.

Across government, learning about this increased complexity and its increased demands is extremely limited. The overall organizational inability to learn from the experience of other organizations is an important issue to be addressed. Further, the lessons from the Coast Guard in acting quickly to remedy sub-par performance deserve to be carefully examined. Too often sub-par performance does not result in contract termination or redesign but rather in long-term costly poor performance. The Coast Guard was an exception; it acted very quickly to fix the problem. It paid a public relations price, but the organization held together. In many ways that is a measure of success, not failure, in a complex setting.

Second, there are important lessons about studying leadership and assessing its impact. Elsewhere I have noted that leadership has an impact on organizational capacity building, on internal organizational coherence
Leadership processes in interorganizational networks

and integration and on clarifying and bounding mission (Ingraham 2007). The Government Performance Project (GPP) found strong associations between strong leadership or leadership teams and creating capacity for performance (Ingraham et al. 2003). The GPP considered the Coast Guard an exemplar for the extent to which leadership talent and capacity was inculcated throughout the organization and for the strength and clarity with which its top leadership demonstrated commitment to goals and mission. The experience with Deepwater demonstrates that, despite different leaders and different visions of the path to achieving mission, fundamental leadership strength remained consistent because it rested on well organized organizational capacity and on consistent ability to communicate and build commitment to mission.

Further analysis of the case may also demonstrate the power of leadership to clarify and re-set organizational value imbalances. There is little doubt that the values propelling Northrup Grumman and Lockheed Martin in the Deepwater contract were not those driving the Coast Guard as it struggled to ensure that its resources better met mission demands. Admiral Allen essentially made that point when he commented at his press conference: ‘We need to be about the business of looking forward . . . as we seek to see what is out over the horizon so we can better prepare to anticipate challenges and develop solutions with full transparency and accountability. That is the business of government. And it’s the same principle that needs to govern business as well’ (United States Coast Guard 2007a). The Coast Guard, he was emphasizing, must be a problem-solving organization, but it is public. Its solutions must be transparent. The Deepwater contract’s shared governance appears to have tipped the organizational balance too far toward private values opaqueness. The trust and contractual relationships on which Admiral Loy had relied for the balance were not adequate to maintain it. Admiral Allen did not dismiss the contractual need – that was evident – but he returned to the publicness of the organization and organizational norms and values as the anchor; he reframed the challenge.

Third, it is important to acknowledge that internal organizational boundaries as well as those between organization and contractor are critical. The ‘seamless integration’ for which the Coast Guard now aims addresses internal issues as well as external problems. Large contracting efforts such as Deepwater rely upon legal departments, acquisition departments, engineering departments, program operations and many others for success. As is common throughout the federal government, each is built upon a particular expertise. The Coast Guard intended that the ICGS would in fact achieve integration, but expertise can be a basis for organizational wall-building. Again, the governance and assessment provisions of the contract apparently allowed a wall to be built between the Coast Guard and its contractors.
At the end of the GPP analysis of management capacity at all levels of government, it concluded that high capacity organizations had the ability, through leadership and vision, to move through and across those walls to create integration. It is precisely that set of processes that is necessary to create the seamlessness deemed necessary to effective contract design and management. Even the Coast Guard, whose generally high caliber of management and performance has already been noted, confronts the challenge of linking or integrating across internal silos. Breaking down new walls, as well as old ones, is part of the challenge.

Finally for the Coast Guard and for other public agencies, it becomes increasingly clear that the ‘problem’ of contracting is not a single problem at all but one element of a problem string that leaders and their organizations must confront. Contracts are often the result of inadequate resources – very frequently human capital resources – for public organizations. There are not enough people, or the right people with the right skills and expertise, to do a necessary job. In the process of buying those skills, however, government confronts the next part of the string. Government also doesn’t have enough people, or the right people, to manage and monitor the contracts. Financial and human resource strains that create the perceived need for a contract also contribute to the inability to design and manage it well. If the technological or scientific expertise being purchased is not available within the agency, the ability to understand contractor activities and performance is diminished, as is the ability to evaluate. Accurate cost estimates are difficult at best; cost overruns are common. If there are performance problems with the contract, the government organization is unlikely to have the expertise to take the load back on. And so it goes.

Cutting into this string effectively is a daunting leadership challenge. The Coast Guard, despite its problems with Deepwater, continues to provide an example of an organization and its leaders who understand the complexity of the problem string. Perhaps more significantly, it demonstrates that even when the difficulties of multiple and multidimensional problems temporarily threaten, the core strengths of the department are critical to weathering through. That is why the potential of large-scale contracting to unglue an organization is very troubling. But it also illustrates why ‘getting out the glue stick,’ which Admiral Allen did with his emphasis on moving ‘past the tyranny of the present,’ is so important.

NOTE

1. Personal interview references are from notes of interviews conducted by Getha-Taylor for the leadership profile of Admiral James Loy, see Getha-Taylor forthcoming b.
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PART IV

Ethics, values and diversity
13. Beyond cognition: affective leadership and emotional labor

Meredith A. Newman, Mary E. Guy and Sharon H. Mastracci

Leadership boils down to a series of social exchanges in which the leader can drive the other person’s emotions into a better or worse state. (Goleman 2006, p. 276)

Leadership touches the human spirit, and touching the human spirit has always been the work of art and aesthetics. It’s not surprising, therefore, that good leaders have always thought of leadership as more of an art than a science. (Denhardt and Denhardt 2006, p. 175)

Leadership . . . is above all an emotional phenomenon. (Popper 2005, p. 4)

Public Service leadership is soulwork. (Kramer 2002, p. 131)

Group leadership is far more an art than a science. (Bennis 2000, p. 140)

Attention to any number of high-profile administrative and leadership failures (FEMA Director Brown’s response to Hurricane Katrina) and successes (NY Mayor Giuliani’s response to 9/11) encourages us to rethink our assumptions about what it takes to be an effective leader – or more precisely to be an affective leader. How do the concepts of emotional labor and artful affect translate into our understanding of leadership? Where would one find affective leadership in practice? In order to address these questions we conducted field research into the daily work experiences of public servants on the front-line of service delivery. The purpose of this chapter is to use their ‘stories’ to advance our understanding of leadership and to shine a bright light on the skills that are inherent to its practice.

How might leadership relate to emotional labor? In a speech delivered by Alice Rivlin at the 2003 conference of the American Society for Public Administration, she outlined the requirements of successful leadership. Among these she included ‘unwarranted optimism.’ What does it take to exude unwarranted optimism day in and day out? We argue that it is a form of emotional labor.
Goleman’s (2006) centrality of social exchanges, Denhardt and Denhardt’s (2006) focus on the art of the dance, Popper’s (2005) conceptualization of leadership as emotional relationship, Kramer’s (2002) leadership as soulwork and Bennis’s (2000) art of group leadership point up the relational aspects and artful affect of leadership – that is, an appreciation of the emotive aspects of leadership. We use their platform to dive into the ‘emotional stew’ (Goleman 2006, p. 278) of the workplace, and we begin with an explication of concepts.

First, what is emotional labor? Drawing from the definition of emotion (exmovere in Latin) as ‘applying “movement”, either metaphorically or literally, to core feelings’ (Cooper and Sawaf 1997, p. xiii), emotional labor is a component of the dynamic relationship between two people: worker and citizen or worker and worker. Any definition of emotional labor begins with the seminal work of sociologist Arlie Hochschild (1983). Hochschild uses the term to mean ‘the management of feeling to create a publicly observable facial and bodily display’ intended to produce a particular state of mind in others; ‘emotional labor is sold for a wage and therefore has exchange value’ (p. 7). Emotional labor is a ‘gesture in a social exchange; it has a function there and is not to be understood merely as a facet of personality’ (Hochschild 1979, p. 568). In other words the worker must perform the work in order to complete the job; it is a type of labor (see Guy and Newman 2004). The outcome of interest in jobs that involve emotional labor is referred to as affective delivery or the extent to which employees maintain these expressive display requirements at work (Tsai and Huang 2002).

The term emotional labor has affinities with physical labor – both require skill and experience and are subject to external controls and divisions of labor. The English language comes up short when we try to describe emotion work. A number of terms capture one aspect or more but none captures its entirety. For example the list below names a number of dimensions of emotional labor. Some jobs require workers to exercise several of these; others require the performance of none, one or only a few:

- Verbal judo: used in law enforcement to describe ‘tough talk’, banter
- Caritas: captures the caring function in human services
- Gameface: used in law enforcement to signify displays of toughness
- Compassion fatigue: used in social work to describe burnout resulting from too much caritas
- Emotion management: focuses on the worker’s job to elicit the desired emotional response from the citizen
- Professional face: used to describe the status shield that workers don to distance themselves emotionally from the interaction, a role-playing function
- Emotional chameleon: the ability to switch expressions of emotions on and off
- Spider sense: the ability to intuit the other’s emotional state
- Rapport: the ability to establish a deep understanding and communication with the other
- Emotional suppression: that which is required to disregard one’s own feelings
- Emotional mirror: the ability to reflect and adopt the emotions of the other
- Emotional armor: the ability to gird oneself against one’s own emotional response
- Emotional equilibrium: refers to maintaining a balance between extremes of emotion
- Emotional anesthesia: the lack of any emotional response; may occur after prolonged exposure to extreme emotional stimuli
- Emotional engagement: the ability to connect with the other and empathize
- Emotional mask: that which results when workers convincingly suppress their own emotions in order to act as if they feel a contradictory emotion, or no emotion.

As the list shows there are a variety of dimensions that attach to emotional labor. Although some workers can don emotional armor and endure emotionally draining experiences, others are less capable. Although some are energized by emotional encounters, others find them exhausting. Whereas some are skilled at emotional suppression, others are excellent at developing rapport and emotional engagement. Emotion work is as individual as cognitive work. It is a skill and is subject to individual differences.

We propose that these same dynamics are at play in affective leadership. Writing in the 1920s, Edward Thorndike proposed that social intelligence – interpersonal effectiveness – ‘was of vital importance for success in many fields, particularly leadership’ (as cited in Goleman 2006, p. 83). Some 85 years later Daniel Goleman developed his model of social intelligence as organized into two broad categories. First, social awareness – what we sense about others – including primal empathy, attunement, empathic accuracy and social cognition; and second, social facility (or relationship management) – what we then do with that awareness – including synchrony, self-presentation, influence and concern (p. 84). For Denhardt and Denhardt (2006, p. 63), ‘a person attuned to the rhythmic flow of the particular situation will have an advantage in energizing others and will be a more effective leader.’ Part of such attunement is the ability to listen:
Listening well has been found to distinguish the best managers, teachers and leaders. Among those who are in the helping professions, like physicians or social workers, such deep listening numbers among the top three abilities of those whose work has been rated as outstanding by their organizations. (Goleman 2006, p. 88)

While the term 'emotional labor' is used only once in Goleman (2006) and not at all in Denhardt and Denhardt (2006), their terminology is consistent with many of the dimensions of emotional labor skills. Selected phrases from their referenced works illustrate the point:

- Adeptness at reading people
- Emotional tango, a dance of feelings; a nonverbal duet
- Interpersonal/emotional thermostat
- Emotional contagion
- Interpersonal judo, our ability to change another person’s mood, and they ours
- Neural puppeteer
- Emotional suppression
- Emotional radar
- Emotional connection
- Improvisation and ‘faking it’

This is the language of emotional labor. We contend that this vocabulary in turn translates into an understanding of the skills of affective leadership.

EMOTION WORK VERSUS COGNITIVE WORK

There’s no scientific answer to the most difficult problems that leaders face, and those problems are not amenable to solutions sought through the application of rational analytic techniques. (Denhardt and Denhardt 2006, p. 10)

Cognitive skills and emotion work skills are separate but related dimensions for successful job performance. The former includes the application of factual knowledge to the intellectual analysis of problems and rational decision-making process. The latter includes analysis and decision-making in terms of the expression of emotion, whether actually felt or not, as well as its opposite: the suppression of emotions that are felt but not expressed. More specifically, emotional labor comes into play during communication between worker and citizen and it requires the rapid-fire execution of:
1. Emotive sensing, which means detecting the affective state of the other and using that information to array one’s own alternatives in terms of how to respond.
2. Analyzing one’s own affective state and comparing it to that of the other.
3. Judging how alternative responses will affect the other, then selecting the best alternative.
4. Behaving, such that the worker suppresses or expresses an emotion – in order to elicit a desired response from the other.

Service exchanges between worker and citizen require the worker to sense the right tone and medium for expressing a point and/or feeling and then to determine whether, when, and how to act on that analysis. To ignore this combination of analysis, affect, judgment and communication is to ignore the ‘social lube’ that enables rapport, elicits desired responses and ensures that interpersonal transactions are constructive. As Goleman (2006) reminds us, excellence in people management cannot ignore affect. It has real human consequences and matters if people are to perform at their best.

The attention of scholars such as Goleman and Denhardt and Denhardt in the affective nature of workplace behaviors is stimulated by a rich body of literature on the nature of leadership per se (see Northouse 2004 for a review). Of interest to our present study is the growing body of research on neo-charismatic theories of leadership (House and Aditya 1997; Conger and Kanungo 1998; Bono and Ilies 2006) and the dimensions of leadership that focus on relationships. Leadership has been viewed variously as the focus of group processes; in terms of the working relationship that exists between leaders and followers (Northouse 2004; Stogdill 1948); relationship behaviors (Northouse 2004); and as an ‘encounter – a listening relationship – between human beings’ (Kramer 2002, p. 133). For example Katz (1955) suggests that leadership depends on technical, conceptual and human skills. While technical skill has to do with working with things (concern for production), human skill is having knowledge about and being able to work with people (concern for people):

Human skills are ‘people skills.’ They are the abilities that help a leader to work effectively with subordinates, peers and superiors to successfully accomplish the organization’s goals. Human skills allow a leader to assist group members in working cooperatively as a group to achieve common goals . . . In short, human skill is the capacity to get along with others as you go about your work. (Northouse 2004, p. 37)

Leadership ‘people skills’ also encompass social judgment, defined as the capacity to understand people and social systems (Zaccaro et al. 2000).
Social judgment skills enable leaders to work with others to solve problems and to marshal support to implement change within an organization (Northouse 2004, p. 42). Specifically social judgment skills involve:

1. Perspective taking, likened to social intelligence.
2. Social perceptiveness, ‘taking the pulse’ of employees.
3. Behavioral flexibility, the capacity to change and adapt one’s behavior.
4. Social performance, being a ‘good communicator.’

The situational approach to leadership (Hersey and Blanchard 1969) reflects these skills. This model of leadership demands that leaders adapt and match their style to the competence and commitment of their subordinates. Supportive (relationship) behaviors help group members feel comfortable about themselves, their co-workers and the situation; and involve two-way communication and responses that show social and emotional support to others (Northouse 2004, p. 89). Further a focus on the interactions between leaders and followers is characteristic of the leadership-member exchange (LMX) theory (Dansereau et al. 1975). The premise is that when leaders and followers have good exchanges they feel better, accomplish more and the organization prospers (Northouse 2004, p. 151).

More recently transformational leadership has focused on the charismatic and affective elements of leadership (Burns 1978). Transformational leadership refers to the process whereby an individual engages with others and creates a connection that raises the level of motivation in both the leader and the follower (Northouse 2004, p. 170). Transforming leaders are ‘social architects’ for their organizations (Bennis and Nanus 1985). In addition the team leadership model assumes that the leader knows about group process, interpersonal communication, conflict resolution and networking. Effective team performance begins with the leader’s mental model of the situation (Zaccaro et al. 2001).

Finally the psychodynamic approach proposes that leaders are more effective when they understand the psychological makeup of their subordinates and when they have insight into their own emotional responses and habitual patterns of behavior (Stech 2004). Consistent with this approach, Pearson (1989, 1991) identified the archetypes of the ‘warrior’ and the ‘magician’. Warriors impose their will on others. ‘Emotionally, the warrior is controlled – the “poker face” – and represses most feelings’ (Stech 2004, p. 243). By contrast the magician establishes mutuality in the relationship with subordinates and is willing to change and adapt while also asking team members to do the same. Furthermore the magician
accepts and understands emotional responses to activities (Stech 2004, p. 243). This approach to understanding leadership comes closest to our interest in affective leadership and emotional labor. So too does the characterization of leadership as a dynamic psychological phenomenon, as relationship (Popper 2005, p. 35). Like Stech, Goleman, Denhardt and Denhardt and Popper we are cueing in this chapter on the emotive skills that are the essence of relationship-building and leadership in work settings.

At this point, it is worth including a brief note about authenticity and leadership (see, for example, George and Sims 2007; Denhardt and Denhardt 2006; Goleman et al. 2002). Emotional suppression and ‘manipulation’ of others can be viewed positively or negatively. If a leader is successful at emotional suppression it begs the question of how the leader can be viewed as authentic by followers. In a presentation by Robert Denhardt at the 2008 ASPA conference he acknowledged that followers are subject to manipulation; that an emotional connection can be used for deception. Referring to the ‘moral purpose of leadership’ he spoke of the purposes and the ends of leadership and asked, are you connecting to aspiration or fear? We would add that emotional labor is key in moving both the leader and the follower towards the public good.

Turning to our present study we reveal the centrality of emotion work in the service exchange and underscore affective leadership in practice. We do this by drawing upon our larger study into the working days of civil servants. Based on interviews and focus groups we set forth in their own words how social workers, 911 operators, corrections officials, detectives and child guardians experience their work. We then extrapolate their experiences to a consideration of what makes a successful – an affective – leader. Our research sites include an urban county office, the Cook County, Illinois Office of Public Guardian in Chicago, a city police department, the Tallahassee Police Department Dispatch Unit (911 call takers) and a state agency, the Illinois Department of Corrections (see Guy et al. 2008, Appendix B for details of the research design).

THE COOK COUNTY, ILLINOIS OFFICE OF PUBLIC GUARDIAN

‘A million crises every day’

The origin, growth and vision of this unique agency emanate from its initial and longtime leader, Patrick Murphy. In 1978, amidst a corruption scandal in a small newly formed Cook County department, then
Governor Jim Thompson appointed a charismatic and idealistic young attorney to the public guardianship agency to demonstrate his administration’s commitment to good governance. This attorney, Patrick Murphy, was meant to serve as window dressing for three months, after which the scandal of the moment was predicted to blow over. More than 26 years later Murphy had single-handedly built the OPG up from a handful of attorneys, social workers and assistants – six employees in all – to its current status: nearly 300 employees, half of which are attorneys, serving over 15,000 clients. If he was grateful to the governor for his position, one might not be able to tell: not only did Murphy investigate his own agency’s fund allocations but he also pursued charges against Governor Thompson. Unlike the typical political appointee Murphy also states flatly and without any hint of hubris that ‘the politicians can’t touch us’ (P.T. Murphy, personal communication, 13 August 2004). He built an office with a strong reputation for citizen advocacy and his leadership allowed everyone at OPG to proceed boldly with little fear of the vagaries of favoritism or the calculus of horse-trading by county- or state-level power brokers.

The Office of Public Guardian had been shaped by Patrick Murphy’s leadership and vision to such a degree that we heard ‘OPG’ and ‘Patrick’ used synonymously on more than one occasion, as in ‘I came to work for Patrick’ rather than ‘I work for OPG.’ Such organizations can suffer institutional crises when longtime leaders leave. After 26 years at OPG Patrick Murphy ran for a judgeship on the Cook County Circuit Court in reaction to the county’s mismanagement of a tragedy that struck the agency. It proved to be a testament to the staff’s dedication to mission, to Murphy’s stewardship of a resilient organization and to the strength of its new leadership that the new director, Robert Harris, could seamlessly assume the mantle as director of the agency on 1 January 2005. Mission trumps structure at OPG. Senior attorneys advise attorneys with less experience and incident review teams have point persons, but evidence of institutional hierarchy is almost nonexistent. Organizational form follows agency function.

Working at the Office of Public Guardian is not for the impatient, the easily discouraged or upset or anyone who demands a set schedule. OPG does not intercede when a family is functional. Like 911 operators OPG is involved only when something has gone wrong. Very wrong. The consequences can be life-threatening. Working with children, teenagers and elderly clients brings about ‘a million crises every day.’ These range from breakdowns in living situations, whether in relation to long-term foster care, group homes or adoptive homes, to discipline problems at school or trouble with the law, to problems with caretakers involving abuse of
the client, substance abuse or other endangering situations, to sickness or injury, to problems with family visits. Emotion management demands are high on caseworkers, attorneys, paralegals and investigators, who must manage heavy caseloads while communicating effectively with young clients, their biological parents and their current caregivers, and other therapists, social workers, school teachers, judges and healthcare workers, each of whose backgrounds differ greatly. One paralegal describes a strategy that she uses to do her job:

When I first started with the office . . . the case loads were so high and I really didn’t come from a background of doing any kind of public service job, I would actually say psychologically speaking I had post-traumatic stress disorder to the second degree . . . if you have no idea – which I had not – how severely kids can be abused and neglected, and you have children of your own – which I do – your mind is crazed almost. How can anybody take an extension cord and whip a child within inches literally of their life? Why would anybody put a child in a scalding bathtub? It, it was, it was very difficult in the beginning . . . For me I had to change the whole mindset: ‘I’m going home now.’ Work needs to stay at work and family needs to stay with family and try not to bring it home . . . People say to me, ‘Why don’t you have pictures of your children in your office?’ And basically the answer is home is home and work is work.

Attorneys, caseworkers, paralegals and investigators can never display shock or distress when a client reports abuse, neglect or endangerment. Negative reactions are interpreted by clients – especially young clients – as an indication that they did something wrong and they will stop talking, which is the worst outcome. OPG staff must engender a deep level of trust in order to elicit information from their clients. Each must develop rapport and intuit the correct approach for eliciting honest information that will be helpful in pursuing the child’s best interest. Success results in assisting the child and feeling that one’s work is worthwhile, while failure results in misinformation and burnout. Here we let an investigator’s words demonstrate his experience of emotional labor:

I can turn it on and off at whatever I have to do . . . you have to be able to communicate with people out in the street . . . I can just be whoever I have to be; if I have to be a nice guy, I’m fully comfortable talking to whoever, whatever; I can cozy up and talk to the neighborhood drug addict and get him to give me information . . . I just have to have the ability to turn myself off emotionally and not let my personal feelings become involved.

Note the quote below from a caseworker. As she describes what it takes to develop rapport with the children on her caseload she is talking about emotional labor. She must cause the person she is interviewing to trust her enough to provide the information she needs to perform her duties. This
requires discerning the motives and proclivities of the client and acting in such a way as to establish a constructive relationship. Although her job description spells out the educational and licensing requirements of the job, those ‘knowledge, skills and abilities’ only get her in the door. They do not accomplish her job. Not only are measurable skills required for her to perform successfully but so is the emotion work necessary for her to build rapport with clients:

There are some people you click with – you just have that connection. There are some you don’t. A person can rub you the wrong way and be really hard to get to. I try to think what emotional string I can pull to get the person to relax; to calm down; to talk to me. It doesn’t work to meet anger with anger. You have to stay professional, you have to stay calm, and to some degree you have to understand. We’re dealing with people. If we’re dealing with machines, yeah, I would be successful all the time. You know, it’s another face, another personality, another person with issues in front of me. We have to develop these relationships . . . in order to get our clients to . . . tell us the deepest, and darkest, and whatever’s going on, right? . . . I mean we see a variety of clients . . . severely sexually abused . . . I also knew that there was some alleged accusation that the mother may have been poisoning the kids when they went for visits . . . you have to establish a rapport – a connection.

Multiply each home visit, incident review or hearing by the number of cases in the heavy caseloads carried by each attorney and one gets a glimpse of the nature of emotion management demands by county workers at OPG.

TALLAHASSEE POLICE DEPARTMENT 911 CALL TAKERS

Leading is about using all your senses. (Denhardt and Denhardt 2006, p. 67)

For any one of us who has ever felt apathetic toward our government, spending time at a 911 call center provides a powerful antidote. Jobs that require front-line customer service during crisis situations are emotionally intense. Such is the case for emergency dispatch operators. Of particular interest is the language call takers use to describe their workday and how they perform emotional labor. Interviews reveal how they describe the work they perform and how they exercise emotion management, including that which is required (a) to hold their own emotions in check, (b) to display competence and caritas and (c) to express emotional sensitivity that calms callers. A call taker who trains new hires to answer 911 calls explains the skills that are sought:
For the most part, we’re looking for people that can think outside the box. We’ve got five basic questions that we ask, but you have to be able to take the response that you get and think, ‘Ok, this person just doesn’t sound right – something else is going on here or the story doesn’t sound right; the pieces aren’t fitting together.’ You have to use your spider sense a little bit.

Interviewer: What do you mean by ‘spider sense’?
You know, that little feeling when your hairs turn up on your arms or on the back of your neck. Things that you pick up on that are gonna make or break what happens to the officer when they get on the scene and if you miss someone in the background hollering that they have a gun or you miss the popping noise in the background or you miss something critical you’ve now put the caller’s life or the officer’s life in jeopardy.

Of particular interest is how dispatchers balance the technical and emotional demands of the work. During the normal course of an eight-hour shift a dispatcher may be called upon to bounce back and forth between offering emotional comfort to callers in crisis, answering prank calls and providing basic technical information in response to standard non-emergency calls. When dealing with an emergency caller the level of emotion work rises dramatically and is an important element in minimizing further harm or saving a life. The example below demonstrates several levels of emotion work – empathy, emotion suppression as well as managing the emotions of the caller:

Citizens don’t realize that just because you’re sitting behind a phone and all they’re hearing is a voice doesn’t mean that you’re not feeling what they’re going through because sometimes it is terrifying to us because you can’t help but put yourself in those positions. You don’t want them to know you are scared, too. I mean that’s the bottom line – they’re reacting to what you do so you don’t have any choice but to try to stay calm.
And the main thing we have to do is keep them on the line and reassure them that help is on the way. It seems like it’s a long time when you’re in that position and we’re trying to ask them questions and it seems like it’s taking forever. We can’t just let it be dead silence. We have to incorporate conversation throughout that time while we have that person on the phone to just keep them calm and let them know that someone is coming to help.

Emotion work has both positive and negative outcomes. On the one hand, the intrinsic value of the job itself and the opportunity to serve others represent a powerful motivator for many emotion workers. On the other hand, burnout is tangible, palpable and all too real for many of our respondents. Burnout is characterized by an inability to disengage (‘escape’) from the work, by an overwhelming grinding pressure, a callousness, an inability to maintain a professional perspective, a sense of hopelessness, apathy, despondency and a lack of trust.
I think the toughest part about my job is you have 1,900 inmates, and you have 400 staff. You know, you gotta go out and talk to those inmates.

Working in Illinois corrections facilities is not for the faint of heart. The prison population in Illinois grew from 36,543 in 1994 to 43,418 in 2003, an increase of almost 19 percent. Another 33,702 offenders are on mandatory supervised release. By the end of 2003 the adult prison population was 38.2 percent over its rated capacity (Illinois Department of Corrections 2003 Statistical Presentation). By FY 2010 the Illinois prison population is projected to increase to 48,513. Such overcrowding exacerbates an already high-pressure environment, especially within the facilities where fewer staff are responsible for greater numbers of offenders at a time of budgetary cuts. Working within the facilities can be dangerous. The threat of personal danger is a characteristic occupational hazard. According to the most recent (2003) Annual Report, person offenders (largely murder, weapon and assault offenses) and sex offenders account for half the prison population; drug offenders represent about 25 percent of the population. Overcrowding fuels the sense of danger. Skilled emotional labor can de-escalate potentially volatile situations. Denhardt and Denhardt (2006) provide an example. A director of a community mental health facility faces down a highly disturbed man who is screaming profanities and making demands:

Her words to the man were bold and to the point, almost mirroring his own intensity. It was almost as if she had started singing harmony to his lead. But then she took the lead and began to talk him down little by little . . . She explained ‘I knew when that man came in he wasn’t dangerous. He just needed some help. What I had to do was find a way to connect with him and bring him in’. (p. 69)

Similarly a correctional counselor in the Illinois Department of Corrections (DOC) describes his work and the tools of his trade:

[An inmate] can go from cooperative to uncooperative, fine to suicidal, you know . . . learning to read people . . . I just watch the body language. That’s the biggest thing I do . . . I watch the eyes. The eyes tell a ton. Hand movements, you know, shoulders – you know it all plays into the game of reading the body language to tell, ‘Is this person . . . docile or is he gonna be violent.’

Acting professionally is consistent with the expectation of a worker’s appropriate behavior and therefore seems not to require the degree of emotional labor as when the worker must suppress emotions or pretend
Beyond cognition: affective leadership and emotional labor

Goleman (2006, p. 95) puts it this way: ‘The very best police officers are adept at exercising influence, in the sense of constructively shaping the outcome of an interaction, using tact and self-control . . . They approach volatile people with a professional demeanor, calmly and attentively.’ The words of a correctional officer illustrate the point:

On a lot of days there are some times when you feel like you might want to explode because it doesn’t seem like you’re getting your point across, or whatever, but then what comes to mind is that I am the professional. And that I’m paid to be in control of my emotions. I’m supposed to be a role model here too, you know, and I’m supposed to be in control. I take a few deep breaths and I just deal whatever it is that I have to deal with. I might even step back, you know, depending on the situation. Time allows for me to you know walk away, kinda regroup, come back and talk again.

The above vignette also illustrates the importance of ‘time out,’ of taking a restorative break from the grinding pressure of the job. Relatedly Denhardt and Denhardt quote one of their interviewees as follows: ‘taking enough personal time, through time away from the job, off time, down time, to stay “fresh” was . . . essential to artistic leadership’ (2006, p. 127). Here is one warden’s realization of the critical nature of emotional labor in his leadership capacity:

I think my job is dealing with people every day . . . I think that it [emotional labor] does [relate] a lot with [my job]. I think it does a lot with everyone’s – emotional labor, but I don’t think you really – you don’t come into a prison setting and think that. I don’t think anyone does . . . I think that’s [engaging in emotional labor] every single second of my day.

As the warden intimates emotion work is fundamental to corrections, it is practiced daily and lives depend upon it but it is neither recognized nor understood. The role of emotional labor in leadership is significant not only to serve the public but also to support and maintain interpersonal relationships between public servants themselves. We chose these three government entities for the range of emotional labor required in the delivery of services to the public. We soon saw its important role in each agency’s internal operations, particularly in staffing and budgeting.

Parallel to the annual growth of prison populations, corrections is one of the fastest growing areas of employment in the nation (Quinn 2003). One of the greatest challenges to the DOC is in recruiting and retaining high-quality staff members. However the increase in a better-educated workforce often corresponds to increasing levels of job dissatisfaction among corrections employees (Quinn 2003). The organizational structure, based on military-style chain of command and bureaucratic division of
labor techniques, encourages a sense of disjointedness within the staff. Evaluations are based on a hierarchical system that rewards recordkeeping and regulated performance. Election cycles often result in managerial house cleaning, particularly in this agency, where a recent statewide election resulted in a regime change in the executive and legislative branches. Even more recently investigations into patronage hiring have targeted DOC among other State of Illinois agencies. Turnover as a result of political appointments often result in situations where staff members are more experienced with corrections issues and policies than are their supervisors. When speaking of new managerial appointments one employee commented, ‘These new bosses have to be taught . . . They don’t want to learn how it’s done before making changes. They want changes before figuring out how the system is set up. It seems like the “new management” cares as little as the last administration. More paperwork has been added, less promotional opportunities.’ This was a common sentiment. Another respondent summed up the situation:

Lack of permanent supervisors with any management skill is a major cause of very low morale in my department. They are unskilled in making decisions that best suit the interest of our agency and department. My co-workers and I bring forward issues that need [to be] addressed, and they do not respond until it becomes a crisis. When it’s too late, we have to clean up the mess.

Employees feel that their job skills and expertise are not valued: that they may be able to contribute ideas for improvement of corrections processes and procedures is not acknowledged, much less encouraged. ‘My biggest complaint is that the people working in the trenches are not allowed to assist in decision making processes which directly affect their work environment.’ Additionally the employees themselves feel unappreciated. ‘Productivity would improve if upper management took time on a regular basis to do walk throughs and talk to employee[s] . . . just to say hello [and] thanks for the job you’re doing.’ Budget constraints coupled with efficiency pressures also contribute significantly to overall job dissatisfaction. From DOC: ‘The stress comes not from the job . . . but by the threat of layoffs, reduced budgets, lack of promotion and staff doing the work of vacant positions.’ This is echoed by a co-worker: ‘I am happy to be employed at the salary I receive but I feel as if I am another number on a chopping block.’ ‘I get the most stress from the job because we are required to do more with fewer people due to budget constraints and to a political environment that tries to overcome statewide budget problems by eliminating jobs that are necessary,’ adds another employee. A warden offers a counterpoint, and an expression of affective leadership in action:
It’s more like crisis management where you’re called in when you know everybody else has failed . . . The offenders are fairly easy to manage but your staff creates many more problems sometimes because they have their own disciplinary patterns. Sometimes they bring their family problems or their personal problems with them to work, so it’s kinda like a mediator type process where you’re always constantly communicating with your staff and talking with them, developing a rapport with them so that you can solve crises for them . . . It’s kinda like the domino effect. I mean they all kinda fall in line with that – I think without your human relations skills, your good communication skills, you would be unable to fulfill the things on the evaluation that you are required to do . . . When I got here there were several employees that were very soured, miserable, didn’t have anything good to say, and one of my first goals was to try to change their outlook – you know a lot of people have said ‘Wow that person has really changed a lot’; they’ve come on board, they’ve volunteered to do these things, they want to be more active and participate and they have a more positive outlook when they come to work, they’re not negative.

This example underscores the importance of understanding the dynamics of emotional labor and incorporating them into an organization’s culture, even in complex, highly structured service delivery areas like corrections and law enforcement in general. To contrast these three agencies, OPG is a professional workforce that deals with the immediate needs of clients but whose actions are constrained and complicated by formal legal proceedings. DOC is a workforce subject to the inertia of a large bureaucracy whipsawed by political winds, where workers deal with felons who do not want to be where they are. The work of 911 call takers employed by the Tallahassee Police Department presents a more remote type of emotion work in which the worker never has face-to-face contact with citizens and rarely gets feedback on the results of a day’s work yet often engages in ‘raw’ emotion work. We turn next to the relationship between emotional labor and leadership.

**AFFECTIVE LEADERSHIP**

[People] are rarely ‘energized’ without some kind of an emotional commitment. For this to happen, the leader must trigger, stimulate, or evoke an emotional response on the part of potential followers so that those people will become engaged and active. . . The capacity to energize others through touching the emotions is the key to the art of leadership. (Denhardt and Denhardt 2006, p. 18)

We agree with Goleman (2006), Denhardt and Denhardt (2006), Popper (2005) and Kramer (2002) that leadership is more art than science – more emotive than cognitive. In so doing we describe the role of emotional labor in public service as a performance art allowing public servants to
represent the State. Further we agree with Thomas Downs, former CEO of AMTRAK, ‘The assertion that real leadership is a performance rings true to me . . . Leadership really does have an audience, does have emotional content and does leave the participants uplifted when done right’ (Denhardt and Denhardt 2006, n.p.). We propose the term ‘artful affect’ to help further the process of understanding what public servants do and what affective leadership entails. Artful affect involves managing one’s own affect as well as that of the other person in the exchange. Practicing artful affect is both proactive and reactive. It requires the artful sensing of the other’s emotional state and crafting one’s own affective expressions so as to elicit the desired response on the part of the other. Goleman intuits these skills, ‘That wavelength-sensing waitress embodies the principle that getting in synch yields an interpersonal benefit. The more two people unconsciously synchronize their movements and mannerisms during their interaction, the more positively they will feel about their encounter – and about each other’ (2006, p. 31).

While Goleman is speaking about a waitress and the ‘subtle power of this dance’ his reference to ‘getting in synch’ with another is transferable to the helping professions and public service more generally. It is one act in the repertoire of emotional labor skills. So too is the ‘constant silent chatter, a kind of thinking aloud that offers a between-the-lines narrative letting the other person know how we feel from moment to moment and so adjust accordingly’ (p. 33). The acts of making such adjustments and focusing on connectivity are hallmarks of the practice of emotional labor and affective leadership. So too is the skill in efficiently regulating the affective tones of their groups (Sy et al. 2005, p. 303).

For managers awareness of artful affect facilitates discussions of and training for emotionally reactive situations. Goleman reinforces the point, ‘Socially intelligent leadership starts with being fully present and getting in synch. Once a leader is engaged, then the full panoply of social intelligence can come into play, from sensing how people feel and why to interacting smoothly enough to move people in a positive state’ (2006, p. 280). Patrick Murphy, Cook County Public Guardian, was the embodiment of such a leader. His positive ‘can do’ spirit was transmitted to his staff. He had what the Denhardts (2006, p. 31) refer to as the ability to see not just the ‘dots’ but ways of ‘connecting the dots.’ He was a master at connecting with his staff on an emotional level. Denhardt and Denhardt say it best, ‘Leaders connect with us emotionally in a way that energizes us and moves us to act’ (p. 164). No ready example springs to mind when reflecting back on our interviews at the DOC, nor during the focus group sessions at the TPD. These agencies were characterized by a top-down command-and-control style with a concomitant sense of low morale and
lack of trust. The absence of emotional engagement is apparent in the following vignette from the DOC:

One thing it’s taught me that I hate is that I don’t trust anyone. I hate that part. I think that hurts everyone too. You can’t trust anyone . . . I know they cheated me. I see that with everyone. That’s why I always say you can’t trust, you know, I don’t trust anyone . . . not like I did before I started working here.

The TPD provides another example:

There are some people you can’t trust. You can’t get along with ’em either so you tend to ignore them and stay away from ’em as long as they leave you alone anyway. That’s another thing – the stress of the supervisors. They don’t intercede sometimes when they need to. If someone’s misbehaving, you have to deal with their misbehavior. There’s a female, she gets aggressive, and she’s just an overall bad person to be around and everybody in here probably knows who I’m talking about but nobody will do anything to make her stop when she personally attacks somebody and that becomes stressful. I think they’re trying to keep the stress level down too by not doing something, but at some point you gotta do something.

The experience of one of our respondents allows us to contrast the culture and norms related to trusting relationships in a command-and-control organization with the culture of trust that he encountered at OPG, which is a flexible, flatter organization that all but ignores chains of command. This investigator completed his degree in criminal justice, started at OPG, left to work for a police department and then returned to OPG:

I don’t have the same mentality as a lot of the officers out there. And I can say that because I worked with them . . . ‘us versus them’ . . . it’s a whole other way of thinking . . . I’ve talked to other people that have been police officers or that are police officers and there’s a small group of guys that all think the same . . . I just did not fit in. I didn’t want to fit in.

**Public Service ‘White Water’**

Emotional labor is a critical component of fully one-third of all occupations (Hochschild 1983) and is fundamental to public service and public management practice. In the best of circumstances emotional labor is recognized so that job applicants can be screened for it, new employees can receive training in it, all employees can be evaluated for their adeptness at it and especially skilled employees can be compensated for excelling in its performance. The need to recognize emotional labor is on the rise. Evidence from our interviews indicates that the demand for emotion-intensive work only increases despite, and sometimes because of, hiring
freezes or attrition. Government workers immersed in the ‘permanent white water’ of public service (Vaill 1996) face greater and greater emotion management demands and fewer resources to address those demands. Many occupations with great emotional labor demands are among the fastest growing in Department of Labor forecasts through the next decade (Hecker 2005). Combining the data on employment growth in demanding emotional labor occupations with evidence that hiring has not kept pace with agency needs suggests that increases in emotional labor jobs in government represent no more than a shadow of the real demand for emotional labor in government. Burnout and compassion fatigue are the silent partners in many human service roles. An affective leader can help people contain and recover from their emotional stressors on the job.

The fact that there is a large service component to public service jobs should not surprise us. The need to select workers who are skilled in relational work should not surprise us. The lack of recognition of emotional labor should surprise us. So too should the limited scholarly recognition of affective leadership:

[I]t is clear that the artistic dimension of leadership is both the most often practiced and the least understood . . . [R]ecently leadership studies have focused more on the science of leadership . . . In contrast, a new understanding of the artistic dimensions of leadership . . . not only provides a language for understanding and giving voice to these less-recognized but extremely important aspects of leadership, it also permits leaders far more breadth and flexibility in their actions. (Denhardt and Denhardt 2006, p. 165)

We live in a service economy. ‘Service with a smile’, long the mantra in the private sector, is gaining ground in the public realm. A customer-service orientation is bound up with care and emotion work. So too is helping those who are in dire straits. The Oklahoma City bombing, 9/11, floods, tsunami and earthquakes bring care work and emotional labor to the fore in tragic relief. Our recommendations to achieve affective leadership can be summarized as follows:

1. **Communicate.** Listen actively, solicit opinion, affirm and embrace organizational mission and goals, and remind each person in every job classification of her or his role in accomplishing the mission.

2. **Assess and attune to context.** Through ‘artful sensing’, appraise the social and emotive environment of a situation, empathize with others’ perspectives, and anticipate potential reactions/responses to a range of actions.

3. **Perform and adapt.** Given the appraisal of context and anticipated responses, take action and adapt as needed in order to achieve a desired end.
A leader cannot be affective on her/his own, however personnel management practices must support and not hinder these efforts. Our evidence and that of others provide public managers with a framework for creating an environment supportive of emotionally engaged leadership.

First, organizational flexibility in several areas allows an agency’s mission to trump process, structure and standard operating procedures. OPG taught us the value of affirming and embracing organizational mission and goals in order to solidify commitment and maximize performance. Employees are entrusted with the autonomy necessary to ‘get the job done’ – not told to ‘get the job done this way.’ Agencies can achieve this by decentralizing human resource management: department heads are freer to recruit, hire and evaluate their employees on the premise that they know what’s best. In addition, telecommuting programs allow an employee to complete tasks independently which ultimately sends the message that an employee’s output is more important than adhering to traditional work forms. Desai and Hamman (1994) surveyed 169 Illinois cities and found that the department heads in professionalized council-manager municipalities were especially autonomous and free to adapt their personnel practices as needed to keep up with local service delivery demands. Selden et al. (2001) used GPP data and described ‘reform’ state governments as those moving away from control, bureaucracy and hierarchy toward an emphasis on service, front-line employees and demonstrable outcomes. On the federal level the Department of Homeland Security was recognized for its human resource management reforms: ‘Previously, appraisal systems and individual [development] plans focused on measuring adherence to processes and performance of activities. Now the focus is on concrete results’ (OPM 2008, p. 16).

Second, emotional labor must be made visible. The aim of public service work is responsibility toward the community. The insight, anticipation and tenor of the communication between persons prior to, during and after the exchange require energy, focus and sensing; in other words, emotional labor. As we move further and further away from organizations designed to operate assembly lines we must devise new structures that capture today’s work and skill requirements. Employees who are sensitive and skilled at the relational side of face-to-face public service help to humanize government. Because higher performance is the goal of the nation’s agencies, emotion work should be recognized and built into job descriptions and reward systems (see Mastracci et al. 2006). The best examples of concrete steps taken by agencies are found at the federal level. At the Nuclear Regulatory Commission, ‘agency culture strongly emphasizes leadership development and leadership skills (including soft skills related to communication, recognition, etc.)’ (OPM 2008, p. 9). NASA acknowledges its GS-11 and GS-12 employees as the ‘key leadership pipeline’ and provides them with
training on ‘critical interpersonal skills necessary for successful management’ (OPM 2008, p. 22). The Department of Interior reframed its managerial competencies toward teambuilding, influencing/negotiating, political savvy, external awareness and interpersonal skills. Most notable however is a leadership development program at the Department of Treasury:

In 2005, as part of the leadership development program, [we] launched a coaching program for executives and managers seeking another avenue for personal development. Topics covered in this program included enhancing relationships, improving communication skills, and developing trust with staff. (OPM 2008, p. 24; emphasis added)

Lack of trust had a corrosive effect in the TPD 911 dispatch center and at DOC, but in the latter, one artfully sensitive leader recognized this and made significant improvements to morale among some of his employees.

Third, performance evaluations must be transparent and include rewards and consequences. This supports affective leadership on a number of levels. Leaders are better able to anticipate employees’ responses to their decisions when their incentive systems are stable and predictable. Correspondingly leaders are also better able to tailor their decisions and actions in ways that shape employees’ reactions toward achieving organizationally desired outcomes. Tangible and visible rewards and consequences foster leadership credibility. OPM’s Federal Human Capital Survey astutely grasped the importance of these dynamics when it asked each agency:

Has your agency undertaken any specific practices or initiatives not already mentioned that contribute to employees’ perceptions that your agency makes meaningful distinctions between performance levels, recognizes these differences in meaningful ways, and/or takes steps to deal with poor performers? (OPM 2008, p. 2)

The Illinois municipalities surveyed by Desai and Hamman (1994) actively combated employees’ and citizens’ perceptions that jobs and promotions were patronage-based and not merit-based, especially the mayor-council municipalities, where elected officials have relatively more influence over personnel decisions compared to council-manager forms of government. Personnel reforms in state governments emphasize broad pay bands, bonuses, and flexible schedules (autonomy) in order to reward strong performers (Kellough and Selden 2003; Selden et al. 2001). In the DOC poor performance was not penalized, which diminished morale and inspired employees to exert the minimally acceptable level of effort.

Why should we care about emotional labor and the art of leadership? We suggest that the skills inherent in their practice are essential – indeed
the essence – of service to the public. Each of the three agencies examined here represents the front lines of the service exchange between government and its citizenry. Citizen satisfaction – customer service – matters. An emotionally-engaged leader plays a pivotal role in its determination.

In an environment where understaffed public services must meet the same ‘customer’ expectations as business establishments, positive exchanges become a benchmark for performance. When citizens meet friendly street-level bureaucrats, they are more likely to have a positive assessment of services rendered and of public services in general. Just as citizens like their own Congressman but revile Congress as an institution, citizens may complain about government, per se, but rate a particular agency – or worker – positively. The goal of citizen satisfaction is met through maintaining a work environment that rewards positive exchanges between citizens and the state. And this requires workers who are capable, experienced, motivated to perform and who take pride in their work, and leaders who recognize and champion this cause.

In summary, working for the service sector requires employees who are skilled in the performance of emotional labor, and affective delivery and leadership that recognizes, evaluates, rewards and practices it. In a presentation of an earlier version of this chapter we were asked, How is your work different from the earlier focus on relational or transformational leadership? Our work is clearly reminiscent of the rich body of literature noted above. It departs from previous research by linking the concept of emotional labor to the leadership discourse, by examining the practice of emotional labor in the context of leadership theory and by introducing the concept of artful affect. We contend that affective leadership is intrinsically associated with emotional labor and we provide ‘on the ground’ insight into the leadership-exmovere connection. Affective leadership includes more elements than just charisma, empathy, intuition and emotional control. We view affective leadership as an organization’s ‘genetic code,’ fundamental to successful job performance.

CONCLUSION

‘You can’t be a true leader without connecting . . . When you start thinking about it, leveraging the organization, it’s all emotional.’ You have to capture the hearts and souls and minds of people. Then you can get their energy. (Denhardt and Denhardt 2006, p. 80)

Leadership continues to be cited as the weakest link in public service, resulting in poor agency performance and low employee morale (Kramer 2008). As Alvin Toffler (1980) observed it is erroneous to think that a style
of leadership that worked in the past could work in the present, much less the future. Just as the world has progressed from the Industrial Revolution to the age of technology ‘there must be a Leadership Revolution’ (Parker and Begnaud 2004, p. 2). Bennis’s call to ‘rethink our most basic concepts of leadership’ (2000, p. 170) reinforces the point. The preoccupation with cognitive processes ‘can lead to theory and research that portrays organization members as cognitive stick figures whose behavior is unaffected by emotions’ (Mowday and Sutton 1993, p. 197). Moreover the time has passed when the leader was the only element in the formula. Now the followers have become a major component in the analysis of leadership (Popper 2005, p. 28). Emotional labor and affective leadership are joined in this movement.

The work of government is people-work with all its foibles in which ‘daily experiences often unfold as a series of performance episodes’ (Beal et al. 2006, p. 1054). The formal language of our field misses the mark when applied to care-centered and emotion work. ‘If we want public administration scholarship capable of speaking truth to power, it must speak in a language that is meaningful’ (Guy 2003, p. 652). Relationship, rapport, interaction, compassion, service, personal, intervention, connectedness and soulwork comprise the vocabulary of this relational administrative perspective. Emotional labor is inherent to effective public service. It adds the ‘live’ dimension to knowledge work in person-to-person transactions and requires the employee to ‘work feelingly.’ Humanist Aldous Huxley captured this sentiment over sixty years ago, Our institutions are ‘organized lovelessness’ (Huxley 1945, p. 96). ‘When people are treated as numbered units, interchangeable parts of no interest or value in themselves, empathy is sacrificed in the name of efficiency and cost-effectiveness’ (Goleman 2006, p. 252). Many of our respondents at the DOC and TPD expressed a similar sentiment.

Emotional competence varies with the individual. At high skill levels it prepares the worker to dig through considerable complexity and make a reasoned, often nonverbal, instantaneous response. Less skilled workers make inappropriate responses or responses that fail to facilitate the interaction. Emotion work is learned just as cognitive work is. The emotional domain is as legitimate as the cognitive domain and is more immediate and forceful. The words of a senior corrections counselor serve to illustrate:

Some of them have real trust issues but you try to work around that and by showing the soft side, the understanding side, the listening ears, the voice of reason that is how I am very often thought to be. They tend to trust you more and therefore you can work with the person – that outward exterior is basically dissolved so you can penetrate it a little bit.
Studies comparing exemplary leaders with mediocre ones have found that the competencies that distinguish the best from the worst in human services have little or nothing to do with technical knowledge or skill and ‘everything to do with social and emotional intelligence . . . What distinguishes leaders . . . goes far beyond that knowledge, into interpersonal skills like empathy, conflict resolution and people development’ (Goleman 2006, p. 261, emphasis in original). Best practice leaders ‘encourage the heart. They listen carefully for quiet whisperings in dark corners. They attend to the subtle cues. They sniff the air to get the scent. They watch the faces’ (Kouzes and Posner 1987, p. 115). Compassionate public service needs caring leaders, ones who themselves can give their staff ‘the sense of a safe emotional base to work from’ and who can ‘communicate with people at an emotional level’ (Lau 2000, p. 59).

Connectivity and relationship-building are key leadership traits. So too are the skills of developing rapport and emotional engagement. ‘The best bosses are people who are trustworthy, emphatic and connected, who make us feel calm, appreciated and inspired’ (Goleman 2006, p. 277). ‘“Feeling connected” . . . refers not to some value niceness but to concrete emotional links between [leader and worker] . . . One powerful method to foster such links is to build . . . the sort of attuned relationship between [them]’ (Goleman 2006, p. 282). Leaders set much of the emotional tone that flows through the halls of their organizations; this in turn has consequences for how well the collective objectives are met. Leaders need to nurture ‘social wisdom,’ the qualities that allow the people we connect with in the workplace to flourish (Goleman 2006, p. 315). For Denhardt and Denhardt (2006, pp.160–61):

Leadership is far more deeply rooted in the human psyche than we tend to acknowledge. We think that is because the world has focused excessively on the science of leadership, a topic that is amenable to the rational use of technique, and has vastly underestimated the art of leadership, which clearly is not. Recognizing the artistic dimension of leadership, however, compels us to acknowledge and give further thought to the inner resources required by the leader.

It is surprising that researchers have left affect out of theoretical models of leadership for so long. Ilgen and Klein (1989) suggest that this is partly due to a historical preference in the organizational literature for cognitive constructs. Sy et al. (2005, p.304) reinforce this point:

Affect is now increasingly considered in models of leadership. People have risen to the forefront as perhaps the most important resource for any organization within the context of a global knowledge economy. This stands in contrast to the
Industrial Age when machinery was primary and factory workers were secondary . . . Affect is receiving increasing attention in the study of leadership.

To conclude, the most important challenge facing public administrators is not to make their work more efficient but to make it more humane and caring (Stivers 2008). Affective leadership and recognizing the centrality of emotional labor therein is the way in which this approach is championed.

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REFERENCES

INTRODUCTION

As the population and workforce are ageing, so the average age of civil servants is increasing. Furthermore the public sector generally has an older demographic profile than the private sector (OECD 2006a). A demographic analysis of the Flemish government clearly illustrates the ageing of the workforce. One out of two civil servants is over 45 and one out of five is over 55. Many civil servants retire before the age of 65, as it is possible to retire at 60. As a result, approximately one in five older, experienced civil servants will leave the Flemish government in the next five years. It will not only be difficult to replace these persons but it will also lead to a huge outflow of knowledge and experience. The labor shortage will force public and private organizations to keep their older workers active as long as possible.

Another consequence and challenge is the multigenerational workforce. Different generations work together but each generation has specific needs and capabilities (Riccucci 2002). Leading an ageing workforce has become an urgent challenge for human resource management (HRM) within organizations. New policies are needed to attract workers and to motivate them to work longer (OECD 2006b). Several models have been formulated to manage an ageing workforce. In each of these models an essential role is placed upon leadership (Vanmullem and Hondeghem 2005; Leisink et al. 2004; Ilmarinen 2001; Walker and Taylor 1998). Leadership has to deal with the specific needs of a wide range of age groups (life course perspective) in order to keep workers active and motivated as long as possible. As effective leadership provides a sense of cohesiveness, personal development and higher levels of satisfaction among those conducting the work, it has a crucial role to fulfill (Van Wart 2003). Management has to be aware of the differences between members of their workforce and try to create a working environment where each person can function at his or her best (Chen and Van Velsor 1996). For this reason we stress the importance of
diversity in this chapter in two ways: there is a need to recognize multiple perspectives of age as a facet of diversity and leaders must have insight into the needs and capabilities of different age groups and try to accommodate this through a diversity of leadership styles.

The considerable amount of research about leadership underlines the importance of the concept in organizational studies. However, little research has been dedicated to the role of leadership in managing an age-diverse workforce. Nevertheless the field of leadership has developed several perspectives to allow leadership diversity researchers to be creative in using much of its framework (DiTomaso and Hooijberg 1996). In this chapter we use leadership style theory to explore the relationship between leadership and the motivation of different age groups in the workforce.

First we review some theoretical issues concerning leadership and motivation. Second we discuss the data and methodology and the results of the analysis. Finally we end with a discussion of the results and some general conclusions.

THEORETICAL FRAMEWORK

Leadership and motivation have been approached from various theoretical points of view. As Burns (1978, p. 2) remarked: ‘Leadership is one of the most observed and least understood phenomena on earth.’ Yet still we persist in trying to define and explain the concept. In times of rapid change and environmental complexity, leadership has taken a greater importance than ever before (Van Seters and Field 1990). One of the primary tasks facing a leader is to motivate workers to perform to the best of their ability (Moorhead and Griffi n 1998). In the literature, motivation has been described in different ways and some research identifi es changes in motivation during working life (Proenca and Shewchuck 1998). In light of the growing interest in how to manage and motivate an ageing workforce, relatively little attention has been given to understanding the relation between ageing and work motivation (Kanfer and Ackerman 2004). In this chapter we link these concepts in an attempt to assess the impact of leadership on the motivation of different age groups.

Leadership

Leadership is the ability to infl uence a group towards the achievement of its goals (Yukl 2006). Many approaches have been used to advance the understanding of leadership. Until the late 1970s studies largely focused on transactional leadership, that is, reciprocity or the idea that
Leadership diversity in an ageing workforce

the relationship between leader and follower(s) is based on exchange or reward. Transformational leadership was proposed in the late 1970s as a new leadership paradigm. This defines leadership as engaging the hearts and minds of others (Burns 1978). In other words it comprises the ability to make people better, more productive and more successful individuals. The skills of a transformational leader are known as the ‘four I’s’: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. In contradiction to Burns, Bass (1985) stated that transactional and transformational leadership do not exclude each other, as a leader can be both. The transformational leadership approach also gave an impetus to the study of administrative leadership in public administration (Van Wart 2003).

Quite a large stream of the leadership literature investigates how different leadership styles affect groups’ goal achievement (Barrow 1977; Yukl 1989). Leadership style is often defined as a combination of task orientation (with a focus on achieving organizational goals) and relations orientation (with a focus on supporting people). The field of leadership style theory includes two opposing positions: the universal and the contingent leadership approach. The universal leadership approach states that a specific style is most effective in all kinds of situations. The contingent leadership approach however states that the best leadership style is dependent on a number of situational contingencies. Hersey and Blanchard (1982), as the most famous agents of the situational theory, regard the maturity (or development level) of the followers as the most crucial situational factor. The degree of task orientation and relationship orientation needs to be adapted to the maturity of the followers in order to account for leadership effectiveness. When the follower’s maturity increases, leaders have to provide more relational support and become less task-oriented. This could be an interesting avenue for further research in leadership diversity as there might be a link between age and maturity of workers. This would imply that older workers have less need of a task-oriented but more of a relation-oriented leadership. Although some research states that age brings life experience and maturity (Chisholm and Burns 1999; Super 1980), there is so far no clear link between age and maturity of people.

Including only two dimensions in the leader behavior repertoire neglects the changing environment. Therefore Ekvall and Arvonen (1991, 1994) added a third dimension, namely a change/development-oriented behavior. This dimension refers to initiatives that a leader can take in order to create change in organizations. It stresses the need to mobilize human resources in organizations. As such it can be linked to transformational leadership as both deal with the processes that change and transform individuals (Northouse 2001). Several research studies indicated that high
scores on all three dimensions predicted high performance (Kornor and Nordvik 2004).

For this chapter we will use the CPE (change, production and employee) model of Arvonen and Ekvall (1999) to measure the three leadership styles, namely the task-oriented, the relations-oriented and the change-oriented style. We will measure the leadership styles experienced by the workers to gain insight into the role of leadership. Does leadership style have an influence on the motivation of workers?

**Motivation**

The aim of an effective leadership style is to keep workers motivated by understanding their different values and needs. Motivation can be defined as the driving force behind the actions of an individual. Motivation theories can be divided into two main categories, namely ‘content’ and ‘process’ theories. Content theories concentrate on factors that determine motivation, while process theories treat motivation as a process, and emphasize how and why people choose certain behaviors in order to meet their personal goals.

Much of the research in organizational behavior is linked to person-environment fit (P-E fit). The concept of P-E fit basically means that alignment between the characteristics of people and their environment results in positive outcomes for both individuals and organizations (Livingstone et al. 1997). The P-E fit concept resulted in several distinct constructs, all focusing on different aspects of the working environment. One of these aspects is the person-supervisor fit: the dynamic relationship between individuals and supervisor in which the supervisor’s personal characteristics represent the environment (Kristof-Brown et al. 2005).

Vroom’s ‘Expectancy Theory’ (1964) is an example of a process theory and seems to have a link with the P-E fit theory. Expectancy theory states that a worker’s motivation depends on the degree to which a person wants something compared with the alternative choices and the rewards the person thinks s/he will receive. Expectancy theory assumes that workers have several aims and their expectations determine their motivation. When an imbalance exists between what a person wishes (‘wants’) and what a person receives (‘gets’), the person will try to handle this imbalance at the cost of his/her motivation. The bigger the imbalance between what one wants and what one gets, the bigger the chance of de-motivation, which is reflected in absenteeism, outflow, performance problems and so on (Jurkiewicz et al. 1998).

For this reason leadership has to gain insight into what motivates workers and what determines a worker’s behavior. An important role
for leaders is to find out which job factors motivate workers and which resources, training or supervision are needed to realize a balance between ‘want’ and ‘get.’ By using the CPE-model of Arvonen and Ekvall (1999), we aim to detect whether leadership styles have an effect on the motivation process of workers.

Age

In several West European countries early retirement of older workers has been stimulated in order to make way for younger unemployed workers. This policy strengthens the prejudices against older workers and gives them a sign that it is better to leave as soon as possible (OECD 2000). The image of ‘the older worker’ is still too often dominated by stereotypes and prejudices such as ‘they are no longer motivated’ or ‘they are not employable’ and ‘they are just looking forward to retirement’ (Nauta et al. 2004). Research findings however point out that despite some physical and cognitive decline, older workers compensate by their experience and by using other resources that keep them employable (Marcoen et al. 2006).

In contrast to what many people think, older workers are a very heterogeneous group (Hassel and Perrewe 1995). Behavior and expectations of workers of the same age group are not only influenced by their ‘biological’ age. Individual life experiences, career and job experience as well as education and training also have an impact on behavior and expectations (Marcoen et al. 2006; Thijssen 1996). While variation within an age group is the result of several factors, the distinction between ‘young’ and ‘older’ workers cannot be neglected. However there is no clear definition of the ‘older worker.’ In Europe workers aged 45 are often defined as ‘older workers’ whereas in the USA an older worker is someone aged 60 or more. Not physical age but a range of environmental factors influences the idea of who is an older worker. Research on worker age and performance suggests that age serves as a proxy indicator for a broad range of age-related processes that exert diverse and indirect effects on work outcomes (Kanfer and Ackerman 2004). For this reason we also use a lifespan perspective in this research.

Most adults spend 40 years or more in the labor market. This lifespan is associated with major cognitive and intellectual changes that influence a person’s functioning (Smith and Marsiske 1994). The lifespan approach outlined by Paul B. Baltes (1997) says that development extends across the entire life course. Age-specific phenomena contribute to continuous (cumulative) and discontinuous (innovative) changes throughout life (Smith and Marsiske 1994). As a result, physical, cognitive, psychological, socio-cultural, family and other changes influence a worker’s behavior (job satisfaction, absenteeism, performance and so on). In the literature, much
has been written about ‘changing capabilities and needs’ through ageing, but there is no holistic and clear overview of what this exactly means and what the consequences are for management. The most discussed issues are different training needs (Thijssen 1996), adjustments in work content and physical work environment (Ilmarinen 2001), and greater importance of non-financial recognition and appreciation (Vanmullem and Hondeghem 2005). Leaders have to be aware of these age-related changes and have to provide a work environment that recognizes and accommodates the unique needs and capabilities of all workers to keep them active and motivated (Walker and Taylor 1998). Although much research has been done on the motivation of public servants (Vandenabeele and Hondeghem 2007; Karl and Sutton 1998; Perry and Porter 1982) there has been limited research, as far as we know, into the motivational factors of diverse age groups of civil servants.

METHODS

Based upon these theoretical insights, some hypotheses concerning leadership and motivation can be formulated in order to focus our empirical research. First we hypothesize a relationship between leadership style and a worker’s motivation, defined as the balance between what a worker is expecting (wants) and what a worker is experiencing (gets) in the job. Thus hypothesis 1 (H1) states: Leadership style has an association with the discrepancy between ‘want’ and ‘get’.

The second hypothesis considers age as a moderating variable with an impact on the relation between leadership style and motivation. Thus hypothesis 2 (H2) states: The association between leadership style and the discrepancy between ‘want’ and ‘get’ is moderated by age.

Sample and Survey Measures

This study is based on quantitative data derived from a web survey conducted in 2006 in a Flemish public organization (Vanmullem and Hondeghem 2007). The public organization provides assistance and advice on the well-being of young children. Like most other organizations, this public organization is also confronted with an ageing workforce: 23 percent of the personnel are 50 years and over. All workers in the organization (N = 1369) were asked to fill out a web survey. A total of 643 surveys were returned, which is a response rate of 46.9 percent. The returned surveys were representative of the organization’s population. Of the 643 respondents who returned the survey, 81 were in an executive function and
Leadership diversity in an ageing workforce

562 in a non-executive function. The organization has a mainly female workforce with only 1 in 10 public servants male. In our survey 81 men and 562 women responded, which is respectively 12.6 percent and 87.4 percent of the total response. Each age group was well represented, as were different levels of employees (noted as Levels A through D). There is only a slight under-representation of the civil servants at the lowest level (Level D). More details on the respondents are provided in Table 14.1 and further explained in the next section.

**Motivation**

We have defined 22 important job factors for public servants. Fifteen job factors come from the research of Jurkiewicz et al. (1998) on the motivation of public servants and private workers. Additional job factors are taken from Depré and Hondeghem’s research (1995) on motivation in the Belgian public service.

First each respondent was asked to indicate the importance of the 22 job factors on a scale of 1 (not important) to 5 (very important). Second each respondent was asked to mark the 22 job factors again, but now to what extent these job factors are present in their job, from 1 (totally not present) to 5 (totally present). The differences between ‘want’ and ‘get’ are, based on Vroom’s expectancy theory, an indication of motivation. A substantial discrepancy between want and get can result in less motivation of the people who experience a gap. We only take the job factors with a first score

| Table 14.1  Analysis of the respondents by age, level, executive function and gender |
|-----------------|-----------------|-----------------|
| Respondents     | Population (%)  | Respondents (%) |
| Total           | 643             | 100             | 46.9            |
| Level A         | 133             | 12.5            | 20.7            |
| Level B         | 374             | 59.2            | 58.             |
| Level C         | 65              | 10.2            | 10.1            |
| Level D         | 36              | 15.3            | 5.6             |
| Executive       | 81              | 7.7             | 12.6            |
| Non-executive   | 562             | 92.3            | 87.4            |
| Men             | 81              | 10.4            | 12.6            |
| Women           | 562             | 89.6            | 87.4            |
| Age 18–30       | 121             | 18.8            | 18.8            |
| Age 31–45       | 295             | 43.0            | 45.9            |
| Age 46–55       | 172             | 29.9            | 26.7            |
| Age 55 +        | 47              | 8.3             | 7.3             |
‘want’) higher than 4 into account, because these are the most important job factors for workers and will have a stronger effect on their motivation. The variable discrepancy (Diff_16) is the mean of the difference on the 16 most important job factors (Table 14.2).

### Leadership style

The questions on leadership style are based on the CPE-model (Arvonen and Ekvall 1999). Fifteen items were used to measure the change-, task- and relation-oriented leadership style. Each respondent was asked to assess the behavior of his/her direct leader by assessing the 15 items. All these items were presented at random in a list. For each item there was a five-point scale ranging from 1 (totally inappropriate) to 5 (totally appropriate). Each item was an indication for a particular leadership style (Table 14.3).

### Age

We divided the workforce into four age groups: 18–30 (n = 121); 31–40 (n = 180); 41–50 (n = 215); 51–65 (n = 118). This classification is based on
statistical reasons. Other classifications would be too small for analysis and would lack the precision to provide reliable answers to the research questions. To be sure that our statistical test will have enough power, we have performed a special Power analysis (SAS 9.1 © PROC POWER). In order to have power above the recommended threshold of .80 (Cohen 1988), power analysis indicates that 82 subjects in each age group are necessary for both hypotheses.

Next to these variables a number of control variables were included in the analysis. The first one is gender, which is a dummy variable (1 = man, 0 = woman). The second is job level within the civil service, ranging from D (the lowest level) to A (highest level). For the correlation matrix we have transformed this variable into an ordinal variable ranging from 1 (= level D) to 4 (= level A). The different age groups have also been defined as an ordinal variable in the correlation matrix (1 = age 18–30; 2 = 31–40; 3 = 41–50; 4 = 51–65).

**ANALYSIS**

The correlation matrix provides some interesting descriptive statistical results. In order to test our hypotheses, however, we need other statistical analyses. Regression analysis is the most appropriate method for examining

<table>
<thead>
<tr>
<th>Table 14.3  Leadership style</th>
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<tr>
<td><strong>Change-oriented leadership style</strong> (Change LS)</td>
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<tr>
<td>(α = .847)</td>
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<tr>
<td><strong>Task-oriented leadership style</strong> (Task LS)</td>
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<tr>
<td>(α = .696)</td>
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<td></td>
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<tr>
<td><strong>Relation-oriented leadership style</strong> (Relation LS)</td>
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<tr>
<td>(α = .917)</td>
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the relation between a set of independent variables and a single dependent variable. We have used this method to test the association of leadership styles with motivation. Further multiple regression analysis is used to test the extent to which age moderates the relationship between the independent variables, leadership styles, and the dependent variable, motivation.

These regression analyses were carried out for the whole population as well as for each age group separately. The statistical analyses were made with SPSS 15.0.

**Correlation Analysis**

From the correlation matrix (Table 14.4) we can conclude that all three leadership styles are negatively correlated with the discrepancy of the job factors. The more respondents experience a high relation-, change- or task-oriented leadership style of their supervisor, the smaller the discrepancy they experience for the job factors. The correlation between the discrepancy and the task-oriented leadership style however is only half as strong ($r = -0.225^{**}$) as the correlation between the discrepancy and the relation-oriented ($r = -0.492^{**}$) and change-oriented ($r = -0.432^{**}$) leadership style.

There is a weak positive correlation between job level of the respondent and the experienced discrepancy ($r = 0.090^{*}$). The higher the job level, the more discrepancy in job factors. This result is inconsistent with other research findings. A possible explanation could be that people in the different levels experience other job factors as more important. To have more insight into these results further analyses are necessary.

The variables gender and age group have no significant correlation with the discrepancy. We want to point out however that we have transformed the age groups (18–30, 31–40, 41–50, 51–65) into an ordinal variable (ranging from 1 to 4) and that correlation analysis measures a linear relationship between the age groups and the discrepancy. If there is no linear relationship, this does not mean that there is no relationship at all.

The correlation analysis also reveals that civil servants at the higher levels experience less strong or salient leadership styles of their supervisor than civil servants at the lower levels. Lower levels experience especially a stronger task-oriented leadership style of their supervisor. There is also a significant relation between gender and leadership style: women experience a stronger task-oriented leadership style of their supervisor than men. It is also significant that there is a correlation between the job level and gender: the higher the job level, the more men. This is notable because 90 percent of the population in this organization are women. Once again the phenomenon of vertical segregation is confirmed.
Table 14.4  Correlation matrix

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>S.D.</th>
<th>Diff_16</th>
<th>Change LS</th>
<th>Task LS</th>
<th>Relations LS</th>
<th>Age group</th>
<th>Level</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diff_16</td>
<td>.60</td>
<td>.46</td>
<td>1</td>
<td>−.432(**)</td>
<td>−.225(**)</td>
<td>−.492(**)</td>
<td>−.075</td>
<td>.090(*)</td>
<td>−.018</td>
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<tr>
<td>Change LS</td>
<td>3.45</td>
<td>.87</td>
<td>1</td>
<td>.507(**)</td>
<td>.655(**)</td>
<td>.014</td>
<td>−.168(**)</td>
<td>−.071</td>
<td></td>
</tr>
<tr>
<td>Task LS</td>
<td>3.28</td>
<td>.73</td>
<td>1</td>
<td>.280(**)</td>
<td>.052</td>
<td>−.273(**)</td>
<td>−.192(**)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relation LS</td>
<td>3.85</td>
<td>.88</td>
<td>1</td>
<td>.007</td>
<td>.007</td>
<td>−.119(**)</td>
<td>−.038</td>
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<td></td>
</tr>
<tr>
<td>Age group</td>
<td>2.52</td>
<td>1.00</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>−.099(*)</td>
<td>.014</td>
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<td></td>
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<tr>
<td>Level</td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
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<tr>
<td>Gender</td>
<td>.13</td>
<td>.33</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note:  **p < 0.01 level (2-tailed); *p < 0.05 level (2-tailed).
Regression Analysis

H1 is tested by means of a multiple regression analysis. The analysis (see Table 14.5) presents a significant model, confirming H1. The three leadership styles and the control variables explain 26 percent of the variance in discrepancy (n = 643). The control variables have no statistically significant effect on the discrepancy. Two out of three leadership styles demonstrate a significant influence. The change-oriented (−.17) and the relation-oriented (−.37) leadership style have a significant negative effect on the discrepancy. The influence of the relation-oriented leadership style on the discrepancy is almost twice as great as the influence of the change-related leadership style.

With testing H2 (see Table 14.6) we examine the moderator effect of ‘age’. The moderated regression analysis shows that the association of the leadership styles with the discrepancy differs substantially between the age groups. Only the relation-oriented leadership style has a significant negative association in all the age groups, the task-oriented leadership style demonstrates no significant effect at all. The impact of the leadership styles is smallest in the youngest age group as the R-square is less than half compared to the other age groups. The older the workers, the greater the influence of the relation-oriented leadership style on the discrepancy a worker experiences.

For the youngest age group, the independent variables explain only 12 percent of the variance of discrepancy. For the other age groups, the three leadership styles and the control variables together explain 25

Table 14.5  Regression analysis hypothesis 1

<table>
<thead>
<tr>
<th>Dependent variable: Diff_16</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>B</strong></td>
<td><strong>Std. error</strong></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.732</td>
<td>.127</td>
</tr>
<tr>
<td>Change LS</td>
<td>−.087**</td>
<td>.028</td>
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<tr>
<td>Task LS</td>
<td>−.023</td>
<td>.027</td>
</tr>
<tr>
<td>Relation LS</td>
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</tr>
<tr>
<td>Gender</td>
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<td>.055</td>
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<tr>
<td>Level B</td>
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<td>.074</td>
</tr>
<tr>
<td>Level C</td>
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<td>.087</td>
</tr>
<tr>
<td>Adjusted R square</td>
<td>.256***</td>
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</tr>
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Note:  *** p< 0.001 level (2-tailed); ** p< 0.01 level (2-tailed); *p<0.05 level (2-tailed).
### Table 14.6 Regression analyses hypothesis 2

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<tr>
<th>Dependent variable:</th>
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<th>Standardized coefficients</th>
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<tr>
<td>Diff <em>16</em></td>
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<td>Std. error</td>
</tr>
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<td></td>
</tr>
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</tr>
<tr>
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<td>.074</td>
</tr>
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<tr>
<td>Relation LS</td>
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<td>.057</td>
</tr>
<tr>
<td>Gender</td>
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<tr>
<td>Level B</td>
<td>-.266</td>
<td>.193</td>
</tr>
<tr>
<td>Level C</td>
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<td>.222</td>
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<tr>
<td>Adjusted R square</td>
<td>.118**</td>
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</tr>
<tr>
<td>AGE 31–40</td>
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<td></td>
</tr>
<tr>
<td>(Constant)</td>
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<td>.204</td>
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<tr>
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<td></td>
</tr>
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<td>(Constant)</td>
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<tr>
<td>Change LS</td>
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<td>.050</td>
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<tr>
<td>Task LS</td>
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</tr>
<tr>
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<td>.045</td>
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<td>Gender</td>
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<tr>
<td>Level A</td>
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<tr>
<td>Level B</td>
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<td>.099</td>
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<tr>
<td>Level C</td>
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<tr>
<td>Adjusted R square</td>
<td>.285***</td>
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</tr>
<tr>
<td>AGE 51–65</td>
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<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.419</td>
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<tr>
<td>Change LS</td>
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<tr>
<td>Task LS</td>
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<td>.061</td>
</tr>
<tr>
<td>Relation LS</td>
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<td>.063</td>
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<td>Gender</td>
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<tr>
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<td>.264</td>
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<tr>
<td>Level B</td>
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<td>.205</td>
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<tr>
<td>Level C</td>
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<td>.238</td>
</tr>
<tr>
<td>Adjusted R square</td>
<td>.273***</td>
<td></td>
</tr>
</tbody>
</table>

*Note: *** p< 0.001 level (2-tailed); ** p< 0.01 level (2-tailed); *p<0.05 level (2-tailed).*
percent and more of the variance. For the age groups 31–40 and 41–50 the change- and relation-oriented leadership styles are both significant, but the relation-oriented leadership style shows the most important influence. For the youngest and the oldest age groups, 18–30 and 51–65, only the relation-oriented leadership style has a significant effect. The importance of the relation-oriented leadership style is substantial for the age group 51–65. Older workers with a supervisor who has a strong relation-oriented leadership style are more likely to experience a lower degree of discrepancy between what they want and what they get out of the job.

In none of the age groups is the discrepancy significantly influenced by the control variables.

DISCUSSION

This study investigates the possible impact of leadership style on employee motivation, in this case as the discrepancy between what a worker wants and what a worker gets in the job, and the moderating effect of age on this relation. The goal was to bring two important areas of research – age diversity and leadership – together in order to understand better the impact of leadership on the motivation of the ageing workforce. Our model validates that leadership styles may have a considerable effect on the discrepancy of job factors and that strong or salient leadership styles are linked to a lower discrepancy rate. This supports Arvonen and Evkall’s (1999) theory about leadership effectiveness. It also supports the general theoretical framework of an age-related personnel policy (Vanmullem and Hondeghem 2005), which states that the role of leadership is a crucial success factor in keeping workers employable and motivated. The analysis shows that the task-oriented leadership style has limited association with motivation, and that the relation-oriented leadership style has the strongest influence. Again this supports our theoretical model where the role of leadership in stimulating and supporting workers in their job (relation/people-oriented) is considered as a crucial factor (Vanmullem and Hondeghem 2005). In this case the more strongly a worker experiences a relation-oriented leadership style, the smaller the discrepancy between what he/she expects and what he/she experiences in the job. As a result, and based on Vroom’s theory, the smaller the discrepancy, the bigger the motivation. The fact that the task-oriented leadership style has no significant effect does not mean that it has no influence on a worker’s behavior. In our research, we only looked at motivation as measured by means of the discrepancy between ‘want’ and ‘get.’

This chapter supplements existing leadership theory by stating that the effect of leadership styles differs between age groups. Results show that the
The effect of leadership styles is substantially lower for the youngest age group compared to the other age groups, where the effect increases as the workers are older. Once again the relation-oriented leadership style has a significant effect, and compared to the other leadership styles, has the strongest association on the discrepancy in each age group. The change-oriented leadership style also has a considerable association for the middle-aged workers (aged 31–50). The differences of the independent variables between the age groups illustrate the importance of a life course perspective, which considers the changing needs and capabilities of workers during their working life as a key factor. This result further supports the application of an age-related personnel policy. An age-related personnel policy asserts the importance of adapting existing HR instruments to accommodate the unique needs and capabilities of workers in all age groups. This new perspective in HR policy presumes that a necessary balance during the whole working life keeps workers employable and motivated until the end of their career.

One of the unanimous findings in research on ageing is the importance of recognition and appreciation (relationship-orientation) of older workers in their work. The substantial association of a relation-oriented leadership style on the discrepancy experienced by older workers validates this statement in the literature. For younger workers it is possible that organizational factors other than leadership style are more important and consequently have a bigger effect on the discrepancy; however they too clearly associated the relation-orientation to a smaller need-want discrepancy.

Each age group experiences different effects of the independent variables because of their different ‘worlds.’ This indicates the importance of age diversity management: supervisors must have insight into the needs and capabilities of the different age groups and must try to accommodate this, for instance, through an adapted leadership style. In order to understand these different needs and capabilities, insight into the work values of the different age groups is necessary. In the literature some state that these work values are influenced by generational experiences (Parker and Cusmir 1990), while others state that these change over time with maturity. Those studies are scarce and their results are diverse. Smola and Sutton (2002) for example have found a change in work values as generations matured but they have also found other generational differences. Although significant differences between age groups exist, people of the same age group also differ at the individual level because of their differences in life, work and training experience. Further research is needed here.

The present research has some limitations, which leads to suggestions for further research. We have defined discrepancy based on the 16 most important job factors of the whole population. Based on the life course
Ethics, values and diversity

perspective, it would be interesting to investigate whether the most important job factors differ between the age groups. One could take a limited number of job factors into account (for example, the top five most important job factors) and look for age-related variations. Discrepancies with regard to this limited list could lead to other results and could enhance the explanatory power of the regression models. Taking into account the differences between age groups would also lead to more specific information about the effect of the independent variables on the groups. In turn this would give more accurate information on how to manage different age groups.

Our research does not totally fit the universality theory which states that strong or outspoken leadership styles are always most effective. In our research the impact of the styles differs between age groups. As Arvonen and Ekvall state ‘even if some leadership profiles work well in general and some do less well, there could still be space for some contingency inside the best profiles or the worst profiles’ (Arvonen and Ekvall 1999, p. 244).

Further research could examine the effect of the discrepancy on the worker’s behavior (recruitment, career, retention). What is the indirect effect of leadership styles on the worker’s intention to participate in training, to change job or to leave the organization? Additionally we have defined the motivation of workers as the result of a discrepancy between what a worker is expecting and what a worker is experiencing. This is only one way to measure workers’ motivation. We have looked in this article at diversity with regard to leadership style and age of the workforce, but another interesting question is whether leaders at different levels or of different ages behave in different ways. The interactions between all these aspects of diversity is an important avenue for further research.

CONCLUSIONS

This study emphasizes the importance of leadership style and is of value to the research of ‘age related personnel policy.’ An ageing workforce creates interesting changes, both in attitudes and behaviors. Motivation is a core issue in keeping people active and employable, as well as effective. Our results highlight the fact that leadership styles have an effect on the motivation of workers and that this effect differs between age groups. In a society with an ageing workforce more attention needs to be paid to the different generations in the workforce and their specific needs. Leaders must move beyond their managerial or supervisory role and establish motivational environments that inspire followers to achieve levels of performance that meet the workers’ expectations and perhaps exceed their initial beliefs in
Leadership diversity in an ageing workforce

their own capabilities (Isaac el al. 2001). Public organizations must adapt personnel practices and policies to respond to these changes. An age-related personnel policy shapes the context in which leadership is able to better balance the personal and work goals of the worker.

REFERENCES

Leadership diversity in an ageing workforce


15. Ethical leadership in public-private partnerships: learning from an Australian ‘great controversy’?

Judy Johnston and Siegfried Gudergan

INTRODUCTION

The idea of public-private partnerships (PPPs) has evolved from the adoption by governments over the last few decades of public sector reform consistent with the market-based model of public governance, derived from neoclassical economic concepts. To this end there is now a global acceptance that governments do not have to be direct providers of all public services and programs. Indeed governments can enter into partnerships with the private or not-for-profit sectors to provide programs and services in a way that may not be possible if governments and public sectors were simply acting alone (Bovaird 2004a, 2004b; Greve and Hodge 2005; Greiner Interview 2007).

As numerous writers now report PPPs contribute significantly to economic and social infrastructure development globally, in both developed and developing economies, and involve billions of dollars of public and private finance annually (New South Wales (NSW) Treasury 2001; Australian Procurement and Construction Council 2002; Barratt 2003; Brown and Pitoski 2003; Pollitt 2003; Wettenhall 2003). Supranational organizations such as the World Bank (WB) (2005), the European Union (EU) (2004) and the United Nations (UN) (2004) for example support the use of PPPs in a broad range of initiatives including those associated with the achievement of the UN’s Millennium Goals (UN 2005). This is especially pertinent in developing countries where initiatives such as those that address the alleviation of poverty are concerned. PPPs as supposedly cooperative and complementary arrangements are specifically indicated as vehicles for improving infrastructure and a range of country conditions (Economic Commission for Africa 2005). While not necessarily seen as the only solution for the economic and social challenges faced by governments, PPPs are widely used.
In spite of their acceptance by governments PPPs involve somewhat amorphous organizational arrangements (Hodge 2004; Weihe 2006). Weihe (2006) for example argues that there are now a range of debates about various forms of PPP. In part this relates to whether so-called PPPs are actually PPPs at all, meaning an equal cooperative arrangement between the partners, or privately financed initiatives (PFIs). PFIs might suggest a more hierarchical arrangement, with government as the principal in an agency-style relationship. However PPP is used here as a broad term in common usage which encompasses any of the public-private arrangements that surround many economic infrastructure development projects. This is consistent with the NSW government’s own use of the term PPP (PPP Interviews 2006).

Nevertheless as this chapter will demonstrate the nature of the PPP arrangement is important. For example, it is important to consider whether the project contract covers both the technical-rational details and governance aspects, such as behavioral and mediation principles, especially in the case of disagreement or conflict if things go wrong. Weihe (2006) differentiates between the (hard) legal and the (soft) governance requirements of PPP arrangements, implying that the governance aspects are not included in the contract and are more implicit requirements involving partnership trust. This chapter suggests that implicit dependence on trust within such arrangements is not sufficient and that the social-relational aspects need to be specified as part of the legal contract. Thus governance of PPPs for the purpose of this chapter encompasses both the hard and soft elements. As Bovaird (Governance International 2003, cited in Bovaird, 2004b, p. 208) comments, governance can also be thought of as, ‘the way in which stakeholders interact with each other in order to influence the outcome of public policies.’

The technical-rational aspect of PPP arrangements, especially the technical specifications and requirements of the infrastructure, including the allocation of risk, while still flawed to some extent is relatively well developed within PPPs. However the implicit relational conditions, especially how the partners should behave at all stages of the PPP, has been largely neglected to date. These aspects, which might be referred to as the social contract, are typically implicit aspects of the governance of PPPs and are not usually included within the legal contract.

Notwithstanding the general global support for PPPs, problems within such arrangements or outright failure are not uncommon and may lead to significant risks for taxpayers (Bloomfield 2006). In attempting to understand the reasons for such problems perusal of several supranational organizational reports (EU 2004; UN 2004; WB 2005) in relation to PPP failure suggests a superficial appreciation at best. This is especially so in
relation to the complexities surrounding PPPs, particularly those relating to the ethical leadership of such initiatives. The economic benefits and efficiency gains are usually the main focus of such documents with ethics largely ignored. Where issues of risk and probity are actually acknowledged it is mostly in a rational-technical context surrounding the way contracts are drawn up rather than how the project might play out and what might constrain partnership actions. PPPs in reality are potentially power-political, and organizationally and culturally, beyond the legal contract, are really nothing more than what Weick (2001, p. 380) might refer to as a ‘loosely coupled’ organization. As such there are unlikely to be common cultural norms that might mediate behaviors and lead to conflict resolution when things go wrong. PPPs, while bound up in legal contracts, are not encompassed by ethical concerns about their leadership per se.

As Clegg et al. (2005, p. 153) might argue about business propositions in general, PPPs have no underlying ‘ethicality.’ They suggest that: ‘[E]thics... is concerned with doing the right things in the right way.’ While it might be assumed that the legal contract would define the issues of ‘ethicality’ of PPPs this has not generally been the case. Apparently underlying the rational-technical propositions contained within the legal contract is the assumption that all is well-founded and logical and is so rationally developed that problems will simply not exist.

Furthermore in cases where negative governmental, power political behaviors are observed in a way that may cause ‘great controversy’ (Parliament of NSW 2005) there are no apparent direct responsibilities for governments to show more ethical leadership. Beyond doing the right things in the right way ‘ethicality’ can also have a stronger meaning in the sense that there are strong moral principles ‘in accordance with the rules or standards for right conduct or practice’ (Macquarie Dictionary 1999, p. 727). Yet with PPPs these rules and right conduct standards in effect cover the soft dimensions of the arrangements and therefore are not specified as part of formal or legal governance agreements.

Where electability may be of concern to government, unethical or at least inappropriate leadership behavior may be the norm in a way that jeopardizes intended outcomes of PPPs (Hodge 2004). Therefore an initial interest of this chapter is a consideration of how supranational organizations could more realistically be focused on the pitfalls of PPPs and how more ethical leadership of such arrangements could be achieved. This is beyond a convenient and superficial grand rhetorical narrative that drastically simplifies considerable complexity and includes how better governance may be promoted. Outside of the technical-rational guidelines about good governance, ethical leadership within the context of the social contract or the so-called soft relational dynamics surrounding PPPs is of interest.
Ethical leadership in public-private partnerships

The role of supranational organizations is important as these are the high level organizations that have had a major and continuing role in promoting the market-based model of public governance, especially private involvement in a range of program and service delivery arrangements. Furthermore the idea of ‘good governance’ in a general sense has been the interest of supranational organizations for a number of years now. In this context, ‘Governance can be broadly defined as the exercise of political, economic and administrative authority to manage a nation’s affairs. Governance is thus about the importance of institutions [and] the interactions between . . . government . . . and business’ (UN 2004, p. 3).

This definition can be interpreted more specifically to encompass PPPs, especially the interactions between government and business. As a search of various websites of supranational organizations such as the WB, the EU and the UN reveals there are numerous documents relating to PPPs and their governance. For the purpose of analysis one substantial report relating to PPPs from each of these organizations has been extracted (EU 2004; UN 2004; WB 2005). While the reports vary in length, substance and focus, the primary explicit or implicit aim of each of these reports is to address issues relating to the governance of PPPs. A major interest is to examine and discover whether or not ethical leadership in the development and execution of PPPs is a topic of focus or concern within these reports (Tables 15.1 and 15.2).

The starting point for analysis is to undertake a keyword search of the reports. These words are illustrative rather than exhaustive, but they could reasonably be associated with the idea of ethicality as it commonly surrounds the discourse of the market-based approach.

The keyword analysis provides a broad illustrative picture of the content of these reports but it is apparent from an explicit perspective that ethical leadership is not of specific concern. The primary focus not surprisingly is around the PPP legal contract. A secondary explicit interest of the reports relates to ‘risk.’ A tertiary interest is in ‘transparency,’ which could be seen to have an ethical element. Similarly related to ‘transparency’ is the use of ‘principle(s)’ in the EU report (and ‘equality of treatment’) mostly related to tendering and contract award processes but not to moderating behaviors as the contract plays out. While the UN (2004) report identified ‘accountability’ as important, the other two reports did not highlight ‘accountability’ as a field of significant interest within PPPs. A search of keywords which might relate to actual partnership arrangements and touch on the fundamental substance of these arrangements, such as ‘collaboration,’ ‘cooperation’ and ‘mutuality’ were mostly missing from the reports. The reports in general had limited interest in advancing ideas to address the social relationship created within the PPP.
Furthermore the only explicit reference to ‘ethical’ in these reports was in the UN (2004, p. 2) document which noted that the:

increase in governance issues is due to some concerns about the ethical behavior of both public and private actors operating in an increasingly global economy . . . To date, however, the practitioners of . . . PPPs in infrastructure have not given their specific attention to questions of governance.

Similarly in relation to ‘leadership’ there was only one explicit reference in the reports (none for ‘stewardship’). This related to ‘transparent leadership,’ which if it occurred in government, it was suggested, could assist in reducing corruption within PPPs in some (developing) countries (UN 2004, p. 16).

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**Table 15.1  Incidence of specified keywords relating to PPPs**

<table>
<thead>
<tr>
<th>Keywords</th>
<th>WB (2005)(^a)</th>
<th>EU (2004)(^b)</th>
<th>UN (2004)(^c) report</th>
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<td>Accountability</td>
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<td>0</td>
<td>15</td>
</tr>
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<td>Collaboration</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Contract (legal)</td>
<td>136</td>
<td>196</td>
<td>72</td>
</tr>
<tr>
<td>Cooperation</td>
<td>5</td>
<td>5</td>
<td>8 (not within PPP)</td>
</tr>
<tr>
<td>Corruption</td>
<td>20</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>Ethical/ethics</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
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<td>0</td>
<td>40</td>
</tr>
<tr>
<td>Leadership/stewardship</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Monitoring</td>
<td>21</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Moral</td>
<td>3 (hazard)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mutual</td>
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<td>3</td>
<td>2</td>
</tr>
<tr>
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<td>33</td>
<td>2</td>
</tr>
<tr>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Risk</td>
<td>133</td>
<td>21</td>
<td>23</td>
</tr>
<tr>
<td>Social (contract)</td>
<td>7 (not related to the governance of PPPs)</td>
<td>2 (not related to the governance of PPPs)</td>
<td>25 (not related to the governance of PPPs)</td>
</tr>
<tr>
<td>Transparency</td>
<td>32</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Trust</td>
<td>37 (about trusts rather than trust)</td>
<td>14 (entrust to a private partner only)</td>
<td>1 (public)</td>
</tr>
</tbody>
</table>

**Notes:**

a: Major Focus on Mobilizing Private Finance in PPPs (90 pages);
b: Major Focus on PPPs, Community Law, Public Contracts and Concessions (34 pages);
c: Major Focus on PPP Governance and Infrastructure Development (22 pages).
In the absence of any multiple explicit references to ethics in the reports, ‘corruption’ as an antithetical concept was also searched and was revealed as an often mentioned concern within the WB (2005) and the UN (2004) reports. The UN (2004) report for example noted that ‘weak governance’ of PPPs could be attributed to a lack of transparency and corruption. However, expressed concerns in relation to ‘corruption’ as noted above were usually in the context of the wider institutional, governmental settings in which PPPs take place rather than the governance of specific PPPs.

A more comprehensive scrutiny of these technical-rational style reports suggests that, beyond illustrative keyword analysis, the reports can be considered further within the context of a number of aspects relating to the governance of PPPs. Therefore on closer scrutiny it is apparent that the ethical dimensions of PPPs are of concern even if ethical dimension are not defined explicitly. As such many of the governance issues raised within the reports are important ones, including causes of conflict within the partnerships and proposals about dispute resolution. The UN report (2004) for example claims that conflict within PPPs is inevitable especially as the internal and external environments undergo change. Such a proposition suggests that the explicit ethical leadership by supranational organizations and governments of these PPPs needs to be of major concern. The stated role of the WB (2005) within its report is to intervene as necessary and to provide tools for the management of PPPs to developing economies. In the EU (2004) and UN (2004) reports their role and the role of government is proposed largely as developing institutional frameworks and systems and best practice tools and guidelines, but in a technical-rational sense.

Yet the explicit recognition of the likelihood of conflict within PPPs indicates that a much more forceful role for governmental and supranational entities could be based directly on ethical concerns. However governments’ bad behavior within these arrangements, such as breach of contract, unilateralism and politicking is acknowledged but not from a social-relational perspective. Furthermore it is not an ethical solution as such that is proposed for addressing disputes within PPPs.

One proposal from the EU (2004, p. 18) report for instance, which basically concentrates on the contractual form of PPPs, proposes that the alternative ‘project company’ model may have merit through the creation of a ‘joint entity’ for the specific PPP with a ‘legal personality.’ However this places legality as a driving force at the apex of concern and the reports are silent on how ethical leadership might ensue beyond legally defined, technical-rational roles. Elements relating to the difficult issues bound up in human behavior, politics and power within PPPs are largely missing in spite of the recognition that conflict is inevitable. Moreover there is no suggestion that PPP dysfunction can be mediated through anything other
than legal procedures. In this vein these reports attempt to control for an ever-increasing range of variables through technical-rational redress. It is not meant to suggest here that the social contract necessarily should be given primacy, but that social, power and political issues relating to the governance of PPPs need to be considered along with explicit legal concerns.

**PPP Governance Literature**

It is not the intention here to canvass thoroughly the increasing literature on PPPs. However it is of note that some academic literature has been developing around the governance of PPPs. This literature still strongly concentrates on the technical-rational and legal elements of governance as contract. This especially relates to the known multitude of risk factors and how risk might be addressed within the legal contracts supporting PPPs. Hardcastle and Boothroyd (2003), Rwelamila et al. (2003), Akintoye et al. (1998, cited in Hardcastle and Boothroyd 2003) and Hodge (2004), for example, identify a large number of PPP risk factors, which can be apparent at any stage, through design, construction and implementation.

It is suggested that if risk factors are not well covered within contracts, then the breakdown of governance of PPPs is likely to occur. Therefore it is imperative that risk is well considered in advance. To this end Hardcastle and Boothroyd (2003) suggest that contract development needs to include potential risk factors, their likely impact and how the factors should be addressed if a risk is realized. Risk in their interpretation basically relates to factors that can cause delay or cost increases within the PPP. Hodge (2004, p. 39) notes that the issue of risk transfer to the private partner is the key to value-for-money outcomes and efficiency gains achieved by PPPs compared to other forms of more traditional government procurement.

However while the allocation and consideration of risk is largely promoted as a technical-rational exercise in much of the literature, Edwards and Bowen (2003) suggest the possibility that risk perception and identification of risk within PPPs is actually a social construction. This leaves open the possibility that there will be misperceptions and misidentifications of risk within PPPs and between the partners that can lead to breakdowns within both the technical-rational and social systems surrounding the arrangement. This is likely to occur, as Hodge (2004) contends, if the risk sharing, risk shifting processes that separate PPPs from other infrastructure development initiatives do not result in commensurate rewards for the partners involved.

Nevertheless, even if there are difficulties within the PPP government has a major governance role and responsibility, mainly because its primary concern is protecting the public interest. Governments need to behave
accordingly. This means that the ‘political rhetoric’ (Hodge 2004, p. 41) surrounding PPPs needs to be differentiated from the substance of the legal contract and actual partner experiences. However Hodge also observes that legal disputes within the complex network of relationships involved within PPPs seem to be an inevitable consequence of this kind of arrangement.

Brinkerhoff (2002) also notes in terms of the social contract surrounding partnership arrangements that when there is no real shared understanding or partners hold to traditional roles, conflict is likely. In these instances some form of social mediation might be required beyond the legal contract. Yet social mediation might not be enough. Hodge (2004), using an Australian case study of a toll road in the State of Victoria, acknowledges the impact of power and politics within PPP governance arrangements and the ways in which relationships can break down. To this end governments as the effective contract holders may have disproportionate power and influence within the PPP and will use political behavior to achieve their ends. Thus Hodge (2004, p. 46) contends that for governments the inter-penetration of politics into the governance of PPPs ‘is not so much a case of risk shifting or risk sharing . . . but one of shirking stewardship responsibilities in governance.’

Thus in terms of the governance of PPPs it is apparent that the pre-determined legal contract even as a negotiated technical-rational complex control system for the PPP cannot necessarily account for failure of the contract to include unforeseen difficulties, especially negative partnership behaviors that might violate the negotiated arrangements. If PPPs therefore are prone to systems failure within the technical-rational system then an effective social system as a mediating force seems even more important than just the continuing resort to legal redress. However it is equally apparent that an implicit social contract may well be ineffective as a form of PPP governance control.

Some of these issues outlined in the literature are clearly demonstrated in a large infrastructure PPP that occurred in Sydney, Australia’s main trading city and with a population now of over four million people, in the State of New South Wales. This was a PPP that went dramatically wrong in the implementation phase.

THE CASE OF THE CROSS-CITY TUNNEL (CCT): THE ‘GREAT CONTROVERSY’

The NSW sub-national government in Australia has been a keen adopter of PPPs over a number of years. Around 10 to 15 per cent of government procurement now occurs within a PPP framework, with recent expenditure amounting to billions of dollars. For example over a 10-year period up until
late 2005 A$3.3 billion had gone into the development of private tollways through PPP arrangements. Nevertheless the merits of infrastructure PPPs have been the subject of continuing public debate, not least because of the failure of some private companies to survive, particularly as a result of realized patronage risk (Barratt 2003; Premier’s Department 2005; PPP Interviews 2006).

A highly controversial recent economic infrastructure PPP in Sydney involved the design, construction, operation and ownership transfer (after 30 years) of a cross-city tunnel (CCT) tollway. The government initiated the project that it indicated was wholly in the public interest and was designed to divert through-traffic away from the city. In reality while government referred to this project generically as a PPP it could more correctly be categorized as a PFI, as financial risk was transferred virtually entirely to the private partner. Government in this case adopted a no-cost-to-government policy approach. (The details of this case were drawn from the following sources: Legislative Assembly 2006; Premier’s Department 2005; Harris Interview 2006; Parliament of NSW 2006; Ritchie Interview 2006; Greiner Interview 2007).

Capital raised for the project by the successful private sector equity partners was A$343.5 million and by the financial backers was A$502.5 million. The investment capital, the highest offered in the tendering and contract award process, included an up-front payment to the government of approximately A$97 million which was to cover unbudgeted additional costs (56 percent of the A$97 million) and a right-to-operate fee (46 percent of the A$97 million). While this PPP obviously involved great complexity, only a summary of critical aspects is included here.

The exact structure of the PPP organization was not clear in terms of the principal partners because of changes over time and companies and trusts created especially for the project. Nevertheless for the public partners there appear to have been one government minister and five public sector organizations primarily involved. For the private partners there was a consortium of three national and international companies (including a large German construction company and Deutsche Bank). Two of these private partners appear to have formed a joint venture company and a number of project-related companies, including an operating company (called the ‘Company’ for the purpose of the case study). Initially there were at least six private financial backers including financial institutions and superannuation funds in Australia covering public servants. A refinancing arrangement for the project in 2003, two years before the tollway opened, appears to have involved around 17 national and international banking institutions.

The tunnel opened in August 2005 operated by the Company. The implementation phase was one of intense vulnerability to both the sub-national
government and the Company but for entirely different reasons. For the government the ‘great controversy’ surrounding the opening, once residents in the area realized that alternative surface roads into the city had virtually been cut off, created political risk for the government 18 months before an election was due. While the plans to close these roads had been on the public agenda for some years, the full impact was clearly not felt until the tunnel opened and motorists discovered the consequences of road closures for themselves. For the Company this considerable level of resident anger created patronage risk as motorists chose not to use the tollway. This was because of a high toll for a short distance and residual frustration over the local road closures (ostensibly for traffic calming but seen by the public as tunnel funnelling).

The Company had set the toll at a commercial return on investment estimation over 30 years based on their costs to date including the right-to-operate fee, up-front payments and additional costs. Patronage was also estimated to be around 90,000 vehicles a day but in the event barely rose above about a third of that amount. A subsequent decision to introduce a toll free period to try to increase patronage and a later reduction in the toll failed to address the immediate concerns. It was apparent that aspects of the legal contract as the basis of the technical-rational governance system were already creating problems for both the government and the Company. Furthermore the social relationship was breaking down in an undignified public way.

The many issues of contention for each of the primary partnership groups was fought out in the public domain between the government and the Company, which only exacerbated a continuing deterioration of partner relations. In effect there was a complete breakdown of the social contract especially as the government used a colorful and pejorative blaming rhetoric to criticize the Company. As Greiner (Interview 2007) describes the situation ‘political unhappiness’ resulted in the tunnel being ‘orphaned’ by the government then ‘demonized.’ In spite of the fact that this PPP was completely the government’s initiative they took no moral ownership of the project during this period and simply blamed the Company for all the problems. For many months both the Company and the government attempted to resolve the issues in their own individualistic ways in an atmosphere of public disenchantment and continuing media interest (Four Corners 2006).

During this period too both the chief executive officers (CEOs) of the primary government organization responsible for the project and the Company were dismissed or resigned. Even with a new CEO of the Company, not surprisingly, there was a further breakdown in the PPP contractual and social relationships. As subsequent reports into the early stages of implementation indicated, the tunnel, as a PPP, caused
‘great controversy.’ The complete breakdown in the implicit social contract between the partners largely contributed to the lack of resolution. Government also seemingly breached the legal contract by unilaterally reversing most of the road closures, or funnelling initiatives, which further exacerbated the cash flow problems for the Company due to continuing patronage risk. The Company kept indicating that they had just honored the requirements of the legal contract established by the government.

Eighteen months after the tollway opened in December 2006 the Company was placed in the hands of an administrator. While many confidential commercial matters surround this project, as far as is known the dispute between the partners remains unresolved and is the subject of legal proceedings with at least A$100 million dollars at stake (AAP 2006; Baker 2007). Other litigation is supposedly pending designed to retrieve some of the capital for the financial backers. It is also likely that there will be taxpayers’ costs and even possibly sovereign risk if the subsequent private operator experiences similar patronage problems.

This situation continues to play out in a climate where the large infrastructure development market reputedly is becoming less attractive to private sector investors in NSW. While Standard and Poor’s, for example, praised the government for not taking over the financial risk when the tollway failed they have also noted that investor risk in NSW has probably increased with the government’s failure to honor aspects of the contract (ABC News Online 2007; Reuters 2007; Scott 2007). This is within the context of the PPP legal contract because of the government’s unilateral decision to reverse the surface road closures. The assessment by Standard and Poor’s is probably correct in the second instance but their praise of government in this case does not seem warranted, given the government’s behavior over time and the fact that its actions apparently jeopardized the financial viability of the Company.

This case particularly highlights the need for ethical leadership of such PPPs, especially in a way that avoids what can only be described as the undignified public breakdown of legal arrangements and social relations within the PPP. For the partners this included the absence of any evidence that any or all of them had applied any kind of management and leadership that could be related to ethicality. Instead of the PPP involving a collaborative-cooperative arrangement or relationship the so-called partnership became increasingly antagonistic.

**Reflecting on Failure**

As a result of the public debacle surrounding the cross-city tunnel numerous reports were commissioned by government or undertaken by parliamentary
committees or government watchdog agencies in relation to PPPs in NSW generally and to this PPP in particular (Legislative Assembly 2006; Premier’s Department 2005; Audit Office of NSW 2006; Parliament of NSW 2006). All touched on issues relating to the CCT PPP. This scrutiny occurred mostly because of the ‘great controversy’ that marked the operational phase of the CCT PPP. All these formal reports recognized various aspects of PPP failure and made recommendations to improve governance.

When using the same keyword analysis as for the three supranational reports (Table 15.1) it is apparent that issues surrounding ethical leadership remain largely neglected in these reports, too (Table 15.2).

It is not the intention here to visit all the keywords in detailed analysis but rather to note that the major areas of interest remain the legal contract and risk assessment, similarly to the supranational organizations’ reports (Table 15.1). A closer examination of these NSW reports further indicates...
that virtually all the recommendations concentrate on improvements to the technical-rational system by making additions to the legal contract. This approach simply adds to system complexity and increases the number of variables that the technical-rational legal system is meant to control in terms of risk. While the Legislative Assembly (Public Accounts Committee 2006) report does recognize the importance of governance systems within PPPs, again this is in a technical-rational context.

Aspects of the social contract or the actual behavioral relationships are not an interest of the reports at all, not even in a technical-rational sense. Yet in this particular case it was evident that the social relationship, if it ever existed in a positive way, collapsed at its first real test at the beginning of the implementation phase. Aspects of collaboration, cooperation or mutuality surrounding such arrangements are clearly not seen by any of the committees behind the reports as sufficiently important for redressing PPP failure. Yet in this case it was obvious that there was a major breakdown of the social relationship between the partners. Either the committees have proceeded and reported on the basis of ignorance or have deliberately chosen to avoid such a contentious political area as the failure of the social aspects of partnership. Whatever the situation, this case suggests that there are a number of formal additions that can be made to the governance of PPPs.

DEVELOPING A MODEL OF PPP GOVERNANCE AND ETHICAL LEADERSHIP

The overall evidence from the research into PPPs, including this case, strongly indicates that there is a major deficit in the way PPPs are developed and mediated over time from a governance perspective. Undoubtedly the technical-rational system surrounding the legal contract is important, but it is equally evident that the greater the complexity and the number of variables that this system attempts to control for, the greater the vulnerability of the technical-rational system overall. This indicates that more attention needs to be paid to the social contract within PPPs and how both the hard (technical-rational contract) and the soft (social contract) elements of PPPs can be brought together within a broader and hopefully, more meaningful, governance system. This means though that for the execution of PPPs governments will need to agree to give up the opportunity for gross political behaviors at the first sign of trouble and behave as ethical leaders exhibiting moral responsibility and ownership of the project with their partners. This is obviously a big request but one that is necessary in this different, hybrid organizational form.
If government cannot achieve what it wants to do in terms of economic infrastructure development in the public interest by acting alone, and it chooses to act in concert within a private partnership, then there are moral expectations about behavior if the public interest test is applied (Greiner Interview 2007). Ethicality as a primary principle needs to underpin such arrangements. As Bovaird (2004b, p. 207) suggests, when public sector organizations are not in a position to act on their own to implement public policy then a partnership arrangement that aims to result in a collaborative benefit may be the key. Another simple principle is that mutual responsibility of the partners to achieve the aims of the project needs to be paramount. Broad areas of risk to such achievement involve both the technical-rational and social systems. How both these systems can then be governed for the purpose of the PPP needs to be constructed with formal legal and behavioral requirements.

While at one level it may not be wise to propose complicating the technical-rational system further, behavioral and governance principles and rules beyond the legal contract certainly need to be explicit and probably formalized. This is because there is now sufficient empirical evidence to suggest that the implicit social contract does not act as a mediating force. On the one hand governments would probably resist such an approach to diminish the likelihood of inappropriate political behavior during the period of the contract. On the other hand the private partners may well welcome such an approach. Furthermore when global watchdog agencies such as Standard and Poor’s warn incumbent governments that the breakdown in the social contract within a PPP or PFI (however defined) may jeopardize their international financial rating it would be expected that they might take note. Dignified public behavior of governments that diminishes taxpayer and sovereign risk is after all in the public interest and can be promoted by governments as a powerful rhetoric.

Four explicit approaches to an integrated governance system for PPPs are possible and are suggested here (Bovaird 2004b; Hofmeister and Borcherdt 2004; Haque 2004; Sadran 2004; Sedjari 2004; Greiner Interview 2007). Not one was exercised in the CCT case, but had they been, the situation that arose may not have been so unethical and devoid of responsible leadership. In fact there would have been specific mechanisms for mediating the conflict. First, a specific-purpose, formal organization could be initiated by the partners relating to the creation of a PPP with legally defined governance structures, roles and responsibilities. Second, the PPP could be a self-governing organization, as defined within the legal project and social contract, but the contract would have explicit governance responsibilities and roles defined. Third, government could create a central government PPP governance unit responsible for facilitating good governance practice.
within PPPs. This could be a general purpose entity or a specific entity for each major infrastructure development. Greiner (Interview 2007) for example when reflecting upon the failure of the CCT suggests a turnpike management model as is evident in the United States of America for road infrastructure PPPs. Fourth, the government could create an independent watchdog unit responsible for governance issues within PPPs and within the context of a set of defined procedures for behavior. In the case of breakdown in the social contract there would be mandatory processes for resolving and mediating partnership disputes before resorting to legal redress. These four approaches are not necessarily mutually exclusive and in fact could be mutually reinforcing and are relatively straightforward. While the legal aspects of partnership would be covered and developed as normal, the social aspects of partnership would be explicit in all these models, with ethical leadership related to a public interest test as the primary concern.

Obviously all these approaches, with explicit social contractual requirements, would limit the opportunity for government politics penetrating the PPP environment. However it is argued that the hybrid organizational arrangement of PPPs now requires different – and ethical – behaviors for governments from those traditionally accepted as part of the political environment. Where millions or even billions of dollars (or euros) are at stake, this does not seem to be an unreasonable proposal.

CONCLUSION

This chapter has explored numerous issues relating to governance and the explicit technical-rational, legal systems surrounding PPPs as well as the usually implicit social contract that presupposes that ethical behaviors and leadership will be apparent and sustained within the terms of the long-term contract. Examination of supranational organizations’ responses to PPPs and their governance reveals virtually no concentration on ethical leadership, either within the technical-rational or social systems. Similarly reports that consider problems within PPPs at a sub-national level in Australia fail to acknowledge the importance of ethical leadership. The chapter has thus proposed that a formal governance system requiring ethical leadership of PPPs be defined and included for large infrastructure PPPs, especially to cover issues of trust and mutual responsibility that are part of the social contract. Such a framework should act as a safeguard against the kind of behaviors that led to the ‘great controversy’ in Sydney. Nevertheless it is also recognized that the nature of politics will probably mean that governments may resist an approach to ethical leadership of PPPs in favor of the freedom to be political. It is hoped, however, that some governments and
the supranational organizations might promote ethical leadership in PPPs as of far stronger political advantage than governments continuing to be unprincipled and unilateral in their approach to such important contractual arrangements.

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16. Leadership, administrative evil and the ethics of incompetence: the failed response to Hurricane Katrina

Guy B. Adams and Danny L. Balfour

[Hurricane Katrina] . . . is a public administration case study in failure of gigantic proportions. (Ink 2006, p. 800)

In pre-modern times natural disasters were believed to be acts of divine retribution, punishments for moral failure and disobedience. Science and technical rationality have banished such beliefs to the margins of modern society. Nevertheless a natural disaster can lay bare the underbelly of society and become a moral debacle in the absence of competent and ethical leadership. The disastrous response to Hurricane Katrina, and subsequent revelations of the shoddy construction of levees around New Orleans, led us to consider the problem of leadership in terms of the following questions. Are acts of incompetence unethical? And do they fit within the definition of administrative evil, where one behaves according to expectations from an organizational or policy perspective and yet participates in a moral failure that results in harm to people? More broadly what is the relationship between incompetence and ethical behavior for leaders? To what extent do ethical failures underlie, or exacerbate, acts of administrative incompetence? These are important questions because, as our case study illustrates, the combination of ethical failure and incompetence appears to greatly increase the likelihood of leadership failures.

In addressing these questions we first provide characterizations of evil and administrative evil, and then explain the role of technical rationality as an enabler of administrative evil. Briefly we take note of the touchstone of administrative evil, the Holocaust of World War II. Next we examine the moral shortfalls of both professional and public service ethics, and show why both fail in protecting leaders from unethical behavior, incompetence, and even in the end, administrative evil. Our example, the largely failed response to Hurricane Katrina, highlights the connection between ethics
and incompetence, and is focused on the considerable and rather rapid de-skilling of the Federal Emergency Management Agency (FEMA). Finally we assess the role of ethical failures in acts of incompetence by leaders, and ask whether and when those might constitute administrative evil.

EVIL, ADMINISTRATIVE EVIL AND TECHNICAL RATIONALITY

Elias Staub (1992, p. 25) wrote that: ‘Evil is not a scientific concept with an agreed meaning, but the idea of evil is part of a broadly shared human cultural heritage. The essence of evil is the destruction of human beings . . . By evil I mean actions that have such consequences’ (original emphasis). Fred Katz (1993, p. 5) provides a useful definition of evil as, ‘behavior that deprives innocent people of their humanity, from small scale assaults on a person’s dignity to outright murder . . . [this definition] focuses on how people behave toward one another – where the behavior of one person, or an aggregate of persons is destructive to others.’ These helpful definitions can be further refined. Rather than a continuum of evil as suggested in Katz’s definition, we propose a continuum of evil and wrongdoing, with horrible, mass eruptions of evil, such as the Holocaust and other instances of mass murder at one extreme, and the ‘small’ transgression, such as a white lie at the other (Staub 1992). Somewhere along this continuum, wrongdoing turns into evil. But the context within which evil occurs has changed in modern times.

Over the last century and a half in particular, the modern age has had as its hallmark what we call technical rationality. We suggest that the ethical failures of leadership in modern organizations are rooted in significant part in the unquestioned dominance of technical rationality (Adams and Balfour 2004). Technical rationality is a culture (that is, a way of thinking and living) that emphasizes the scientific-analytic mindset and the belief in technological progress (Adams 1992). The culture of technical rationality has enabled a new and often confusing form of evil that we call administrative evil.

What is different about administrative evil is that its appearance is masked. Administrative evil may be masked in many different ways, but the common characteristic is that people can engage in acts of evil without being aware that they are in fact doing anything at all wrong. Indeed ordinary people may simply be acting appropriately in their organizational role – just doing what those around them would agree they should be doing – and at the same time, participating in what a critical and reasonable observer, usually well after the fact, would call evil. Even worse, under conditions of what we call moral inversion, in which something evil has been redefined convincingly as good, ordinary people can all too easily engage
in acts of administrative evil while believing that what they are doing is not only correct, but in fact, good.

Our understanding of administrative evil has its roots in the genocide perpetrated by Nazi Germany during World War II. While the evil, the pain and suffering and death that was inflicted on millions of ‘others’ in the Holocaust (Glass 1997) almost defies our comprehension, we can now see it clearly as the signal exemplar of administrative evil. The Holocaust occurred in modern times in a culture suffused with technical rationality, and its activity was largely accomplished within organizational roles and within legitimated public policy and leadership. While the results of the Holocaust were horrific and arguably without precedent in human history, ordinary Germans fulfilling ordinary roles carried out extraordinary destruction in ways that had been successfully packaged as socially normal and appropriate – a classic moral inversion (Arendt 1963). While it is clear that the moral failures in the response to Hurricane Katrina – as bad as they were – pale in comparison to the Holocaust, the question we raise here is the degree to which they illuminate connections between leadership failures, incompetence and administrative evil.

THE MORAL FAILURES OF PROFESSIONAL ETHICS

Both public service and professional ethics in the technical-rational tradition draw upon both teleological and deontological ethics and focus on the individual’s decision-making process in the modern organization and as a member of a profession. The ‘good’ public servant should avoid both the extremes of rule-bound behavior (deontological ethics) and undermining the rule of law with individual judgments and interests (teleological ethics). It is fairly self-evident that public and private organizations depend on at least this level of ethical judgment in order to function efficiently and effectively and to maintain public confidence in government and in business. At the same time it is important to recognize that these ethical standards of an organization or profession are not adequate in and of themselves to ensure ethical behavior or even, we argue, competent behavior.

Despite the extensive literature on public service ethics, there is little recognition of the most fundamental ethical challenge to the professional and leader in organizations within a technical-rational culture: that is, one can be a ‘good’ or responsible professional or leader and at the same time commit or contribute to acts of administrative evil. As Harmon (1995) has argued, technical-rational ethics has difficulty dealing with what Milgram (1974) termed the ‘agentic shift,’ where the professional or leader acts responsibly towards the hierarchy of authority, public policy and the
requirements of the job or profession, while abdicating any personal, much less social, responsibility for the content or effects of decisions or actions. In the technical-rational conception of public service ethics, the personal conscience (one’s moral compass) is always subordinate to the structures of authority. The former is ‘subjective’ and ‘personal’ while the latter is characterized as ‘objective’ and ‘public.’

The ethical framework within a technical-rational system thus posits the primacy of an abstract, utility-maximizing individual, while binding leaders and professionals to organizations in ways that make them into reliable conduits for the dictates of legitimate authority, which is no less legitimate when it happens to be pursuing an unethical or even evil policy. An ethical system that allows an individual to be a good leader or professional while committing acts of evil is, by definition, devoid of moral content or even morally perverse.

PUBLIC SERVICE ETHICS AND INCOMPETENCE

Incompetence refers to the inability to properly and effectively perform a given function (Farazmand 2002). What we propose is that otherwise technically competent leaders and managers often produce unacceptable and even tragic outcomes when they behave unethically. As with administrative evil, unethical behaviors occur along a continuum, from hiding minor mistakes and taking home office supplies at one end to acts of omission or commission that endanger the well-being and lives of innocent citizens at the other. Ethical failure at this far end of the continuum literally renders managers and leaders incompetent – unaware or unmotivated to learn, unable or unwilling to act on behalf of people in need of their help and, in the worst case scenarios, actively causing harm, even loss of life. In at least some situations the ability to competently perform a function is not just about having the requisite skill level or knowledge but is also a matter of personal conscience, requiring the use of one’s personal moral compass. The unethical leader or professional, no matter how technically skilled, risks failure at a functional level as well. We see this vividly in the case of the failed response to Hurricane Katrina.

THE RESPONSE TO HURRICANE KATRINA

Government response to emergencies, particularly natural disasters, has been analyzed and written about at some length in public policy and administration (see May 1985; Schneider 1995 and more recently Kettl 2006b).
Emergency management is by now a rather well established subfield within public administration and even has the status of an organized section within the American Society for Public Administration. It includes at least the following areas: planning, mitigation, disaster relief/response and long-term rebuilding. More recently it has focused on an ‘all hazards’ approach which emphasizes the four dimensions just noted and applies them to national disasters of all kinds as well as to human-caused disasters such as terrorism, which emphasizes the flexible coordination of all first responders. The idea is develop a nimble, simultaneously loose-tight network functionality that can effectively respond both according to plan and to the unexpected events and dynamics that are always present in the chaos of disaster.

Among the many aspects of American society and government that were impacted by the events of 9/11, emergency management, which was beginning to include terrorism in its mission, experienced a tsunami-like wave of ‘homeland security’ that flooded throughout its mission (Kettl 2006a). The network of local and state first responders that has always been the front lines of response to natural disasters now have to be prepared to respond to acts of terrorism as well. Nowhere have these dynamics played out in a more problematic way than at the Federal Emergency Management Agency (FEMA).

**FEMA: Background and History**

The Federal Emergency Management Agency was initiated by an executive order under President Jimmy Carter in 1979, although these functions have a longer history within the federal government. During the Reagan years, FEMA became much more of a national security or civil defense agency, with a significant ‘black’ budget, a considerable portion of which was devoted to Mt. Weather (a secure bunker city to ensure the continuation of government in nuclear attack). The national security orientation began to ease under the first President Bush. The importance, and especially the political importance, of disaster relief became graphically clear with Hurricanes Hugo (affecting South Carolina) and Andrew (affecting south Florida). Both events were politically costly to the first President Bush (Waugh 2006).

Shortly after, perhaps reacting to avert future political fallout, President Clinton appointed James Lee Witt, who had served in a similar capacity in Arkansas, as FEMA director. By all accounts his tenure was one in which FEMA was transformed into a functional, if not high performing, organization (Khademian 2002). Witt moved FEMA very strongly into the emergency management business and downplayed the national security mission, which by now – even before 9/11 – was beginning to focus more
and more on terrorism. Witt worried about whether FEMA could successfully marry those two missions. His worries now seem prescient.

By 2000 FEMA was successfully managing the tension between its political mission and its professional mission. The political mission was famously captured by James Lee Witt’s comment, ‘All disasters are political events.’ Handled well, disaster responses make politicians look good and provide needed and substantial help for citizens. This perspective pushes resources toward response and recovery efforts. At the same time the 1990s saw a dramatic increase in the professionalization of emergency management. Over time this professional perspective shifted attention toward mitigation and planning efforts. Mitigation ameliorates the eventual severity of an event before it occurs, and the role of planning is obvious. Under Witt FEMA was a disaster relief and first response agency but it was also a political tool that sent cash first and asked questions later and disaster declarations were rather easily obtained.

The George W. Bush administration brought immediate change even before 9/11. Bush’s first appointment as FEMA director was Joe Allbaugh, a long-time political adviser from his Texas days and campaign director in the 2000 election. Although he had excellent access to the White House he brought no emergency management credentials to his new position. Allbaugh thought of FEMA as an activist government organization and his response was in line with his party’s ideology (Cooper and Block 2006, p. 71): ‘federal disaster assistance had evolved into both an oversized entitlement program and a disincentive to effective state and local risk management.’ At the same time the mission creep toward terrorism accelerated (Sylves 2006). The agency was headed back to the national security mindset of the 1980s, reconstructed as anti-terrorism, even before 9/11. Allbaugh left in the wake of 9/11 when the Department of Homeland Security was formed and, during that transition period, resisted taking away FEMA’s cabinet level status in the White House.

The now infamous Michael Brown became FEMA’s next director. He was originally hired to be FEMA’s general counsel. He was an attorney but one with no emergency management experience and no Washington experience. He had been Joe Allbaugh’s college roommate which was perhaps the connection he followed to the job. He was known to be both personable and patronizing. Brown was also not very effective in promoting FEMA’s interests during the reorganizations that formed the new Department of Homeland Security. For example FEMA did not get the Justice Department’s Office of Domestic Preparedness, which distributed antiterrorism grants to police agencies (Cooper and Block 2006). This effectively doomed the ‘all hazards’ approach (or any other unified approach to anti-terrorism melded with disaster response).
The first Homeland Security director, former Pennsylvania Governor Tom Ridge, ultimately took away all the preparedness grants from FEMA and gave the whole package to the Office of Domestic Preparedness (Cooper and Block 2006). Ridge and Brown did not work well together by all accounts (Cooper and Block 2006). The FEMA budget was constantly eroded because the new department had been given control over all of its unit’s budgets (these came to be called ‘Homeland taxes’ within FEMA). With a $550 million budget, when FEMA was ‘taxed’ by DHS for as much as $80 million, the effects were quite consequential. By the end of 2002, 22 senior staffers had left FEMA. The replacements were not encouraging as five of eight new senior managers had no emergency management experience. Gillies (2006, p. 5) refers to FEMA’s situation in the new Department of Homeland Security as ‘amalgamation dysfunction.’ Roberts (2006) notes that FEMA was handling neither of its mission elements very well by 2005. Two separate surveys of federal employees during the post 9/11 period showed FEMA at the bottom and then next to last as good places to work in the federal government (Morris 2006, p. 288). According to the US House Select Committee report (2006) 500 of FEMA’s 2500 positions were vacant when Katrina hit and eight out of ten regional directors were ‘acting.’

When James Lee Witt spoke to the April 2004 National Hurricane Conference in Orlando he was introduced by Brown as someone who (Cooper and Block 2006, p. 91): “can say things that I can’t.” Witt’s criticism was scorching, “I am extremely concerned that the ability of our nation to prepare for and respond to disasters has been sharply eroded.”’

In March 2005 Brown commissioned a Mitre Corporation report which concluded that FEMA (Cooper and Block 2006, p. 91), ‘lacked leadership, a properly sized staff and a sufficient budget.’ The Mitre report went on to say that (Cooper and Block 2006, p. 91):

FEMA was incapable of carrying out its core mission, in part because it operated blindly, unable to develop a clear picture of disasters as they unfolded and incapable of moving information from the ground up. The report noted that FEMA had no ability to track supplies once they left government warehouses and no ability to tell whether they were ever distributed.

The Homeland Security Department contracted out the National Response Plan (NRP) to the Rand Corporation (not known for its work in emergency management) and they came up with a plan that many found confusing, with distinctions between ‘incidents of national significance’ and ‘catastrophes’ (Kettl 2006a). It also created a Homeland Security Operations Center (HSOC) which performed poorly both before and after Katrina’s landfall. Ridge’s successor as Homeland Security Director,
Michael Chertoff, continued on the same path to the point that (Cooper and Block 2006, pp. 88–9):

On July 27, 2005, Dave Liebersbach, head of the National Emergency Management Association, an organization of state and local emergency managers, warned in a letter to Congress that Chertoff’s disassembly of FEMA was a disaster in the making, ‘The proposed reorganization increases the separation between preparedness, response and recovery functions.’

The Federal Emergency Management Agency that attempted to respond to the disaster of Hurricane Katrina was an agency with its capacities, at best, seriously eroded, and at worst, dangerously incompetent (Perrow 2005).

New Orleans and Louisiana

While it is open to debate whether a city the size of New Orleans should ever have been located in such a vulnerable, below-sea level place as the one it occupies, the factors which raised the vulnerability of New Orleans to potentially catastrophic levels were well known in advance of Hurricane Katrina. Perhaps the most important of these was the New Orleans system of levees and floodwalls which were built largely in the 1920s and 1930s. Neither the levee districts nor the Corps of Engineers adequately maintained them. Moreover the initial assessment of the soil structure on which the system was built was substandard (Drew and Schwartz 2005) which meant that the assessments of the degree to which the levees might be overtopped in a Category 3 storm were overly optimistic. As the US Senate Committee on Homeland Security and Governmental Affairs noted (2006, p. 17):

The levee failures themselves turned out to have roots long pre-dating Katrina as well. While several engineering analyses continue, the Committee found deeply disturbing evidence of flaws in the design and construction of the levees. For instance, two major drainage canals – the 17th Street and London Avenue Canals – failed at their foundations, prior to their flood walls being met with the water heights for which they were designed to protect central New Orleans. Moreover, the greater metropolitan New Orleans area was literally riddled with levee breaches caused by massive overtopping and scouring of levees that were not ‘armored,’ or properly designed, to guard against the inevitable cascading waters that were sure to accompany a storm of the magnitude of Hurricane Katrina. The Committee also discovered that the inspection and maintenance regime in place to ensure that the levees, flood walls, and other structures existing to protect the residents of the greater New Orleans area was in no way commensurate with the risk posed to these persons and their property.

Both Louisiana state government and New Orleans city government had poorly developed capacities for emergency response compared to
other governments. Both made key mistakes (US House Select Committee 2006, p. 5), ‘Despite adequate warning 56 hours before landfall, Governor Blanco and Mayor Nagin delayed ordering a mandatory evacuation until 19 hours before landfall.’ While both individuals had good moments during and after the disaster, it is fair to say that neither had sufficient response capacity to work with. This was a failed leadership response by local and state government as well (Cigler 2007; Kettl 2006a).

On Thursday 25 August Katrina made its first landfall just north of Miami as a Category I hurricane; it took eight hours to make its way across Florida and exited into the Gulf of Mexico (Cooper and Block 2006, Chapter 6). The National Hurricane Center was gradually altering its forecasts for the second landfall from the Florida panhandle progressively westward. By Friday 26 August genuine alarm was being expressed by experienced personnel such as Max Mayfield in the National Hurricane Center. On Saturday morning, 27 August, FEMA staff were warning about a Category 4 or 5 hurricane hitting New Orleans; they possessed considerable detail on what the implications would be from the well-known ‘Hurricane Pam’ exercise. Indeed the Department of Homeland Security had developed a ‘top fifteen’ list of the worst disaster scenarios that could hit the US. Reflecting that Department’s raison d’être, twelve of the fifteen were terrorist events. However making the list at number ten was a Category 4 or 5 hurricane making a direct hit on New Orleans. Katrina made landfall just east of New Orleans at 6 a.m. on Monday morning, 29 August, as a large Category 3 hurricane with 125 mile per hour winds.

The Aftermath of Hurricane Katrina

The federal, state and local response to the devastation of Hurricane Katrina is very well known and played out on television for America and the world to see (Waugh 2006). For some days it was clear that news organizations had better communications and a better picture of conditions on the ground than FEMA did. Looking back the House Select Committee concluded in a considerable understatement (2006, p. 5): ‘Federal, state and local official’s failure to anticipate the post-landfall conditions delayed post-landfall evacuation and support.’

The Homeland Security Operations Center (HSOC) was the new, state of the art, disaster response command and control center and was designed to develop reliable and accurate information about any disasters in real time. However the HSOC was not only slow to react but mischaracterized crucial situations—at least initially (Cooper and Block 2006, Chapter 6). Under the National Response Plan (NRP) an important distinction
Leadership, administrative evil and the ethics of incompetence  

is made between a ‘normal’ disaster and a catastrophe. The breakpoint for this decision in the case of Hurricane Katrina was whether the New Orleans levees and floodwalls were overtopped (water flowed over the top of them, most likely from a storm surge) or whether they were breached (failed structurally allowing massive amounts of floodwater into the city).

Among the most egregious mistakes made by the federal government was the failure to recognize that levees and floodwalls had been breached rather than simply overtopped. Secretary Chertoff, President Bush and other federal officials continued to maintain in the days following the hurricane that the levees and floodwalls did not breach until a day after the storm. There were in fact multiple breaches in three separate waterways as the storm passed through (Cooper and Block 2006, p. 133), but HSOC did not figure this out for a very long time – all day Monday and into Tuesday. HSOC simply failed to provide timely enough or accurate enough information on the question of breaches. The result was a less aggressive initial response and a failure to escalate the relief effort, which further exacerbated the human disaster that was unfolding.

The evacuation of New Orleans, even though it was ordered much later than it should have been and even though it was chaotic (as all such evacuations are), was very successful by comparison to other hurricane-related evacuations in that some 1.2 million people found their way out of the city and its immediate suburbs. However about a quarter of the population of New Orleans itself did not have access to personal vehicles and there was no plan in place for their evacuation. These approximately 150 000 people were simply left behind (although there were significant numbers who had some means to leave but chose to stay). They looked for higher ground and made their way first to the Superdome and then later to the Convention Center. Both Louisiana officials and FEMA officials were very slow to comprehend the situation and even slower to act effectively to alleviate the situation. FEMA was not moving food and water into the region quickly and really did not have enough of a tracking system to know when anything would arrive or even where it was along the way.

The communications failures in the aftermath of Katrina were actually far worse than those apparent during 9/11 (Townsend 2006). Flooding took out the power stations and cell phone bases and virtually all communication was disabled. Once again radio frequencies were not the same and interoperability remained a rhetorical goal. There were no backup plans in place to fix communication systems. Four days after the storm communications came back on line to some degree. News organizations had better and more timely information than emergency response agencies during the critical first hours and days.
During this time, lack of communication was critical (Kweit and Kweit 2006). It was assumed that certain locations could not be reached by vehicles because of the flooding. FEMA’s state of the art mobile communications truck remained useless for days in Baton Rouge. Media crews, on the other hand, looked for land routes to drive vehicles to the Convention Center, for example, and found them. FEMA relied on fragmentary reports and simply did not even attempt to send buses in for needed evacuations, assuming incorrectly that they would be unable to get there. Finally on Tuesday 30 August at 8.22 p.m., more than a day and a half after landfall, Secretary Chertoff declared the Katrina disaster an ‘incident of national significance’ (next best to ‘catastrophe’ which seemed to be reserved for terrorist attacks) and designated Michael Brown as the ‘principle federal official’ (PFO). This triggered the National Response Plan (NRP) for the first time (Cooper and Block 2006, p. 177):

As Wednesday, 31 August, dawned on the ruined city of New Orleans, this much was clear: Washington was receiving rafts of accurate information about what was happening on the streets of the city, but the information wasn’t getting to the people who needed it. The White House and Chertoff were flying blind. Most of FEMA’s staff was sequestered in Baton Rouge, 85 miles away.

By noon on the Thursday after the storm the entire FEMA presence in the city had actually itself evacuated from New Orleans although they eventually would have a considerable presence in the days and weeks to follow.

Meanwhile Michael Brown, the FEMA director, was cut out of the loop and bypassed and was not getting real time information in Baton Rouge. On the other hand Secretary Chertoff and HSOC were not giving the White House useful information and the entire response became inept in multiple ways. HSOC was behind and wrong on the levee and floodwall breaches, on the Superdome crowd and situation, on whether buses were en route and when, and on the Convention Center crowd and situation (Cooper and Block 2006, p. 209). The president himself seemed oddly out of touch as well (in stark contrast to his bullhorn address and arm around the fireman scene at ground zero in the wake of 9/11). On the ground in Mississippi he focused on the loss of Senator Trent Lott’s vacation home, promising that it would be rebuilt. And that was the same occasion when he uttered the famous line, ‘Brownie, you’re doing a heck of a job.’ The House Select Committee Report (2006, p. 2) said, ‘It does not appear the President received adequate advice and counsel from a senior disaster professional . . . Earlier presidential involvement might have resulted in a more effective
response.’ Dwight Ink (2006, p. 800) commented, ‘I regard these two criticisms as major understatements.’

**Leadership, Incompetence and Ethical Failings**

Hurricane Katrina was a natural disaster that would have cost many lives and great property damage even with better mitigation (for example, levees and floodwalls up to standards), better planning (for example, how might, say, nursing home residents have been evacuated), better response (for example, just delivering on time what FEMA publicly said was on the way) and better reconstruction (for example, not purchasing thousands of mobile homes, FEMA trailers, that were unusable in flood prone areas and unhealthy for occupants). It is thus difficult to assess how much worse a disaster it was because of the leadership and administrative incompetence of FEMA and state and local emergency management and because of the political leadership failures of the White House, and to a lesser extent, the Louisiana governor and New Orleans mayor.

Clearly the erosion of competence within FEMA and Homeland Security was a very important factor (US GAO 2006a, 2006b). The comments of two well-known public administration scholars are both instructive. Louise Comfort (2005, p. 2) states:

> the demands of Hurricane Katrina represented the first major test of the leadership of DHS and the policies adopted by the agency since the 9/11 attacks. That the policies proved ineffective in practice is no surprise to hazards researchers, who watched in dismay as DHS was designed to implement a hierarchical, centralized emergency response system in disaster environments that are inevitably uncertain, complex and dynamic.

And Don Kettl (2006a, p. 273) notes:

> when faced with Katrina, government, at all levels, failed. In fact, the bungled response ranks as perhaps the biggest administrative failure in American history. September 11 thus was a major lost opportunity. Government could have – and should have – learned from that awful day about how to make homeland security work. When put to the test, it failed.

In this case we see the effects of the egregious misuse of political appointments with multiple appointments of people who simply had no visible qualifications for the positions they assumed and who went on to act incompetently (Gilman 2003). One question that arises is whether the explanation for these appointments was simple corruption (seeing these appointments as the ‘spoils’ of winning political office) or ideology (in this
case the conviction that government is simply not able to do anything well so that whoever is in any given government position really does not much matter – consider President Bush’s commitment in the wake of Katrina (White House, 6 September 2005): ‘to make sure we remove any obstacles, bureaucratic obstacles that may be preventing us from achieving our goals. In other words, bureaucracy is not going to stand in the way of getting the job done for the people.’ It may of course be some of both. However one important difference with the earlier version of the ‘spoils system’ is that in our case people were appointed to leadership and management positions that were actually expected to produce some important results. In emergency and disaster response leadership and management at least the potential political consequences of such obvious incompetence might have provided sufficient reason to consider merit, at least to some degree, in making appointments.

But by the time the case unfolded there were few leaders or managers in place who would be likely to advocate for policies and procedures different from those that were expected of them. The ‘agentic shift’ had taken place well beforehand, making a more competent and broadly ethical response highly unlikely. All that was needed for a disaster to ensue (or get much worse) was for leaders and managers to perform according to expectations. No one was responsible; no one to blame. Many of those who were directly involved remain unable to perceive their own contribution to things going really wrong.

**ARE WE TALKING ABOUT ADMINISTRATIVE EVIL?**

Despite its enormous scale and tragic result it took more than 25 years for the Holocaust to emerge as the major topic of study and public discussion that we know it as today. But neither discussion nor study of the Holocaust necessarily means that we really understand it or that future genocides will be prevented (Power 2002). In cases such as the response to Katrina that have occurred within our own culture and time, the dynamics of administrative evil become progressively more subtle and opaque. Here we refer to administrative evil as masked. This is one of the central points of our argument, that administrative evil is not easily identified as such because its appearance is masked.

A ‘good’ leader within a technical-rational system need not necessarily be ethical. Our admiration and praise of ethical leadership mask the essential moral failings of modern, technical-rational organizations. Because efficient and legitimate institutions can be used for constructive or destructive purposes both leaders and professionals need to develop and nurture a
Leadership, administrative evil and the ethics of incompetence

critical, reflexive attitude toward public institutions, the exercise of authority and the culture at large. In this view public policy and administration certainly encompasses, but is not centered on, the use of sophisticated organizational and management techniques in the implementation of public policy. Public leadership must also, and primarily, be informed by a historical consciousness that is aware of the potential for ethical failure by the state and its agents, and by a societal role and identity infused with not just personal and professional ethics but also with a social and political consciousness (a public ethics) that can recognize the need to transcend conventional ethics and professional practice when needed.

Certain aspects of the Katrina case suggest that it may indeed have been an instance of administrative evil, although it may not be entirely clear for some years to come. We have to consider the possibility that a lack of historical consciousness and perhaps callousness towards certain marginalized populations contributed to both ethical and technical leadership and management failures in this case (Giroux 2006). FEMA administrators did not set out to fail; they did what was expected of them and in some cases made heroic efforts. Yet there were massive failures well beyond the serious difficulties that one would expect from even such a complicated situation.

The failures arguably would have been less serious had leaders and managers recognized the limitations of their technical-rational and/or ideological solutions and explored more modest yet achievable goals. Yet as we pointed out earlier, most were not in a position to perceive their foreshortened perspective. They had jobs to do and they did them, maybe even to the best of their abilities. Tragically that was not nearly enough for the 1500 people who perished in the aftermath of Katrina.

REFERENCES


PART V

Leadership training and development
INTRODUCTION

The federal government in Canada is confronting a severe public sector human resources challenge. Not only has working in the public sector become much more complex, but the public service is also facing a number of new pressures that threaten its ability to fulfill its role as a ‘vital national institution’ that can meet the needs of Canadians (Clerk 2006, p. 1). Specifically the challenge is to recruit and retain the best and the brightest to work in the public sector at a time when governments are trying to hire in a much more competitive labor market, the Canadian population is becoming much more diverse and the demand for new employees with the ability to lead others, particularly at the most senior levels, is so great. The reality is that the majority of federal public sector employees are over 45 years of age, whereas fifteen years ago the converse was true. The situation is equally dire at the executive level: about three-quarters of all public service executives are between the ages of 45 and 59, with an average age over 50. Furthermore nearly 20 percent of this group is currently eligible to retire (Clerk 2007, p. 39).

In response to this situation, Kevin Lynch, the Clerk of the Privy Council, has identified leadership, along with accountability, teamwork, excellence and renewal, as the key areas requiring both immediate and long-term investments. While his predecessors also acknowledged the critical importance of recruiting and retaining as well as identifying and developing those civil servants who will comprise the public service leadership cadre of the future, the preliminary evidence suggests that Lynch has a more concrete plan for realizing that objective. At the heart of this plan is a proposed leadership framework built on four core public service leadership competencies.
Neither the challenges nor the response identified above, however, are unique to the Canadian government. Many OECD member countries are currently grappling with similar challenges (Lavigna and Hays 2004; Shim 2001). More specifically both Australia and the USA have been preoccupied with maintaining high-performing public sectors, which increasingly have been seen to be dependent on robust leadership. And in each case the primary concerns have been identified: first survey results of public servants that demonstrated a frustration with the existing leadership (Ingraham and Getha-Taylor 2004; Korac-Kakabadse and Korac-Kakabadse 1997); and second a huge loss of expertise and talent as a result of massive impending retirements (APSC 2006; OPM 2006a). This human resources problem is exacerbated by the fact that the middle ranks were not seen as containing ready replacements, recruitment had become a challenge and the best new recruits were not being retained (National Commission 2005, p. 21).

Moreover, like the Canadian government, both the USA and Australia have adopted core competency models as a means of selecting and developing senior public sector leaders. That all these governments have done so is not surprising given the pervasive influence of new public management (NPM) with its emphasis on rectifying the perceived shortcomings of public bureaucracy by adopting private sector management principles and practices. But just as some public management scholars eventually started to critically evaluate the extent to which NPM reforms are appropriate for the public sector and have actually delivered the promised results (Pollitt 2002, 2003; Savoie 1995), so too is it important to assess whether leadership competency models are a sensible approach for identifying and developing public sector employees.

The purpose of this chapter, therefore, is to critically analyze the efficacy of using core competency models as an integral component of public sector leadership development strategies. A couple of key questions underpin this research, which, through an examination of the Canadian, American and Australian examples, employs a comparative case study approach. First, are these competency models too complex to be meaningful tools for developing and rewarding leadership in the public sector? Second, even if it is acknowledged that there are benefits to adopting such models, given the fact that the identified core competencies tend to be fairly generic, do they serve to effectively capture the distinctiveness of leading in the public sector?

Despite the fact that leadership competency approaches have unmistakable benefits and will likely continue to be an important element of public sector human resources management, the argument being advanced in this chapter is that they must be utilized with caution. Effective leadership competency frameworks must be sufficiently parsimonious that they can actually be meaningfully utilized in hiring, compensation and promotion.
decisions but suitably nuanced so that they recognize that leading in the public sector, while in many respects similar, is not completely analogous to leading in the private sector. In their quest for the holy grail of enhanced efficiency and effectiveness, scholars and practitioners alike must not lose sight of the fact that leading, like managing, is different in the public sector than it is in the private sector. The challenge then is to use these competency models to effectively create a distinctive public sector leadership brand. The chapter begins by surveying the evolution and perceived advantages of employing leadership competency frameworks. It then briefly outlines the models that have been adopted in Canada, the USA and Australia, focusing on how they are being used and highlighting the key similarities and differences between them. Finally the chapter concludes with an assessment of the effectiveness of these particular public sector competency frameworks.

**IMPETUS FOR COMPETENCY-BASED MANAGEMENT IN THE PUBLIC SECTOR**

As Lodge and Hood (2005, p. 779) noted, “‘competency’ is a word that seems to have crept into the language of public administration and policy relatively recently.” While there has been a debate in the literature as to whether competency-based management in the public sector is merely a fad or represents a paradigm shift (Page et al. 2005; Brans and Hondeghem 2005; Van Der Meer and Toonen 2005; Hondeghem and Vandermeulen 2000), this does not detract from the fact that it is a concept that has become firmly ensconced in the theory and practice of public administration. The trend is undeniable. Competency-based management has become part of the lexicon of the public sectors in a wide range of countries, including the USA, Australia, New Zealand, the UK, Germany, Belgium, The Netherlands and Canada (Bhatta 2001).

Like many administrative reforms over the past three decades, virtually all of these countries looked to the private sector for innovative human resource practices that could be adopted to serve the needs of their respective public services. The competency movement itself is typically traced back to the pioneering work of David McClelland in the early 1970s and the work of the McBer management consultancy firm for the American Management Association, which sought to identify the attributes of successful managers (Bolden and Gosling 2006; Adair 2005; Rodriguez et al. 2002; Horton 2000a). However it was not until the 1990s, when interest in leadership and leadership development grew, that leadership competency frameworks came into vogue throughout the private sector. Today a majority of private sector companies rely on competency models for leadership
Leadership training and development. Notably one study found that nearly 75 percent of all companies used competency modeling as a method of leadership development while another found that 29 out of 31 leading North American companies were doing so (Conger and Ready 2004; Briscoe and Hall 1999). Horton (2000a, p. 313) has attributed the ascendancy of the movement to the ‘new business and human resources agenda that needs to deliver business performance in an increasingly competitive or resource limited environment. The improvement of the performance of individual managers and all employees is seen as a key factor in achieving this.’

Given the widespread adoption of competency models in the private sector, it was a natural evolution for public sector organizations in all of these countries to similarly embrace the logic of adopting competency-based management as a means of selecting suitable employees, in terms of recruitment into the organization and promotion to the various ranks as well as for training so as to ensure that these managers and organizational leaders were prepared for the responsibilities associated with their positions. While it may be true that a lot of what ‘is written and discussed about competencies today is not new’ and that ‘much of what it [competency-based management] encompasses is not unfamiliar to those working in public sector environments’ (Bonder 1999 pp. 3, 9), NPM, with its emphasis on managerialism, gave rise to a number of new public service values, in particular innovation, accountability for results and leadership, all of which served to accentuate the importance of using competencies in the public sector to become a high performing organization. Many governments responded by developing initial competency models for their public sector organizations.

The USA, however, does appear to be a notable exception in this regard. Whereas most governments followed the lead of these private sector companies, the USA was a clear vanguard. The reality is that the US government first implemented a series of executive core qualifications (ECQs) when the SES (senior executive service) was created in 1979, pre-dating both the NPM revolution and the fascination with competency-based management. The USA was clearly not ‘catching up’ to the private sector and, in fact, there were a number of antecedents which suggest that the government moved at the same time as, if not earlier, than the private sector (Page et al. 2005, p. 855; Ingraham and Getha-Taylor 2005; Hood and Lodge 2004).

**ADVANTAGES AND LIMITATIONS OF COMPETENCY APPROACHES**

Competencies have been defined in many different ways in the literature, which has given rise to a great deal of confusion and misunderstanding.
Having said that, definitions typically refer to the knowledge, skills, abilities and personal behaviors or characteristics that are thought to be linked to organizational objectives and producing results. Lodge and Hood (2005, p. 781) identified four broad schools of thought regarding competencies; they have been variously seen as: ‘1) subject expertise or individual accomplishment; 2) the capacity of organizations; 3) behavioral traits associated with excellence; and 4) the minimum abilities required to tackle specified jobs.’

The focus here is on the broader system of competency-based management, which ‘involves identifying the competencies that distinguish high performers from average performers in all areas of organizational activity and using this framework as the foundation for recruitment, selection, training and development, rewards and other aspects of employee management’ (Horton 2000b, p. 354). There are really three ways in which the relevant organizational leadership competencies can be developed. They can be extrapolated on the basis of competencies that have been identified as being relevant in other organizational contexts; competency profiles can be created through in-house research resulting from focus groups and interviews with high performers; or a combination of the two approaches can be employed. While it is a much more time-consuming and costly option for an organization to develop its own in-house competencies, they have the advantage of being more context-specific and, consequently, legitimate for the end-users. If generic external competencies are being adopted, at the very least they must be tested through a suitable validation exercise. In the cases to be examined in this chapter, the tendency has been for the governments to develop their own profiles; this is unquestionably the right approach to take since leading in the public sector is distinctive and, therefore, merits a distinctive set of competencies.

Historically leadership competency models have been one of two types: single-job competency or one-size-fits-all. As the name suggests, in the first type of model competencies are identified for each unique position within the organization, whereas the latter type involves producing a set of competencies for a broad range of jobs, for example, senior executives. Eventually, however, a multiple-job approach to competency model building was advanced. This approach makes it possible to use both a common conceptual framework for the entire organization and to customize for specific jobs. Essentially this approach relies on the development of a series of ‘building block’ competencies that can be used to create profiles for any job (Mansfield 1996). This is the model that is evolving in the governments under investigation in this comparative case study.

Given the pervasiveness and persistence of competency-based management it is obviously thought to have some unmistakable advantages for
Leadership training and development the management of human resources processes. Conger and Ready (2004) have articulated the benefits as being clarity, consistency and connectivity. By adopting competency models 'organizations [can] set clear expectations about the types of behaviors, capabilities, mind-sets, and values that are important to those in leadership roles' (p. 43). This is beneficial to employees because they see that such models contribute to a fairer and more transparent recruitment and assessment process; in addition, they serve as a useful tool that employees can use in their self-development (Hollenbeck et al. 2006; Horton 2000b). Further these models provide a common framework and language for discussing leadership development throughout the organization. Finally they allow for the integration (connectivity) of a number of interrelated human resources processes such as performance management, compensation, recruitment and succession planning. For the Canadian government the benefits are perceived both narrowly and broadly: ‘By establishing competencies . . . it is possible to set standards and directions on career progression, learning strategies and succession planning – all foundational elements needed to support the renewal of the public service’ (PSHRMAC 2007, p. 23).

However it is important to note that competency-based management is not without criticism. For some, leadership models have become too complicated, too conceptual and are undermined by virtue of the fact they are built on past or current realities rather than future organizational needs (Conger and Ready 2004, p. 47). No single set of characteristics is thought to adequately describe effective leaders, particularly when they are divorced from a given situation or context. It has been stated that competencies may be useful in terms of establishing minimal acceptable standards for leadership but that organizations seek leadership excellence not effective leadership (Hollenbeck et al. 2006).

PUBLIC SECTOR LEADERSHIP: THE EVOLUTION OF THREE COMPETENCY MODELS

This chapter considers the competency models that have been adopted for the most senior public service leaders in Canada, Australia and the USA. These cases were chosen for very different reasons. Australia resembles Canada in that it too is a Westminster-style parliamentary democracy with a federal system of government. Moreover the two countries often look to each other in terms of identifying potential public sector reforms and neither one embraced the NPM reform agenda with the same zeal as did the UK and New Zealand (Aucoin 1995). As such there was an expectation that public sector leadership development in the Australian Public Service
(APS) would be very similar to that which has emerged in Canada. The chapter also examines the USA, which may appear, prima facie, to be a less obvious comparison for Canada. After all it uses a presidential model, which is very different from the Canadian parliamentary system of government, and an obvious point of differentiation between the two systems is the fact that the American bureaucracy is highly politicized; in addition to filling appointments from the ranks of the SES, many appointments are overtly political. This dual structure of political positions and career positions, leading to the creation of what Ingraham and Getha-Taylor (2005, p. 790) refer to as a ‘bifurcated “organization within the organization” model,’ has important ramifications in terms of both the development of skills and competencies and succession planning within the respective systems. Nonetheless it is virtually impossible for Canada to buffer itself from the public sector reforms of its neighbor to the south.

One notable commonality between the three public services is the fact that they have all found it beneficial to deal with their most senior public servants as a separate entity. In Canada this is referred to as the executive group (EX 1 to EX 5), while Australia (SES Band 1 to SES Band 3) and the USA (supervisory, managerial and policy positions above GS-15), have both labelled this group the SES. In all cases these are the individuals who have the responsibility for providing government-wide leadership, direction and oversight.

The absolute necessity of attracting and retaining the most effective leaders possible to fill these upper-tier positions is self-evident. Traditional models of top-down, hierarchical leadership may have been displaced in favor of more diffuse, collaborative ones, but the reality is that leadership at the most senior levels of the public service continues to be paramount. It is natural then that these governments have chosen to unveil leadership competency models to assist in the recruitment, training and development of these key individuals. The remainder of this section outlines each of the models selected for this study beginning with the one adopted by the USA, which was the first jurisdiction to embrace the use of competencies.

**United States**

Under the Civil Service Reform Act of 1978, the USA designated an SES in July 1979 in order to improve public sector management by developing highly competent individuals with ‘shared values, a broad perspective of government, and solid executive skills.’ In short the aim was to foster management and leadership excellence. Coinciding with this reform initiative was the introduction of a number of ECQs, which ultimately ‘describe the leadership skills needed to succeed in the SES’ and ‘reinforce the
Leadership training and development

concept of an “SES corporate culture.”² From 1979 to 1994 there were six executive activity areas that defined the executive functions and competencies in the federal public service. Aspiring entrants to the SES had to demonstrate proficiency in at least four of the six management areas for the Qualifications Review Board, an independent body consisting of three existing members of the SES from different agencies.

In 1994 the Office of Personnel Management (OPM) revised the ECQs, outlining five new skills required to manage programs and processes. New members of the SES had either to be fully qualified in each of the five ECQs or outline a plan for achieving competence across all areas. The important point to note is that these ECQs, while they covered essentially the same subject areas as the ones that were updated in September 1997 (and remained the core), revolved around management rather than leadership competencies. Consequently the update that occurred in 1997 was designed to shift the focus from management to leadership and the ability to drive change, which is commonly cited in the literature as being a primary task of any organizational leader. Members of the SES are now expected to lead change, not just have strategic vision; lead and motivate people, not just manage human resources; produce bottom-line results, not just ensure efficient processes; and use communication for building teams and partnerships as opposed to simply representing the organization.

A further refinement was made in 2006 as a result of a review of the ECQs and their related competencies: (1) there was a revision to ECQ-specific competencies; (2) some fundamental competencies were introduced into the model; (3) modified definitions of each ECQ were provided; and (4) key characteristics, which identified the activities or behaviors associated with the ECQs, were removed (OPM 2006b). As Table 17.1 reveals, there are still a total of five ECQs in the US model (leading change, leading people, results driven, business acumen and building coalitions), which mirror the 1997 ECQs except that the final one, building coalitions, used to be referred to as ‘building coalitions/communications.’ Furthermore there are some 22 ECQ-specific competencies.

The main difference is that prior to the 2006 revision there were 27 competencies (OPM, 2004) dedicated to the five specific ECQs whereas now there are 28 competencies. In the current model, ‘developing others’ has been added as a new competency under the ECQ of leading people. More significantly six of the competencies identified previously that were ECQ-specific, namely interpersonal skills, oral communication, integrity/honesty, written communication, continual learning and public service motivation, have been reclassified as fundamental competencies. The rationale for this change is that each of these six competencies is thought to be the foundation for success in all of the ECQs. Finally it should be
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**Table 17.1 Leadership core competencies for senior public service employees**

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<th>CANADA</th>
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<tr>
<td>Strategic thinking (Innovating through analysis &amp; ideas)</td>
<td>Shapes strategic thinking (Inspires a sense of purpose &amp; direction; focuses strategically; harnesses information &amp; opportunities; shows judgment; intelligence &amp; common sense)</td>
<td>Leading change (Creativity &amp; innovation; external awareness; flexibility; resilience; strategic thinking; vision)</td>
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<td></td>
<td>Engagement (Mobilizing people, organizations and partners)</td>
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<td></td>
<td>Cultivates productive working relationships (Nurtures internal &amp; external relationships; facilitates cooperation &amp; partnerships; values individual differences &amp; diversity; guides, mentors &amp; develops people)</td>
<td>Building Coalitions (Partnering; political savvy; influencing/negotiating)</td>
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<td></td>
<td></td>
<td>Fundamental competencies</td>
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<tr>
<td></td>
<td>Management excellence (Delivering through action management, people management and financial management)</td>
<td>Results driven (Accountability; customer service; decisiveness; entrepreneurship; problem-solving; technical credibility)</td>
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<tr>
<td></td>
<td>Achieves results (Builds organizational capacity &amp; responsiveness; marshals professional expertise; steers &amp; implements change &amp; deals with uncertainty; ensures closure &amp; delivers on intended results)</td>
<td>Fundamental competencies</td>
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<td></td>
<td>Values and ethics (Serving with integrity &amp; respect)</td>
<td>Leading people (Conflict management; leveraging diversity; developing others; team building)</td>
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<td></td>
<td>Exemplifies personal drive and integrity (Demonstrates public service, professionalism &amp; probity; engages with risk &amp; shows personal courage; commits to action; displays resilience; demonstrates self-awareness &amp; a commitment to personal development)</td>
<td>Fundamental competencies</td>
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Leadership training and development

Table 17.1 (continued)

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Communicates with influence (Communicates clearly; listens, understands & adapts to audience; negotiates persuasively)

Business acumen (Financial management; human capital management; technology management)

Fundamental competencies

Note: Fundamental competencies: interpersonal skills, oral communication, integrity/honesty, written communication, continual learning and public service motivation.


noted that technical expertise is not the focus of the ECQs; rather, they have been designed to ensure executive experience and potential. Each individual agency will determine whether or not a candidate is suited for a particular job, while the ECQs will assess the extent to which a candidate possesses the necessary skills to perform successfully across a range of SES positions.

In terms of application, in the US example the ECQs and competencies are used across government as a critical component of an agency’s selection, development and performance management system. They are also a critical component of training and development. Services dedicated to management and leadership needs in the USA are extremely comprehensive, far more so than is possible to adequately evaluate here. Suffice it to say that courses and development programs are offered through four venues: the recently established Center for Leadership Capacity Services (CLCS) at the OPM head office in Washington; the Federal Executive Institute in Virginia; and the two Management Development Centers (MDCs) in West Virginia and Colorado. The approach adopted in this particular case is worthy of emulation by governments in the other jurisdictions since all of the programs and services offered by the CLCS are firmly rooted in the ECQs and the associated leadership competencies. Too often the training programs offered by governments are not directly
related to the core competency models that have been established. As the organization itself notes, ‘Compared to private sector training companies, we better understand government leadership training needs because we are government.’ Through participation in the various sequential leadership development programs offered by the Center, therefore, public servants across the US government have meaningful opportunities to grow as leaders from the pre-supervisory to executive level. But leadership development is not confined to this level. The Leadership Foundations Seminar, which takes place over four days and provides participants with a fundamental understanding of leadership, is designed to develop influential leaders, irrespective of position or title, and it is targeted toward technical and administrative support specialists and professionals who are neither supervisors nor managers.

Canada

Like the USA the Canadian government has a long history of using competency-related concepts across various human resources processes. As has been noted elsewhere, ‘the need for demonstrating the defensibility of human resources practices within a merit system has always required the use of competency-related concepts’ (Bonder 1999, p. 9). In the Canadian context the public service has always relied on statements of qualifications, which are public statements about the competencies necessary for various public service jobs, because the merit system that has been fully operational since 1918 has dictated that all candidates for public service jobs must be assessed against common standards. Accordingly public service managers have had to identify the knowledge, abilities and personal qualities for all positions on a statement of qualifications. This would ensure that the selection process awarded jobs to the most meritorious candidates. Recent changes to the Public Service Employment Act, however, have resulted in a more liberal interpretation of merit. Rather than hiring the highest rank-ordered candidate for a job, public sector managers can now hire anyone as long as they meet the essential qualifications of the job.

In Canada the use of competency measures by some federal government departments actually dates back to the 1980s and by the late 1990s the practice had become fairly widespread. In the early 1980s, for example, a manager profile was developed and then in 1990 the Profile of Public Service Leaders and Managers was implemented. A survey of 57 public sector organizations conducted by the Public Service Commission in 1998 discovered that 32 of them had already adopted some form of competency-based project. Further that survey suggested that there was great interest in expanding the concept even further (TBS 1999). Ultimately the Treasury Board Secretariat
Leadership training and development endorsed the use of competency-based management within the Canadian public service as long as it was done in a ‘consistent, thorough and fair manner in line with the unique legislative parameters of the public service and sound competency-based management practices’ (TBS 1999, p. 6).

The precursor to the Key Leadership Competencies model currently being used in the federal government was La Relève Leadership Competencies, which were developed in 1997 and revised in 2001 to emphasize diversity management. La Relève was a reform initiative launched by Jocelyn Bourgon, former Clerk of the Privy Council, in response to the so-called ‘quiet crisis’ in the public sector. Bourgon believed that the potential for massive retirements in the executive group, a reality that had largely been ignored, threatened the future of the institution. In response La Relève was presented as ‘our challenge, our commitment, and our duty to develop and pass on a vibrant institution staffed by highly qualified and committed professionals’ (Clerk 1996).

A total of 14 competencies, separated into six clusters, were identified in the La Relève Leadership Competencies model, including two intellectual competencies (cognitive capacity and creativity), one future-building competency (visioning), four management competencies (action management, organizational awareness, teamwork and partnering), two relationship competencies (interpersonal relations and communication) and five personal competencies (stamina/stress resistance, ethics and values, personality, behavioral flexibility and self-confidence). The sixth cluster was knowledge, which allowed functional community and departmental tailoring to suit their specific needs. Three to five appropriate behaviors were also listed for each of the 14 competencies. For example for the cognitive capacity competency, Assistant Deputy Ministers (ADMs) were expected to exhibit the following behaviors: (1) formulate long-term (5–10 years) strategies; (2) conduct visionary analyses to compare current directions with future aspirations; and (3) deal with overarching, cross-functional domains of information to grasp the essential meaning of complex environments (Brunet-Lalonde 2000).

However for a number of reasons this particular competency-based model was ultimately replaced. First, there were concerns that it comprised too many competencies to be used effectively. Second, this model applied from the supervisor to the ADM level but not to the Deputy Minister (DM) cadre. Therefore there was no competency profile for the government’s most senior leaders, which was considered to be an important limitation that needed to be addressed. Finally there was a sense that the model should make a direct link with public sector values and ethics.

As a result of these issues, in February 2004 the Committee of Senior Officials (COSO) struck an advisory committee comprising members of the
Public Service Human Resources Management Agency of Canada (known as Canada Public Service Agency (CPSA) since 2007), the Public Service Commission, Privy Council Office and the Canada School of Public Service (CSPS) to review and revise the leadership competency profile. Several key criteria were identified for the profile update: it should adopt a common language; it was to have a simplified structure; the model should be targeted, prioritized and measurable; finally, the desire was to make it applicable in integrated human resources management (Key Leadership Competencies 2004).

The critical incident technique was employed in order to ascertain effective and ineffective behaviors across the leadership continuum from supervisor to manager to director to director-general to ADM to DM. Consultation and input was received at all levels, including 30 of the 32 DMs. The support of this group was particularly important because if the target group does not recognize the profile it will not be meaningful.

COSO endorsed the Key Leadership Competency model in October of 2004 and the model was publicly announced in 2005. Clearly cognizant of the priorities and direction that it had been given, the advisory committee produced an elegant new model. It is described in the following terms: ‘From a foundation of values and ethics, public service leaders deliver results through strategic thinking, engagement and management excellence.’ Instead of 14 competencies, the new model, as outlined in Table 17.1, had a simplified list of four required competencies (values and ethics, strategic thinking, engagement and management excellence), each with its own specific effective behaviors across the six levels of the leadership continuum – DM, ADM, Director General, Director, Manager and Supervisor. For the first time it also identified a list of ineffective behaviors for leaders at all levels of the public service. This can be considered to be one of the key strengths of the new model as well as the fact that financial management, a competency that was only weakly represented in the La Relève Leadership Competencies model, has been given greater prominence.

The intention is that the Canadian variant of competency-based management will apply to a number of other human resource management systems; this would include job classification, resourcing, performance management, learning and development, awards and recognition and human resource planning. According to the TBS (1999, p. 28), ‘It is virtually impossible to have a meaningful competency-based management system in the absence of a meaningful job analysis and evaluation system.’ The reality is that in Canada the human resource management regime is very much position-based, which dates back to the classification exercise of 1919 when all public service jobs were first systematically described.
Leadership training and development

and classified. This process of matching individuals with the relevant skills and qualifications to the appropriate position is clearly amenable to the adoption of a competency framework. In fact a deputy head or his or her delegate has the authority to enhance a position’s statement of qualifications with competencies as the basis for assessment and selection. Competency-based management can also be used for human resources planning by identifying organizational strengths and skills deficiencies that need to be overcome. Furthermore it has become an integral component of both the performance management and competency frameworks of the executive group.

With respect to training and development, the federal government has been positioning itself as a learning organization for more than a decade. This trend was formalized in May 2002 when the government formally adopted *A Policy on Continuous Learning for the Public Service of Canada*, which placed the onus for learning on all members of the public service (Lindquist and Paquet 2000). The acquisition and enhancement of competencies, therefore, can be built into individual learning plans. As does the USA, Canada offers a wide range of centralized training and development opportunities through the CPSA, specifically the Leadership Network, one of its key business lines, and its portfolio partner, the CSPS, which supports the common learning and development needs of the public service by developing, updating and delivering the relevant learning content. Public servants in Canada have access to a number of highly specialized leadership development programs, all of which have been revised to build on the leadership competency profile. Moreover efforts are being made to work with the CSPS to ensure that its other course offerings actually do develop the relevant competencies.

**Australia**

Australia initiated its own version of the SES in 1984; it too was focused on the development of managerial skills, but the intent was also to create an executive group that would be internally mobile and infused with new members from outside government (Halligan 2003). As is the case elsewhere, the expectations placed on this particular group of public sector leaders are formidable. Members of the SES are relied upon to serve their ministers with dedication; understand the legislative, ethical and regulatory frameworks that govern their actions; model the values of the APS; achieve results; contribute to their agencies’ corporate strategy; manage stakeholder relationships; and build networks to achieve better outcomes. Not surprisingly, then, there is a need for this group to provide cohesion to the broader APS. That being the case there is an expectation that all
senior executives will ‘exhibit common capabilities, share common values, common ethical standards and a common commitment to development and collaboration’ (Management Advisory Committee 2005).

Competency-based management has proven to be useful in this regard and its adoption in the APS has followed a similar pattern to Canada. While the APS took this approach much more seriously towards the late 1990s, the use of competencies actually had made headway a decade earlier. Dixon (1996, p. 67) noted that ‘by the end of the 1980s it was broadly accepted within the APS that the correct management development path to follow to prepare civil servants for management roles was the competence-based approach.’ A series of seven critical competencies were thought to be successful to middle management job performance: apply knowledge of the APS and agency context at work; plan for results; lead and develop people; interact with people; manage resources; manage change; and manage own performance.

While there is little doubt that the introduction of the SES was a milestone in the evolution of the APS, it did not really take leadership development seriously until the introduction of the Public Service Act, 1999. With the implementation of this legislation, the Public Service Commissioner was formally given responsibilities for fostering leadership, coordinating training across the APS, career development and promoting public service values. It was that same year that the Senior Executive Leadership Capability (SELC) Framework was unveiled to be used as the common selection criteria for the leadership abilities deemed essential for admittance into the SES. SELC was revalidated in 2001 and most departmental secretaries chose to retain the framework without modification.

As outlined in Table 17.1 SELC essentially identified five core capability clusters that have been deemed to be critical for successful performance as an APS leader, which are quite comparable to the four core competencies identified for the Canadian public service and the five ECQs that buttress the US model of leadership development. Candidates for the SES, therefore, are assessed against the following criteria: (1) shapes strategic thinking; (2) achieves results; (3) exemplifies personal drive and integrity; (4) cultivates productive working relationships; and (5) communicates with influence. This framework also includes a total of 22 specific competencies with 3 to 5 behavioral indicators specified for each one. It is noteworthy that these 22 capabilities listed under the five clusters are not considered to be additional criteria that must be satisfied before an appointment can be made. Selection advisory committees are directed to assess candidates ‘against the selection criteria, taking account of particular capabilities where they have been identified as relevant to the duties being filled’ (Public
Leadership training and development

Service and Merit Protection Commission 2001, p. 19). Furthermore, as long as the Commissioner approves, agencies are allowed to include other selection criteria to address special requirements for particular SES vacancies. The reality, however, is that very few requests are made. For example in the last six months of 2004 only 24 such requests were made, which is why a change was made in early December 2004 to allow agencies to add one extra selection criterion without seeking approval from the Commissioner (APSC 2005).

More recently there have been two significant modifications to this particular competency framework. The first was that the SELC framework was expanded in 2004 to include non-SES employees by developing the Integrated Leadership System (ILS). With this modification the so-called ‘leadership development path’ is now applicable for all public servants employed at Executive Level 1 through to SES Band 3, although it must be noted that this system is not mandatory for agencies of the APS (APSC 2004). As a result the core capability clusters that have been outlined for the SES now cascade down to the executive level. In essence the difference between the SELC framework and the ILS lies in the behavioral indicators for each cluster. In some cases these indicators are quite subtle, while in others they are more pronounced. Generally the most significant distinctions in the identified behaviors reside in the ‘shapes strategic thinking’, ‘achieves results’ and ‘cultivates productive working relationships’ clusters. The second notable reform initiative is that as of 2007 the ILS model is applicable to those at lower levels of the public service.

Interestingly the ILS is not considered to be a traditional leadership model in that it ‘balances the relationship between leadership, management and technical skills in public service careers’ (APSC 2006, p. 4). Andrew Podger (2004, p. 17), the former Australian Public Service Commissioner, described the challenge in the following terms:

‘leadership’ also runs the risk of being too rhetorical, rather than hard-nosed, and of being ‘faddish’ rather than real. Therefore, we have tried to emphasize the hard management skills such as financial management, project management, corporate planning and risk management that are built into the framework. Again, we are trying to strike a balance, and to emphasize that leadership is absolutely essential – but alone it is not enough.

In this model, then, all APS leaders are thought to possess technical competence, management expertise and leadership capabilities, but the exact balance will vary according to an individual’s seniority. For example technical skills tend to be greater at the lower levels of the service where there is little room for leadership, while the converse is true for members of the SES.
A number of potential applications have been identified for the competency model adopted in Australia, some of which are clearly identifiable while others remain somewhat vague (APSC 2003). The first obvious one would be for selection. Since 1999 the SELC framework has been the selection criteria for entry into the SES, both for the Senior Executive and Senior Executive (Specialist) classifications. As noted above although the ILS builds on these SES core competencies for members at the Executive Level (EL 1 and EL 2), there is no requirement that agencies actually use them in their hiring decisions. Performance management, short- and long-term planning for the SES and broader organizational development initiatives were other applications listed, but it is unclear how competencies are specifically utilized in those instances. For example, it is not known whether the pay of members of the SES is specifically tied to performance with respect to the various competencies.

Finally leadership development is an area where these competencies are being applied at least to some extent. It is the Programmes Group within the Public Service Commission that oversees the complement of leadership, learning and development activities created for all Australian public servants, including the SES (APSC, ‘About Us’). This division assumes responsibility for the ILS as well as a range of development programs specifically targeted to the different levels of the public service – APS 1-6, Executive Level, SES, and Graduates. Both the SES Leadership Development Programs and the Career Development Assessment Center explicitly link the program curricula to the SELC framework, but the other programs available for Australian public servants do not. Whether they make a similar connection to the competency clusters is difficult to gauge.

ASSESSING THE MODELS – A DISTINCTIVE PUBLIC SECTOR LEADERSHIP ‘BRAND’?

One of the questions outlined in the introduction to this chapter was whether the competency models that have been adopted by the public sector in various jurisdictions are actually distinct from the ones used by private sector organizations. In other words to what extent have these governments been able to brand their leadership, that is to say, create a ‘distinct leadership culture that permeates the entire organization’? (Intagliata et al. 2000, p. 13.) Distinctiveness can be understood both as existing between different public sector jurisdictions themselves and, more importantly, as a point of differentiation between leadership in the public and private sectors. While some might argue that there is little need for each public sector to have branded leadership given the similar roles that they fulfill,
Leadership training and development

surely it is absolutely critical for leadership in the public sector as a whole to have a distinct brand when compared with private sector organizations.

The reality is that despite the fact that it is possible to identify a series of general management functions that are common to both the public and private sectors, a compelling argument has been advanced that these functions ‘take on rather different meaning in public and private settings’ and that ‘public and private management are at least as different as they are similar, and that the differences are more important than the similarities’ (Allison 1997, pp. 386, 397; Noordegraaf 2000). This could just as easily have been written about public and private sector leadership. Based on a survey of public and private sector leaders conducted by the Public Policy Forum (2006) there is certainly a palpable dissonance between leaders in the public and private sector with respect to the skills of leaders in both realms. While the vast majority of private sector leaders surveyed (92 percent) believed that the public sector should adopt leadership skills similar to the private sector, only 43 percent of their public sector leader counterparts concurred. Furthermore members of the Commonwealth Association for Public Administration and Management (2005) have similarly suggested that there are real and important differences between public and private sector leadership: ‘the breadth of competencies required in the public sector is different from that required in the private sector. Specifically, public servants require more than technical skills; they require a broad spectrum of knowledge, skills and abilities, plus a firm grounding in public sector values and ethics’ (p. 5).

The imperative for building a public leadership brand, therefore, is persuasive. The challenge is actually to do so. At first blush, however, none of the governments considered here overtly appear to have created a set of competencies geared exclusively for leaders in the public sector. On the basis of the competencies that have been outlined for each model, it would be very easy to assume that these were competency-based management frameworks for private sector organizations. That should not be completely unexpected given that these elements were typically identified on the basis of extensive research on the successful attributes of leaders in both the public and private sectors. More importantly there are relevant points of convergence between the prerequisites for effective leadership in the public and private sectors. Specifically leaders in both arenas need to be adept at ‘big picture’ or strategic thinking; they are also skilled at aligning people, work and systems in pursuit of that strategy; and they have mastered the art of effecting real change that maximizes results. Ultimately leaders in both sectors are striving to achieve management excellence for their respective organizations. Given these commonalities one would expect to see some overlap in the leadership competencies identified for senior executives.
The question that remains to be answered is whether there is a discernable public sector leadership brand. An absence of one would not be unusual given that Intagliata et al. (2000) discovered that while many organizations have adopted leadership competency models, very few have actually been able to create a distinctive leadership brand. However there is perhaps no greater need for one than in the public sector. Ultimately they argued that several elements are critical to successfully realizing that end result. First the competency model must reflect the organization’s current business strategy as well as its core capabilities and values. Second the competency model that contributes to branded leadership should not only identify a limited number of core competencies (usually 6–8) for all employees in the organization, from individual contributor to CEO, but also each competency must clearly distinguish expectations according to the demands of the various roles in the organization.

Measured against the second of these criteria, the Canadian competency model must be assessed favorably. Although at one time the government had adopted a model that was much more complex with 14 core competencies, recent human resources reforms have resulted in a model that is much more succinct. While the model currently applies only to the middle and upper echelons of the public service, the government is in the process of expanding it to include the individual contributor level. Moreover the behaviors associated with each competency build on each other throughout the organizational hierarchy. As noted earlier, Australia is perhaps the frontrunner in this regard and in 2007 unveiled an expanded ILS framework that included the entire public service. It too has a model that distinguishes effective behaviors at the different levels.

However this latter model is not without its limitations. Although Australia with five capability clusters and the USA with its five ECQs appear to have equally parsimonious models, the former is built upon 22 competencies while the latter relies on 28 competencies, six of which are considered fundamental and bridge all of the ECQs. The complexity of these models is palpable. Consider, for example, that the document outlining Australia’s ILS is 112 pages in length. It is difficult to imagine that such an unwieldy document is effectively employed on a day-to-day basis. The one redeeming feature of this model, as noted earlier, is that appointments are made on the basis of demonstrated capability in the five clusters more broadly rather than all of the 22 specific competencies. But another limitation of the Australian ILS is that beyond appointment to the SES, the use of the competencies is optional and in 2005–06 some 45 percent of agencies reported not using the ILS at all (APSC 2006, p. 156). Of the three models examined in this chapter, the US model relies on the greatest number of competencies. As Ingraham and Getha-Taylor (2005,
Leadership training and development

pp. 801–2) concluded: ‘Existing notions of competencies – for the political appointees; the leadership echelons of the career service; the rest of the career service; the entire government; central agencies; individual agencies; and badly needed future leaders – not only suggest superhuman abilities, but also contain seriously conflicting expectations.’

The other measure for developing a distinctive leadership brand is to ensure the competency model reflects the organization’s current strategy as well as its core capabilities and values. Competencies therefore must reflect where government is headed, not what was required in the past for success, which is a commonly cited weakness of many such models (Bolden and Gosling 2006; Conger and Ready 2004; Briscoe and Hall 1999). All of the competency frameworks examined in this chapter fare reasonably well in this regard. This is not really that surprising given that they have all been revised recently and, as such, would have been reviewed with an eye to incorporating the governments’ ongoing priorities and leadership challenges. In particular with the retrenchment of the state under the NPM paradigm governments have been moving towards a governance model whereby other departments, other levels of government as well as private and non-profit sector partners are being relied upon to deliver programs and services to citizens. This trend is known as horizontal management or governing by network and the expectation is that, if anything, governments will rely increasingly on this approach in future (Goldsmith and Eggers 2004). A particular skill-set will be required to operate effectively in this environment and it appears as though each model has identified a core competency that addresses this issue (engagement in Canada; cultivating productive working relationships in the APS ILS; and building coalitions in the US model).

Of some concern is the extent to which these competency models actually reflect all of the governments’ respective core capabilities and values. Both these elements are either downplayed or non-existent in these models. What is missing is an overt expression of the core function of the public sector, which is to serve the public interest. This can occur in many ways, but the provision of a wide range of high quality services to citizens is clearly a central component. Even though governments have embraced business principles to enhance the efficiency and effectiveness of the public sector, it is essential that we do not lose sight of the fact that much of what governments do is not amenable to the bottom-line profit considerations that drive private sector organizations. An effective competency model probably should in some way reflect that fact.

Critical for any well constructed competency model for this sector are the unique values and ethics that sustain the public sector. To some extent shared values and ethics as a means of building organizational commitment
represent a competency that outstanding public and private sector leaders have in common (Bolman and Deal 2001; Bass 1990). However in the public sector, values and ethics are much more encompassing than in the private sector, which adds a degree of complexity. Ingraham and Gerth-Taylor (2005, p. 801) have written that ‘the most serious deficiency is the failure of most competency frameworks to focus on the ethical and moral dimensions of public work.’ While there are tangible elements of the distinct public sector values and ethics present in each of the three cases, the Canadian model is perhaps the best exemplar in that respect. There is no mistaking the importance of values and ethics in that model because it is listed as one of the four key competencies. Moreover this is reinforced in the construction of the model since values and ethics are specified as the foundation upon which the other three competencies are built.

For the Canadian public service the core public service values have been separated into four overlapping and interrelated categories: democratic values, professional values, ethical values and people values (Task Force 2000). Democratic values refer to anonymity and accountability, due process, loyalty, the rule of law and the public interest, which are generally not part of the lexicon of private sector organizations. Even accountability, a concept that is common to both sectors, is much more intricate in the public sector than it is in the private sector. This stems from the fact that accountability in its various forms is absolutely critical to the exercise of legitimate power in any democratic government. First, accountability can be understood as the relationship between the public and the elected government. In essence this is accountability as ensured through the democratic process and includes the rules set out in the constitution, electoral procedures, parliamentary procedures and rules of order, ministerial responsibility, the role of the opposition parties and parliamentary committees. Second, accountability can be understood in terms of an individual department and its head, the DM. The accountability of DMs has taken on renewed importance in recent years with the dilution of ministerial responsibility, but it is a very nebulous form of accountability. DMs are potentially accountable to several individuals or institutions: to the prime minister who appointed them; the minister who heads the department; the Clerk of the Privy Council; and a variety of central agencies such as the Treasury Board and the Public Service Commission. Third, accountability can be framed in the context of the hierarchy of the department. Officials below the level of DM clearly must be accountable for their performance.

Excellence, professional competence, continuous improvement, merit, effectiveness, economy, frankness, objectivity and impartiality in advice and speaking truth to power were considered to be the professional values of the public service. Again, many of these values have little in common
Leadership training and development

with those exhibited by professionals in the private sector. These values were differentiated from the new or emerging professional values (quality, innovation, initiative, creativity, resourcefulness, service to clients, partnership and teamwork), which are heavily inspired by the professional values of private sector employees.

Under the umbrella of ethical values are, among others, the values of integrity, honesty, impartiality, probity, prudence, fairness and equity. These ethical values are similar to the ones one would expect to find endorsed and promoted by any professional body. What makes these values unique in the context of the professional public service, however, is that public servants must display complete integrity to uphold the public trust that has been placed in them as part of this institution. All of the actions of the public servant must elevate the common good above that of any private interest or advantage.

The final category of values, which has not received much attention in the literature, is dubbed ‘people values.’ These are values such as courage, moderation, decency, responsibility, reasonableness; they also include a host of values that should guide public servants in their interactions with others, be they co-workers, parliamentarians or citizens: respect, civility, tolerance, benevolence, courtesy, openness, collegiality and caring. Like the ethical values, people values are not unique to the public sector. What makes them distinctive is the way in which these values intersect with democratic and professional values.

As noted above both the Australian and the US models do include at least some mention of public sector values and ethics, but this aspect of each approach is less than adequate. In the case of Australia, despite a conscious effort to develop a model that ‘reflects a symbiotic relationship between leadership, management and technical skills,’ which suggests a much more market-compatible approach to leadership, the Commissioner noted that APS values are firmly embedded in the model (Podger 2004, p. 17). More specifically, one of the clusters in the Australian model is ‘exemplifies personal drive and integrity’ and includes ‘demonstrates public service, professionalism and probity’ as one of the relevant competencies. Similarly one of the six fundamental competencies in the US ECQ model is ‘integrity/honesty.’ The problem, however, is that the full range of public sector values and ethics are not fully captured in any of these constructs.

CONCLUSION

Organizations, both private and public, have utilized individual competencies and competency models for roughly two decades and the evidence
Is public sector leadership distinct?

overwhelmingly indicates that competency-based management is firmly entrenched in their human resources systems. As Conger and Ready (2004, p. 47) concluded, ‘Leadership competency models are here to stay.’ While a number of limitations of this approach have been cited in the literature, the fact remains that competencies can be useful even if to date they have not necessarily been used to their full advantage. But it is important to keep perspective. Governments that have embraced the use of competency models must be realistic in terms of what they can accomplish with respect to public sector renewal and leadership development. They are not the holy grail of public sector leadership development; at the end of the day, they are but one tool available to governments for addressing the significant human resources challenges that they face. Governments need to spend as much time implementing, utilizing and supporting the competency models as is spent to develop them in the first place. Furthermore they need to be evaluated so as to be able to determine whether or not they are actually working because ‘despite significant investments made by organizations in competency frameworks, they have not always produced the expected outcomes’ (Garavan and McGuire 2001, p. 160).

This chapter concludes where it began, namely with a discussion of the human resources challenge confronting the public sector. In the most recent reports on the state of the public service in both Canada and Australia, the Clerk and Public Service Commissioner identified the need to position their respective public services as a ‘career of choice’ in the minds of young people (Clerk 2007, p. 21; APSC 2006). In noting this need Kevin Lynch actually stated that successful recruitment required effective ‘branding.’ It was an interesting choice of language to describe this challenge, one that corresponds nicely with the argument advanced in this chapter. To be truly effective, competency models must actually serve to develop a distinctive public sector leadership brand. Relying on generic competencies that seemingly capture the essence of leading in both the public and private sector is misguided. Irrespective of the trend towards managerialism in the public sector, neither public sector management nor public sector leadership is completely analogous to that which is found in the private sector. Public sector leadership is distinct; it is imperative that we remain cognizant of its uniqueness and recruit and develop our leadership cadre accordingly.

NOTES


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Is public sector leadership distinct?


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18. Examination of mental health leadership competencies across IIMHL countries

Richard H. Beinecke and Justin Spencer

INTRODUCTION

We face a crisis in public leadership. Canada, Australia and other countries face major challenges in recruiting and training their future managers and leaders. In the United States only 7.5 percent of the Federal workforce is under age 30, while over 40 percent is over age 50. The most recent available figures suggested that in 2006 about 31 percent of Federal employees will be eligible for retirement. Fifteen percent overall and as many as 50 percent of workers in some agencies will actually retire. As of 2004 more than 7 out of 10 top Federal government managers could claim their pensions if they so desired. The situation is similar in other public fields. In the United States and many other countries as many as 40 percent of senior managers at all levels of government, health, local agencies and advocacy organizations will retire within the next five years (Broder 2001; Civil Service Subcommittee 2003; GAO 2001; Spors and Fialka 2002; Wamunya 2003). Many of these people received leadership and management training when funded programs were more widely available. Unless we devote attention and resources to this problem, the next generation of public administration leaders will not be equipped to take on the new roles that they will be assuming.

The Annapolis Coalition, a not-for-profit organization focused on improving workforce development in the behavioral health field in the United States, concludes that ‘leadership development, as a strategic goal, offers high potential to transform behavioral health.’ To achieve this strategic goal:

the competencies necessary for leadership roles in behavioral health must be identified. Particular attention must be given to developing core leadership competencies that can be adapted to the different sectors of this field . . . Available curricula for leadership development must be identified and further developed to ensure that the core competencies are adequately addressed. Increased
support should be allocated to the formal, continuous development of emerging leaders in the field. (Annapolis Coalition 2007, pp. 19–20)

This chapter offers a study of public administration leadership training programs and competencies in eight countries: Australia, Canada, Ireland, Northern Ireland, New Zealand, Scotland, the United Kingdom and the United States. Our particular focus is mental health and other health programs.

The research is a partnership with the IIMHL Collaborative for Leadership Development for Service Improvement, a project of the International Initiative for Mental Health Leadership (IIMHL). The Collaborative is linking efforts to encourage research in leadership within the mental health sector and to share the development of training concepts. IIMHL is a ‘virtual’ agency that seeks to improve mental health services by supporting innovative leadership processes. IIMHL seeks a future where everyone with a mental illness/mental health problem and those who care for them have access to effective treatment and support from communities and providers who have the knowledge and competence to offer services that promote recovery. To achieve its vision, IIMHL provides an international infrastructure to identify and exchange information about effective leadership, management and operational practices in the delivery of mental health services. It encourages the development of organizational and management best practices within mental health services through collaborative and innovative arrangements among mental health leaders. As of June 2006 organizations participating in IIMHL were:

- The National Institute for Mental Health in England (NIMHE)
- The Substance Abuse and Mental Health Service Administration (SAMHSA) of the USA
- The Mental Health Directorate of the Ministry of Health New Zealand (MOHNZ)
- The Scottish Executive (SE)
- The Department of Health and Children Ireland (DoHC)
- The Department of Health, Social Services and Public Safety, Northern Ireland (DHSSPS)
- The Department of Health and Ageing, Australia (DH&A Au)
- The Ministry of Health and Canadian Mental Health Commission

**LEADERSHIP**

We conducted an extensive literature review on public administration and business leadership. There is much theory and sometimes debate on the
Leadership training and development

subject and many people and organizations are devoted to defining models and competencies.

The understanding of what leadership is has changed significantly during the last 100 years. It no longer simply includes the traits and skills of leaders and/or their relationships (behavioral approach) and situations (contingency approach), although these are still important. Effective leadership is a combination of a particular context and the attributes needed to lead in that context (Gardner 1990, p. 39). A great leader draws differently upon the arrows in his or her quiver of particular knowledge and skills depending upon the situation and is able to be flexible and creative in their use.

Modern leadership theory is about leading and managing complex adaptive systems that operate as a series of networks with multiple stakeholder interests. In other words it is a dynamic process that emphasizes the need for quality, flexibility, adaptability, speed and experimentation (Kanji and Moura E Sa 2001).

Gardner (1990, p. 1) defines leadership as ‘the process of persuasion or example by which an individual (or leadership team) induces a group to pursue objectives held by the leader or shared by the leader and his or her followers.’

Kotter (1996; Kotter and Rathgeber 2006) defines ‘the eight step process of successful change.’

1. Set the stage: create a sense of urgency.
2. Pull together the guiding team.
3. Decide what to do: develop the change vision and strategy.
4. Make it happen: communicate for understanding and buy in.
5. Empower others to act.
7. Don’t let up.
8. Make it stick: create a new culture.

Rosabeth Moss Kanter (1983, p. 65) called innovative leaders ‘Change Masters: those people and organizations adept at the art of anticipating the need for, and of leading productive change.’ They are ‘adept at reorienting their own and other’s activities in untried directions to bring about higher levels of achievement. They will be able to acquire and use power to produce innovation.’ They encourage open communication, ensure a set of supportive peers and networks, organize teams, set up a culture for enterprise and innovation and energize the grassroots, involving and empowering employees in innovation and change. They educate (build a broad base of support through coalition building), gather data
and communicate it effectively and broadly, create structures for problem solving and mobilizing action and institutionalize participation.

Authors such as Bass and Avolio (1993) and Burns (1978) distinguish between transactional and transformational leadership. ‘The relations of most leaders and followers are transactional – leaders approach followers with an eye to exchanging one thing for another.’ They accept and work within the system as it is. The transforming leader, by contrast, ‘looks for potential motives in followers, seeks to satisfy higher needs, and engages the full person of the follower. The result of transforming leadership is a relationship of mutual stimulation and elevation that converts followers and leaders and may convert leaders into moral agents’ (Burns 1978, p. 4).

The distinction between transactional and transforming leadership is similar to Bradford and Cohen’s metaphors of the leader as technician and the leader as conductor, one based on the craftsman with his or her skills and the other on managing people effectively (Cohen and Bradford 1991).

Stordeur et al. (2000) and Murphy (2005) assert that effective leadership requires a balance between transactional and transformative leadership and that both are needed depending upon the situation. Transformational leadership is not a substitute for transactional leadership; conversely it complements, develops and enhances it. Luke (1998, p. 37) calls this mix of leadership styles ‘catalytic leadership.’ For Heifetz (1994, p. 22), both together are ‘adaptive work.’ As an amateur concert pianist himself, for Heifetz the leader is the conductor of the very diverse orchestra.

Some authors distinguish between leadership and management (see Kanji and Moura E Sa 2001 for an excellent review of this debate). Kotter (1990, p. 6) considers them to be very distinct. However both are needed if an organization is to be successful.

CAN LEADERSHIP BE LEARNED?

Management as art versus science has filled many public and private management journals. Early writers argued that leadership is innate and cannot be learned. Most authors, and certainly the programs described in this chapter, believe that leadership can be developed in a person, just as business, public administration, and other fields can be taught in our schools. Leaders also change over the course of their active career. Thus ongoing training is critical to their development: ‘Leadership can be developed . . . leaders can improve their own effectiveness across a wide range of situations, from those requiring change and innovation to those with diverse populations and different cultures to those in crisis’ (Conger and Riggio 2007, p. 1).
Mackay (1997, p. 3) defines competencies as ‘individual characteristics which must be demonstrated to provide evidence of superior or effective performance in a job . . . The complete competency set or model for an individual role identifies all the knowledge, skills, experiences, and attributes a person should display in their behaviour when they are doing the job well.’ The Health Research Council of New Zealand (2005, p. 1) describes competencies as ‘the combination of attributes, skills, and knowledge that contribute to a person’s ability to perform a job to an appropriate standard’ and which also include ‘personal attributes, knowledge and skills.’ Ross et al. (2002, p. xii) write that ‘core competencies refer to a set of interrelated skills that can be defined and categorized. These competencies transcend unique organizational settings and are applicable across the environment.’

We define ‘leadership competencies’ in a very broad way. We acknowledge and respect the different definitions used in the many programs that we have found. We agree with those who believe that transactional and transformative qualities are both needed in a competent leader, as are both leadership and management skills if one defines them differently. Any leader’s style is some mix of the two. Great leaders are either strong in both and/or surround themselves with peers who as a group have these attributes. Thus leadership training programs need to support both sets of skills and often do.

PUBLIC ADMINISTRATION LEADERSHIP TRAINING

What public administration leadership training programs are offered in the IIMHL countries and, in particular, in one area of public policy, mental health? In chapter 17, Mau described the leadership competencies adopted for senior public service employees in Canada, Australia and the United States. For our study, we looked more broadly at programs offered to managers in many levels of management. We conducted an extensive web search and contacted over 35 persons and organizations in the participating countries to identify public administration, mental health, substance use and health leadership training programs, reports and other related publications, presentations and websites.

Many leadership training programs are being offered locally, regionally and to a lesser degree on a national basis in the IIMHL countries. They are offered to a wide variety of stakeholders, including citizens, consumers and family members. They are widespread and popular topics in public administration continuing education offerings. For example the
American Management Association offers three day seminars, Developing Executive Leadership, Developing Executive Leadership in a Government Environment and Leadership Skills for Supervisors, covering understanding today’s leadership expectations; strategic elements of leadership (defining mission, vision, values; culture, planning, envisioning the future, personal vision statement); situational leadership (feedback, teams, coaching); culture, values, ethics; and emotional intelligence.

The Center for Creative Leadership is a leading nonprofit institution dedicated exclusively to leadership. The Center conducts research, publishes many books on leadership, and provides training, coaching and assessment in the United States and globally. Its open enrollment programs are in four areas: individual leader development (for example, leadership at the peak, foundations of leadership), groups, teams, and organizations (for example, advancing global leadership, developing the strategic leader, leadership and high-performance teams), specialized topics (for example, the African-American leadership program, the women’s leadership program), and human resource development and talent management.

The United States Office of Personnel Management, The Federal Executive Institute and the Management Development Centers offer seminars on hundreds of topics including at least sixteen on leadership development:

- Power Thinking for Leaders (2 day)
- Executive Communications Workshop (1 week)
- Executive Development Seminar: Leading Change (1 week)
- Executive Development Blended Course
- Leadership for a Democratic Society/Leading Public Sector Transformation (2 weeks)
- Emotional Competencies
- Understanding the 360-Degree Leader
- the ABCs of Effective Relationships
- Collaborating across Organizational Boundaries
- Leading across Generations
- the Aspen Executive Seminar
- Strategic Leadership: Leading Culture Change
- Bridging Organizational Culture
- Building a Great Place for People to Work: a Blueprint for Successful Human Capital Leadership
- Coaching Skills
- Leaders Growing Leaders

Many universities offer leadership training programs. Examples are the Indiana State University Leadership Development Institute, the Ohio
State University Leadership Center, and the James MacGregor Burns Academy of Leadership at the University of Maryland. Leadership and the competencies described in this chapter are taught in many courses in undergraduate and graduate public administration degree programs. For example a core required course in Suffolk University’s MPA degree is Leadership for an Inter-connected World.

BUSINESS SCHOOLS

We have much to learn from the many executive leadership education certificate and degree programs offered by business schools. Mazade (2005a) surveyed programs offered by the top eleven business schools in the United States. The profiles describe their programs and curriculum foci, their audiences and their teaching approaches, but generally do not cover specific leadership competencies. However a review of the titles and sessions gives a useful view of transformational leadership areas deemed important by business. Among them are:

- Leadership and strategy, innovation, managing change, vision
- Global leadership
- Organizational design, managing culture
- Financial management
- Human relations management, leading and managing people and teams
- Working with diversity
- Negotiation
- Operations management
- Performance management and measurement, management information systems and technology
- Marketing
- Stakeholder and political management
- Personal awareness, emotional intelligence, stress management, promoting continuous learning

Mazade (2005b) also reviewed ‘selected non-university training venue’ offerings in transformational leadership. The wide variety included US Department of Defense programs, the CIA and the FBI and many other United States government departments, the Council of State Governments, a mountain leadership program, several religious seminaries and the Brookings Institution. As with the business schools, he found a large number of common topics and competencies.
MENTAL HEALTH AND HEALTH

The detailed findings from our survey of mental health and health training programs in six of the IIMHL countries (we did not receive information from Ireland and Northern Ireland) are available from IIMHL. Selective highlights from the over forty programs follow.

In New Zealand, the Executive Leadership and Management Program (ELMP) is a complete program delivered over a twelve-month period through training days, learning sets and self-directed learning tasks (Blueprint n.d.). On successful completion of the ELMP participants can apply to do the Advanced ELMP (another twelve months). In year 1 the ELMP covers: leadership and management models and tools (skillscope), personal style, creating an ethical environment, creativity and innovation, using data strategically, communication and media management, human resource management and social inclusion – working across the system. In year 2 the AELMP program adds self-awareness and goal application (Myers-Briggs Type Indicator (MBTI) and Fundamental Interpersonal Relations Orientation-Behavior (Firo-B)), culture and leadership, political awareness in action, change management, health budgeting, managing for results, reflective leadership, and managing for outcomes.

‘The 2007 New Zealand National Health Leadership Programme: Leading Performance Improvement’ run by R.H. Penny Ltd (2007) is designed to transform and develop the practices of middle to senior level health care managers and professionals and clinicians and is arranged in three, three-day modules delivered over five months. It is based on the transformation model of the Institute of Health Improvement in Boston, MA. Developing leadership is a partnership of self-awareness of participants and personal responsibility with formal and didactic learning experiences to support transforming leadership. Personal responsibility includes emotion and behavior, values and beliefs and leaders’ style. Formal learning experiences are cognitive learning, leaders’ tasks, roles, and skills and methods and tools of performance improvement. At the core of this model is balance and leader self-care.

In Scotland, the NHS management training scheme (NHSScotland 2006) (‘Delivering the Future’) is a two-year training program for frontline National Health Service staff that leads to a masters (postgraduate certificate). It takes a personal development approach:

- Leadership: understanding self, understanding one’s impact on others, developing self and others, inspiring others, building relationships and trust, leading change and strategic decision-making, influencing, encouraging innovation, understanding and gaining
cooperation, managing conflict, setting strategic direction and vision

- Management: managing people and teams, verbal communication skills including negotiation and presentation, financial management, developing new business, project management, information management, organizing, planning, and implementing, risk management, service redesign and performance improvement, managing change, the policy and legal framework

A great deal of work on leadership theory, development and training is taking place in the United Kingdom. The Leading Modernization Programme (LMP) was originally developed by the NHS Leadership Centre, an arm of the Modernization Agency. The LMP has three intersecting domains: leadership, improvement science and care delivery systems. The Leadership for Health Improvement Programme (LHIP) focuses on the intersection of leadership, improvement skills and knowledge and health improvement systems (Hannaway 2007).

The Modernization Agency, with the Hay Group, also developed the NHS leadership qualities framework (LQF) (Figure 18.1) (NHS Institute n.d.). It describes the qualities expected of existing and aspiring leaders. It reflects core NHS values: valuing diversity, focusing on patients, creating a culture in inclusion and involvement of patients and the wider community, empowerment of patients and staff, collaborative working, taking calculated risks and recognizing that making mistakes or misjudgments are essential parts of learning.

Much work in England is based on the ‘Transforming Leadership Questionnaire’ (TLQ) model, now renamed the ‘Engaging Leadership Questionnaire’ (ELQ), developed by Alban-Metcalfe and Alimo-Metcalfe (2000a; 2000b). Their key leadership competencies are (Alban-Metcalfe and Alimo-Metcalfe 2006):

- Leading and developing others
  Showing genuine concern
  Empowering
  Being accessible
  Encouraging change

- Personal qualities
  Being honest and consistent
  Acting with integrity
  Being decisive
  Inspiring others
  Resolving complex problems
Leading the Organization
    Networking and Achieving
    Focusing Effort
    Building Shared Vision
    Supporting a Developmental Culture
    Facilitating Change Sensitive

From 1977–84, training mental health leaders was a high priority in the United States. The Federal government sponsored the National Institute of Mental Health Staff College to promulgate the goals of the Community Mental Health Centers (CMHC) Act. The Advanced Training Program in Mental Health Administration involved ten four-day retreats with pre- and post-retreat activities. Hundreds of people went through the program, but then it ended, creating a serious gap in leadership training (Mazade 2006). Its content included:

- Conscious use of self: theories of leadership, instruments, coaching, personal reflection
- Small group/team development

Source: NHS Institute for Innovation and Improvement (www.institute.nhs.uk); NHS leadership qualities framework (LQF) (www.nhsleadershipqualities.nhs.uk). Used with permission.
Leadership training and development

- Organizational dynamics: governance, structure, decision-making and problem solving
- Organizational/environment interface: inter-organizational relationships, stakeholder relationships, media, influence pattern
- Skills development: conflict resolution, mediation, meetings, group process, listening
- Business acumen: performance contracting, financial management, marketing, business plan creation, risk management, mental health law.

The Substance Abuse and Mental Health Service summarizes leadership competencies in the Transformation Leadership Competencies Wheel (Figure 18.2) (SAMHSA 2005, p. 2).

The basis of much current health leadership training in the United States is the model developed by the National Center for Healthcare Leadership


Figure 18.2  The transformation leadership competencies wheel
The NCHL model provides breakthrough research and a comprehensive database for defining the competencies required for outstanding healthcare leadership for the future.

**Figure 18.3  US National Center for Healthcare Leadership Competency model**

(NCHL 2005). A benchmarked, researched and validated model, NCHL takes 26 leadership competencies critical to the field of health and assigns them to one of three domains, transformation, execution and people, that serve to capture the complexity and dynamic quality of the health leader’s role. Its three domains and the supporting competencies are listed in Figure 18.3.

**THE LEADERSHIP AND MANAGEMENT SKILL-SET**

We conducted a content analysis of the literature and program reviews. From this we defined five areas that nearly all of the public administration, mental health and health articles, books, reports and programs that we reviewed covered, whether in one course or in a group of courses. In some cases competencies could and should be in more than one group. Our objective was not to debate the organization of these areas but to be sure that we created a comprehensive list.
We found that leadership competencies for mental health were not substantially different from those in other areas of health or public administration. Competencies did not differ depending upon the country in which they were found. Core leadership competencies are universal. While Mau suggests in chapter 17 that many of the leadership competencies are similar for business and for public administration, there are unique values and ethics that sustain the public sector and that need to be emphasized in public sector training programs. On the other hand the knowledge needed of policies and programs is different in mental health than in other health and other public administration policy areas and varies according to country or locality.

Based on this review we created ‘The leadership and management skill-set’ and listed the specific competencies in each area. The five leadership and management competency areas that we believe to be critical are

- Personal skills and knowledge
- Interpersonal (people) skills
- Transactional (execution, management) skills
- Transformational skills and
- Policy and program knowledge (see Figure 18.4)

While the organization of these competencies differs from those described in Mau’s chapter, similar competencies are embedded in each.

![Figure 18.4 The leadership and management skill-set](image)
In an ideal world a competent leader should be strong in all of these areas. Given the reality of who we are, that is usually not possible. We all have our strengths and areas of weaknesses. One solution is for a leader to support and surround him or herself with team members with complementary skills. Another is to strengthen one’s capabilities through continuing learning, training and introspection, self-renewal (Gardner 1990).

While core competencies are needed for every level of public administration, the specifics of those that we reviewed varied depending upon the target audience. Using our competency list, we reviewed the programs and counted the number of times each of these competencies appeared. We excluded anything such as books, articles and speeches that were not directly related to training. We found five programs in New Zealand that we had enough information to analyze, three in Scotland, three in the United Kingdom and fourteen in the United States, a total of twenty-five programs. No programs in Australia, Canada, Ireland or Northern Ireland had enough detail to assess. The number of programs that were examined was too small for us to break down the competency areas by particular country. We recognize that because our information on any program may be incomplete or lack detail, our findings are not exact. However we do have enough information to gain an overall picture of the field.

The competencies and the number of programs that appeared to train people in them are listed below. They are arranged in order of the most to least common competencies found in the identified programs. The number in parentheses following the competency indicates the number of programs from our twenty-five that teach that particular competency.

Ideally a full leadership training program will cover all of these competencies. While much of that may be possible in a graduate education program, people in continuing education programs have neither sufficient time nor resources. Thus, national, regional and local programs must prioritize and select the areas of most need and train leaders in a variety of competencies and a mix of program offerings. Our analysis confirms that this is being done.

**Personal Skills and Knowledge**

- Emotional intelligence (self-awareness, personal reflection, personal style, conscious use of self) (11)
- Leader’s values and beliefs (honesty/integrity, respect for others, courage, humility/generosity/empathy/caring or showing genuine concern) (9)
- Ethics, morality or respect for human rights (8)
Leadership training and development

Other areas in order of the number of programs that reported that they taught them were adaptability, creativity, flexibility and situational awareness, intelligence, knowledge and competence, being responsible, confidence, reflective thinking and practicing and challenging thinking, critical thinking, personal development plan, customer orientation, self-care, work-life balance, stress management, being accessible and open minded, listening and time management.

Interpersonal (People) Skills

- Communicating (written, verbal including listening, presenting) (16)
- Teamwork and small group skills, collaboration and meeting management (15)
- Coaching, mentoring, development, personal growth, enabling and building leadership skills in others (15)
- Negotiating, resolving conflict, facilitating, agreement building and mediation (12)
- Working with people of other cultures and promoting diversity (9)
- Motivating, inspiring, energizing and empowering others (8)
- Supporting recovery, working with stakeholders, inclusion and empowerment of stakeholders including consumers, families, and providers (7)
- Managing others, holding others accountable, disciplining and supervision (6)

Other areas were networking, building trust and delegating and sharing tasks.

Transactional (Execution, Management) Skills

- Quality management (CQI), accountability, measuring, monitoring and reporting, evaluation, outcomes, performance assessment, data use and evidence-based practices (15)
- Human resource management, staffing and recruiting (12)
- Finance, budgeting, and funding and health economics (11)
- Organizational theory and design (9)
- Information systems and technology, software and database management and applying technology (9)
- Project planning and management (8)
- Planning and priority setting, agenda setting and decision-making (6)
- Problem solving and decision-making, analytical models and skills and task management (6)
- Business acumen: business plan development and business-to-business models (6)
- Marketing (5)

Other areas included service and systems design and improvement, operations management and managing service improvements and patient care, keeping the system functioning, maintaining the institution and building the organization, contracting management and performance contracting, legal, working with the media, process improvement, risk management, resource management and crisis management.

**Transformational Skills**

- Visioning and setting shared strategic vision and mission, strategic thinking and planning, broad scanning, anticipating trends, future thinking and positioning and systems thinking (20)
- Managing of complex organizational change, renewing, leading innovation and being a catalyst (14)
- Goal setting, setting direction, alignment, driving for results and leading through influence (10)
- Mobilizing support, influencing, inspiring and motivating others, creating energizing environments and being a conductor (7)
- Working across complex inter-organizational systems, external relationships and working collaboratively (7)

Other competencies included political astuteness and awareness, skills and management, creating and empowering the organizational culture, role modeling and leading by example, policy development, and community development and capacity building.

Transactional skills are the ones most frequently taught in training programs. While core competencies are needed for every level of public administration, the specifics of those varied depending upon the target audience. Transactional skills were taught not only to people first becoming active in public service but, for some competencies, also more senior managers. Many managers move up into leadership and management programs from clinical and lower level positions and these skills are not part of their training or experience. Other skills such as quality improvement and performance management and information systems have only recently become important in our fields and thus need to be learned by many managers and leaders.
Policy and Program Knowledge

Relatively few leadership program descriptions indicate that they teach policy and program knowledge. Some offer training in the policy development or the political process. Others give information on new concepts in a field such as the recovery paradigm in mental health or patient centered care in health. This may be an artifact of their descriptions; these areas are core subjects in training but are not explicitly listed in program descriptions. Specific clinical training in health or technical training in other fields is offered in the many training opportunities that do not address management and leadership. Alternatively the field may believe that experienced people already know much about particular fields or that honing basic transferable skills is more important than learning about particular policies.

BARRIERS TO LEADERSHIP TRAINING

While there is agreement that more public managers need management and leadership training to avert the leadership crisis, substantial barriers to doing so are present. As we found when we searched for training programs, they are scattered and only partially cover many leadership areas. Education and training are not well organized or coordinated. Program availability varies greatly depending upon where one lives. There is no central site to find such programs.

A major barrier is funding. In the United States, government funding for leadership as well as most other training has been substantially cut back since the large budgets of the 1980s and it is very limited if it exists at all. Public agencies’ resources are stretched by demands for training in other areas, for example information systems. Budgets are very tight. The first thing to be cut is usually professional development and supervision. Pressures continue to grow to use one’s time for direct service, not to go to conferences and seminars. Many agencies are struggling to keep up with the present and do not have the resources to prepare for the future.

This study focuses on well-developed English speaking countries where, compared to much of the rest of the world, services and professionals are relatively numerous and funding is comparatively high. Training of public leaders in much of the world is a great challenge that continues to be of relatively low priority, given other needs that may seem to be more pressing.

We need to do more to develop, promote and link public administration leadership training programs in academic curricula as well as continuing
Mental health leadership competencies across IIMHL countries

education training. We need to continue to improve the content of our programs based on what is needed to transform our systems in the twenty-first century. We should expand, update and publish central lists of leadership programs and develop easy links to them. We need to study the methods by which these programs are taught and the most effective ways for people to learn and improve their leadership competencies. If we do so, we can ensure that our public programs will be well managed and led in the next millennium.

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British senior civil service: the
search for the Holy Grail?

Sylvia Horton

Evaluation is the assessment of the total value of a training system, training
course or program in social as well as financial terms. Evaluation differs from
validation in that it attempts to measure the overall cost-benefit of the course or
program and not just the achievement of its laid down objectives. (Manpower
Services Commission 1981)

INTRODUCTION

The British Senior Civil Service (SCS), created in 1996, consists of around
3800 specialist and generalist managers filling the top three levels of the
service. They head government departments and agencies and are respon-
sible for advising governments on policy, implementing policy and manag-
ing the performance of central government organizations involved in the
delivery of government services. Most are career civil servants but around
20 percent are recruited externally. Managing and leading this complex
organization (some 150 administrative units and around 590,000 civil
servants) makes great demands on these senior officials.

The SCS is in the vanguard of the transformation of the state, which
has been in process since the 1980s. Traditionally leaders emerged in the
civil service largely through internal talent spotting and planned experi-
ence. Although merit was always a key factor in promotion to senior
posts, seniority was equally important. The idea of leadership training
and development can be traced back to the 1980s when major reforms
began. Influenced by the Management Charter Initiative¹ and its National
Vocational Qualifications (NVQ) framework for managers, and working
with outside consultants, Price Waterhouse, the new Civil Service College
(CSC) developed a competency-based training program for the top seven
grades of the service. All courses were linked to core competencies, which were a combination of job, role and personal criteria. The courses were evaluated almost entirely by simple feedback questionnaires designed by the trainers for the trainers.

The 1999 report on civil service reform (Cabinet Office 1999) projected major changes in the culture of the service and placed great emphasis on the need for leadership to carry through the reform program. The key themes in the report were improved leadership, effective delivery, greater creativity and innovation, promotion of diversity, working in partnership and encouraging the use of new technology. A new mission statement, ‘Vision and Values’, which reflected these themes, was published and a revised competency framework and a pay and performance management system for the SCS were commissioned (Horton 2001). The resulting competency framework, called ‘Giving Purpose and Direction’, had six competencies all emphasizing the leadership role:

- Making a personal impact
- Thinking strategically
- Getting the best from people
- Learning and improving
- Focusing on delivery

Each of the competencies was accompanied by a list of effective and ineffective behaviors, which became the criteria used in assessing performance and identifying where leadership development was required (Horton 2006). The CSC created a range of courses to support the new framework and develop the necessary skills.

In 2005 a National School of Government (NSG) replaced the CSC and is now responsible for developing, delivering and evaluating the leadership development programs. It has a Center for Strategic Leadership, which is designed to drive forward strategic change across the public service and beyond (NSG 2007/8). The center is staffed by academics, trainers and civil servants on secondment but calls upon outside experts, including members of the SCS, to deliver its courses. The latter are shaped by the Cabinet Office and an advisory group of permanent secretaries whose focus is on meeting the corporate and strategic needs of the civil service. One of its priorities is the creation of a corporate identity amongst its top leaders.

The emphasis of the government is now on delivery and this is resulting in a major shift in the core purpose of leadership within the civil service. Top civil servants are seen as chief executives who are primarily strategists and leaders. They are expected to be innovators, customer-oriented and skillful in performance and risk management. The new profile also
Leadership training and development emphasizes visible leaders who can inspire trust, take personal responsibility for delivering results and work in joined-up government teams and partnerships. They must be focused on strategic outcomes and quick to respond to environmental changes.

THE LEADERSHIP DEVELOPMENT PROGRAM

There are currently three levels in the leadership program for the SCS delivered by the NSG. The first is a foundation program called ‘Corporate Leadership First’, designed for SCSs with only one year’s experience. It involves personal profiling, explores leadership models, practices, tools and techniques and strategic thinking. It also considers contemporary dilemmas and challenges. The course is mandatory and there are around seven held each year.

The second-level course is the ‘Advanced Leadership Program’ (ALP). This is aimed at SCSs with at least two years experience in their grade. It is intended to reinforce the development of a collective leadership cadre at the top of the civil service while enabling individuals to maximize their personal impact and effectiveness in a delivery-focused environment. Four themes run throughout the program, self-awareness, leaders and their teams, service delivery from the citizen’s point of view and reflection and looking to the future. Four modules, each lasting three or four days, are taken over 12 to 15 months. This was introduced as a mandatory program in 2006 with 20 people in each cohort and around five cohorts a year.

The third-level course, the ‘Top Management Program’, has been running since the 1980s. It is designed for SCs at the director level and for top executives from both inside and outside the public sector. Its aims are to deepen personal awareness of individuals’ effectiveness as leaders, extend their strategic, change and risk capabilities and broaden their environmental awareness to assist in planning for the future. It is also designed to build participants’ resilience and ability to deal with crises and enhance their strategic communication skills under pressure. It currently lasts for 10 days.

A new one-day event ‘The Leadership Pad’ was introduced in 2007 and is available at no charge to participants or their departments. It is designed to bring together new recruits to the SCS (internal and external) for a shared corporate induction program and will form the first step in creating a corps of top managers and leaders with a sense of corporate identity.

A further suite of new programs was also introduced in 2007. ‘The Modern Leaders Program’ is open to lower level SCs and their equivalents across the wider public, third and private sectors. This is aimed at
developing collaborative leadership practices and the ability to lead across organizational boundaries. A ‘Leading Change’ program, designed for the same level of the SCS, will help develop change leadership skills. Finally a series of leadership development workshops are also available (NSG 2007/8).

**EVALUATION OF TRAINING: THEORIES AND PRACTICE**

The high cost of training and the mandatory nature of the leadership development programs in the SCS has led the NSG to evaluate its training interventions and to seek to develop more effective tools to demonstrate their value and the rate of return on the investment (ROI) made by departments and agencies. It is also intended to demonstrate the competitive advantage of the NSG over alternative trainers or strategies for developing leadership.

This search for a way of calculating the real value and worth of training and human resource development has been likened to the search for the Holy Grail. One author suggests ‘the holy grail of evaluation is how to find the way of putting a “financial” value on training that has been carried out’ (Critten 1993, p. 158). This, however, is a narrow economistic view of the purpose of evaluation, as the financial dimension is only one aspect of the value or ‘worth’ of leadership training and can only encompass what can be quantified. A more generic concept of the Holy Grail of evaluation is how to find the total ‘value’ and ‘worth’ of training and development to all stakeholders who have an ‘interest’ in the activities and the outputs of the organization. This involves the contribution of the training to the achievement of the organization’s goals and objectives, the impact it has on the morale and commitment of the staff and the long-term effect of the learning on the organization’s ability to cope within a dynamic and fast-changing environment.

There are essentially two schools of thought about approaches to training evaluation, one believes in scientific, quantitative and conclusive analysis; the other believes in the value of subjective, qualitative and action-oriented exploration. The former supports the search for the Holy Grail of ROI. The latter school wants to improve the transfer of learning and is interested in identifying evidence of the ongoing learning impact or ROL (The rate of return on learning).

Many theories and models of evaluation have been developed since the 1960s. Within these some make a distinction between validation and evaluation. Validation is measuring whether the training has delivered what it
promised while evaluation is making a judgement about the effect of the training in practice and whether the objectives of the training were the right ones in the first place (Critten 1993). A further distinction is sometimes made between ‘formative’ and ‘summative’ evaluation (Easterby-Smith 1994). Formative evaluation is indicative of what has been learned and summative evaluation is about whether and how it has been applied.

The earliest theories were based upon scientific principles of observation and measurement and sought to identify cause and effect. In particular they wanted to establish the financial value of the training by examining ‘costs’ and ‘benefits’ (Bramley 1991). This hard, accounting approach was soon challenged by a more pragmatic, soft approach which sought to measure the ‘value’ of training by identifying the indirect and immeasurable effects such as on morale and group dynamics, which were more difficult to quantify (Fielden and Pearson 1979; Bramley 1991).

In the 1960s and 1970s the emphasis turned to goal-directed training. It was argued that by setting clear goals and objectives and terminal behavior this would aid evaluation (Mager 1962). This attracted the criticism, however, that the goals set were usually those of the trainers. Thus the achievement of training goals may not represent the outcomes of the training for either the trainees, their managers or the organization.

A further advance came with the concept of the training cycle, which involves identifying training needs, or the training gap, choosing the appropriate training intervention, implementing it and evaluating the results of the training against the original training needs. This came in for criticism because of its internal focus on both the training process and its evaluation but in particular for the passive role of participants.

Kirkpatrick (1967) made a major breakthrough with the idea of levels or steps of evaluation – reaction, learning, behavior and results. Warr et al. (1970) built upon Kirkpatrick’s model, identifying seven levels, which included context, input, reactions, outcomes (CIRO) but also three levels of outcomes, which they referred to as ultimate, intermediate and immediate. Hamblin (1974) put these levels of evaluation together in a cause and effect chain, linking levels of training effects and also added a fifth level of ultimate value. He argued that training leads to reactions that lead to learning, which leads to changes in the organization that lead to changes in achievement of its ultimate goals and to added value to the organization. He recognized that the chain can be broken at any one of its links and the task of evaluation was to discover whether all the links held together and if not which links had snapped and for what reason. Hamblin’s other contribution to evaluation theory, however, was his recognition that external factors affect the results of training, which is not a closed system. He opened the way to a more imaginative approach to appraisal.
Developments in evaluation theory in the 1980s and 1990s laid much more emphasis on the unanticipated outcomes of training, the immeasurable outcomes and most important the actual output of training, that is what *has* been achieved rather than what *has not* been achieved. Critten (1993) argues that evaluation is a dynamic process that generates value in its own right and requires the use of a variety of approaches to arrive at useful data. The description of a training program has no value in itself but only to the stakeholders and its ultimate value requires ‘reflection in action’ on the part of each stakeholder, based on the information with which he/she is presented. The ultimate value of training to an organization is when all the stakeholders reflect on this information together and arrive at a consensus of value (Critten 1993).

Critten (1993) advocates a model in which evaluation works as an accumulator within a learning organization, where everyone, including the chief executive, is a learner, everyone acts as a resource to each other, everyone has their own development log, what they want to achieve and the resources they need to achieve it, and where every manager in the organization sees their role as increasing the value of their staff. There are six stages in his evaluation model:

1. Contracting: identifying the goals of the organization, the vision, skills and competencies required and the resources needed. Each manager then carries out the same process with his/her team.
2. Description: each individual member of staff will identify their own learning needs and formulate a development log. Critten calls this ‘first order reflection’.
3. Focusing: the individual will focus on what learning is required.
5. Consolidation: this is where the effects of the learning are assessed in terms of value added to the organization.
6. Dissemination: this involves communicating to all those involved in the organization what objectives have been achieved, what resources have been used; at what cost. It should also identify unanticipated goals that were achieved. This position then becomes the basis for the next stage of the learning process.

All these models or heuristic devices have been developed to advance evaluation but they are not without their critics. Kirkpatrick’s model has probably received the most criticism. The main criticism is that the model is not well grounded in research but is a prescriptive model (Holton and Naquin 2005). Further it represents a trainer’s notion of what constitutes effective evaluation not a business manager’s (Twitchell et al. 2000). As
leadership training and development

with all stagist models there is an assumption of linearity and that the first stage causes the second and so on. Thus evaluation starts after the training has been done or during the training and not before (Kearns 2005). Holton (1996) argues that the model is fundamentally flawed and incomplete because it takes no account of the many contextual factors that may affect the transfer of learning, including the ability and motivation of the trainee, the relevance of the training to the needs of the trainee and the organization and the receptiveness of the workplace organization to the transfer of the learning. A concise summary of the limitations of the Kirkpatrick model is provided by Russ-Eft and Preskill (2001, p. 88):

The taxonomy’s lack of diagnostic capability and its reliability to account for factors that affect the outcomes at each level are just two of its inherent weaknesses. Taxonomies merely describe anticipated training outcomes. They fail to offer any direction on what critical variables need to be studied or how to conduct a rigorous, useful evaluation in dynamic, evolving and political environments.

Yet while the Kirkpatrick model may be flawed it is still very widely known and used. An analysis of the reports of the American Association of Training and Development (ASTD) from 1999 to 2003 indicated that on average 79 percent of companies evaluate programs at level 1, 36 percent at level 2, but only 15 percent at level 3 and 8 percent at level 4 (Sugrue and Kim 2004). The model is also widely used in the UK but as in the USA, most organizations use it to evaluate at levels 1 and 2 and only about one-third (36 percent) of UK organizations seek to capture the effects of learning on the bottom line (CIPD 2006).

The most recent thinking about evaluation has made some considerable progress in developing a more sophisticated approach. Holton’s model, called the ‘Evaluation Research Measurement Model,’ concentrates on those individual and environmental factors that are mediating variables in the transfer of learning. Holton et al. (2000) developed a learning transfer system inventory (LTSI), which concentrates on factors that influence the transfer of learning to the workplace. These include:

- The ability to use the newly acquired knowledge and expertise
- The motivation to use it
- The receptiveness and support of the organization
- The personal characteristics of the trainee

Holton’s questionnaire has been used to assess the quality and receptiveness of the transfer climate and to identify changes needed to facilitate the transfer of learning and the effective use of training (Donovan et al. 2001).
An indirect effect of using the LTSI appears to be assisting in creating an organizational culture that is receptive to learning.

Another contribution to current thinking about evaluation is the work of Rae (2002). He has focused specifically on why organizations fail to undertake extensive evaluations and suggests it is the lack of trained managers in the best position to evaluate the training. He identifies these as a training evaluation quintet: senior management, the trainer, line management, the training manager and the trainee and prescribes their respective roles.

Finally Kearns (2005, pp. 37–8) argues that none of the traditional models or taxonomies has got it right, because academic models are not based on the real world and practitioner models start from the wrong place. Evaluation he argues ‘is not an attempt to prove that training is working . . . it is an integral part of the way individuals and organizations learn to improve. The purpose of evaluation is to help individuals to learn how to improve the effectiveness of their organization.’ Kearns ‘base line model’ differentiates evaluation from validation. The first step is to establish how the proposed training will add value to the organization and meet its needs. This involves identifying and prioritizing business needs, identifying the skills/competencies that trainees need and designing the learning solution to fill the skills and knowledge gaps in relation to the business objectives. The second step is to deliver the training intervention; assess whether people have learned what they were intended to; and then reinforce the learning through the sponsor or the line manager. The sponsor must be involved in all previous phases and ensure that the expectations of all others who are stakeholders in the training intervention are effectively managed. The final step involves validating the transfer of learning and evaluating the effect. Kearns uses the simple formula of ROI to do this, which is:

\[
\text{Net ROI} = \frac{\text{gross benefit from training} - \text{cost of training}}{\text{Cost of training}} \times 100
\]

It is obvious that the cost of training is the easiest to calculate. The gross benefit to training is easy when there is a specific objective which can be quantified, for example an increase in sales or delivery of units of service, although even here it may not be possible to link the training directly to the change in output. It becomes increasingly difficult when you cannot quantify the organizational outputs, although Kearns thinks everything can have a £ sign attached. But even if you cannot measure it, Kearns argues that the calculation is still worth doing because ROI has a number of functions, not least of which is as a management tool (Kearns 2005, p. 122).

The purpose of examining these theories is first to demonstrate that a large body of knowledge exists about evaluation, which is continually
evolving. Second, it offers a rich source of ideas about how to evaluate at different levels and amongst different stakeholders and what are the difficulties in doing so. Third, some of these theories have influenced the approach to evaluation of the top leadership programs within the British SCS, which we will now review.

EVALUATION STRATEGY OF THE SCS IN THE UK

The NSG has based the evaluation of its leadership programs largely on the Kirkpatrick model blended with some of the ideas of Hamblin, Rae and Kearns.

The Top Management Program (TMP)

Of the three programs currently being delivered, the TMP has been running for the longest time. The reaction of participants was originally evaluated by means of feedback questionnaires and responded to in terms of adjustments to the program. The current program, however, is evaluated in a more comprehensive way. Before it begins participants receive a document that outlines its content and lists its five objectives that are to:

- Develop higher level leadership skills
- Strengthen skills in managing people and organizations
- Enhance understanding of other environments
- Create networks
- Experiment and have fun.

The objectives are clearly linked to the organizational objectives set down in the government’s policy for reforming the civil service and inform the planning of the program. Participants are invited to assess the relevance of these objectives to them as individuals and to their organizations. Six months after completion of the program participants have an opportunity to re-evaluate the impact of the training on those objectives.

Participants are also invited to identify their own personal objectives and what they think their team and the wider organization want to get out of the training. This should be done before they arrive but the program offers participants assistance in doing this either before or during the course.

The methods of delivery are explained to all participants in advance and the teaching methods are varied to ensure the most appropriate method for each session. These include expert-led sessions, visiting speakers, live
Leadership development and training in the British senior civil service

case studies and a wide range of participative activities. Great emphasis is placed on leadership development groups, action learning sets, coaching and networks. These provide many opportunities for participants to challenge existing ideas, go beyond their comfort zones, obtain access to new research and good practice and experiment, be innovative, reflect and think. Participants are encouraged to record their thoughts and ideas systematically throughout the program to improve their recall when they are completing their feedback questionnaires, but more importantly to assist them in drawing up an action plan.

The action plan is a means of formalizing the intended transfer of learning into the participant’s organization. It registers that learning has taken place and the way the learning will be transformed into changed behavior. The action plan will be shared with line managers.

In summary, the range of methods used to assist with evaluation and validation of TMP are:

- Establishing goals in relation to organizational HR objectives.
- Establishing individual goals and organizational goals as well as program goals (element of Kearn’s base line goals).
- Inviting opinions on the program informally, during sessions and in ‘set aside’ program review periods (Kirkpatrick’s reaction level).
- Completing an evaluation form on each session, module and the program overall (Kirkpatrick’s reaction level).
- Drawing up an action plan (Kirkpatrick’s learning level).
- Re-assessing the impact of the program on participant’s ways of working at a reunion six months after completion of the program (Kirkpatrick’s behavior level).

The feedback provided by participants is an important part of the information taken into account by the program director in making decisions about the continuing evolution of TMP. The feedback is, however, only part of the jigsaw. Other major influences include changes and initiatives within the external environment in which the public sector operates. For example there is now a much stronger emphasis than in the past on delivery of services from the citizen’s perspective. This has involved, among other things, including live case study group work in the health, law and order and community development sectors.

Individual participants draw up their own personal development plans and leadership manifestos based on experience of the program and reflecting on what changes they wish to make to personal skills, behaviors and values and on the impact they wish to make at a team or organizational level. Individuals are encouraged to share their plans with line managers.
and/or sponsors on return to the workplace. Participants are also encouraged to discuss and share progress on putting those plans and changes into practice when the program reassembles six months after its completion. However, there is no formal audit or evaluation of the impact of the program after its completion.

The Advanced Leadership Program (ALP)

As with the TMP, participants receive information about the program in advance and are asked to identify what their own objectives are as well as those of their organization. The course aims and objectives are identified in a very comprehensive way. They are to:

- Enable course members to become more self aware and reflective and gain a better insight into the priorities and approaches of other people.
- Acquire the tools, techniques and behaviors that will enable them to increase their impact and effectiveness as a leader.
- Build networks of peers, which will provide a continuous source of support both during and after the program.
- Enable participants to form and lead high performance teams by supporting and embedding creativity and innovation. (They will be shown how to work effectively with colleagues across professional and organizational boundaries and make an impact on strategic and personnel challenges.)
- Enable members to find out how service delivery is perceived from the citizen’s point of view, by undertaking a stretch project designed to enable members to understand the change process and how leadership and culture impact on change and how the development of a strategy is linked to its delivery.
- Enable members to reflect and look to the future.

The teaching and learning strategies are very similar to the TMP and include class instruction, interactive group work, action learning sets, case studies, tutoring by subject experts and individual reflection.

There are regular and frequent opportunities for informal feedback throughout the program and questionnaires are distributed at the end of each module relating to its aims and objectives, the delivery of specific units and general environment factors. A questionnaire was designed specifically for the new program in 2006, which was modified after the first module in the light of the experience and feedback from the participants and the trainers.

Again like the TPM, each participant draws up an action plan but also joins a support group that meets regularly between the modules to give
Leadership development and training in the British senior civil service

support to each member in the implementation of their respective action plans. Six months after the end of the program participants will be invited back to the NSG to reflect on the program and to analyse the impact at an individual, team and organizational level.

Sponsoring organizations are recommended to undertake a 360-degree appraisal for each participant but as yet there is no feedback to report on. The intention is also to interview 12 months after completion of the program.

Corporate Leadership First Program

The third leadership development program, a mandatory course for new members of the SCS, replaces the former SCS Foundation Program, which was run for several years. The new program, which lasts five days, like the other two programs above, identifies its aims and objectives, and invites participants to reflect at the beginning of the course upon what they and their organization expect to get from the program. The program director is responsible for ensuring that there is informal feedback and all participants complete the formal evaluation questionnaire. The trainers also report on how they think the program has gone and where they think changes are called for, if any.

The aims and objectives of this course are to:

- Enhance (participants) personal development as leaders thereby contributing to the collective leadership capability of the organization.
- Set their new roles and responsibilities in a corporate context, aligning their objectives with the strategic direction of the employing organization.
- Reflect on the essential ingredients of leadership.
- Evaluate and enhance their own approaches to leadership and begin the process of becoming the leader they want to be.
- Develop a foundation for their continuing personal and career development.

Unlike the other programs this new foundation course specifies seven intended learning outcomes for the participants and the benefits of the program to their organizations (NSG 2007). These provide clearer criteria for validating the success of the program although this has not yet been done.

In all the feedback questionnaires, in the three programs, the target set is a 92 percent very satisfied or satisfied response rate. This target is not always achieved but where it falls short efforts are made to improve. The
Leadership training and development

new ALP was based in part on feedback from previous participants. Now all participants have to identify their learning needs before coming onto the program and are asked to agree their learning objectives with their line managers. Individuals can validate/challenge those learning objectives while in the course, with program staff, peers or facilitators, and these changes demonstrate that learning has taken place, albeit by the trainers.

EVALUATING THE EVALUATION STRATEGY

Evaluation is, as we have seen, different from validation. It is quite clear that the NSG is doing a lot of validation. It is collecting data on reactions of trainees to the specific units of training, training methods, the quality of the trainers and the overall facilities. It requires all participants to comment on whether the aims and objectives set for the program have been achieved; whether their own expectations have been met and whether what they have learned from the training experience is useful. Participants also draw up action plans, which are the basis for Kirkpatrick’s third level of evaluation, namely the evidence of transferred learning. The latter, however, is an innovation in the new ALP and when this data on outcomes is available it could provide the basis on which to make a judgment about the value of the training. More detailed research into whether these plans have been acted upon or not, and if so how successfully, will be required. There are no plans at present to go beyond stage three to Kirkpatrick’s stage four. To date, the evidence is that the NSG is learning from the feedback and is applying that learning in continually updating its programs and ensuring that the aims and objectives are in tune with those of the SCS and the participants on their courses.

Although there are financial accounts of the input costs to the NSG of providing these programs there does not appear to be any of the total input costs to the participants’ department/agency. This would require a calculation, in addition to the cost of the training program, of the salary of the participant and any costs involved in covering his/her work during their absence. It is not impossible to calculate those costs in financial terms – which would demonstrate the total cost of training to the government – but it would not enable an assessment of whether there was a good rate of return on that investment. The calculation of the benefits and the total return on the investment is far more problematic and at the moment is not being attempted.

Where a trainee has a revenue-generating role then it may be possible to calculate a direct link between training and an increase in revenue. However senior civil servants are rarely engaged directly and operationally in revenue-generating roles even in departments such as revenue
Leadership development and training in the British senior civil service

and customs. The majority of government departments and agencies are responsible for delivering programs rather than raising revenue and often through other organizations or in partnership with private or voluntary bodies. Therefore it is not possible to adopt the Kearns ROI formula in a mechanistic and scientific way. It is especially difficult to calculate the contribution of leadership training even though it may be possible to assess the effect of the training on the responses of those affected by the personal leadership style and skills.

In the recent capability studies undertaken in government departments a series of questions on leadership are being used to test leadership capability and these are proving useful in establishing the current capability or shortfall and therefore constitute a base line from which a notional target for improvement could be set. Post-training evaluation, using the same questions, could indicate what ‘improvement’ had been achieved. This could be on the government’s agenda but is not yet officially recorded.

Some private organizations undertake a long-term approach to evaluating and observing the progress of participants in their leadership programs through the leadership pipeline. Such criteria as speed of promotion through the grades or success in obtaining positions applied for are used. From an organizational perspective, the success of the leadership development program might be judged by how many top managers/leaders are recruited internally and how many externally, in other words the ‘make’ or ‘buy’ ratio. However this measure has its limitations in the SCS as the number and rate of promotions are dictated by a number of factors related to opportunities, requirements and appropriate functional skills. Also leadership skills are only one of the criteria applied in selection procedures and external recruitment may reflect a conscious choice to inject new blood and a fresh perspective and to aid networking.

The current method used to identify the need for leadership development and to assess the impact of the training ex post is the performance review. Here the skills and competencies fitting the role profile and success in achieving the goals set in the previous review are assessed and combined with 360-degree feedback to give an indication of overall performance. This data could be linked more closely to the training although again there is no way in which a direct cause and effect connection can be made.

Evaluation theorists have demonstrated that changed behavior cannot be derived from training in a linear, cause and effect relationship. First, because the extent to which individuals are motivated to change, develop or apply learning is influenced by their feelings, attitudes, values and expectations. Training interventions can only be successful when they address these individual characteristics and there is compatibility or congruence. Second, the training intervention is only the first stage of behavioral
Leadership training and development

change. If the individual is willing to effect the behavioral change and apply the learning within the organization, the latter must be receptive. This involves line managers and other members of the organization being willing to support and to cooperate in the change. Holton (1996) refers to this as the learning transfer system. Third, in addition to the opportunity to apply the learning, its success will also depend on the availability of the necessary resources and the cooperation of other members of the team or other stakeholders, including political leaders.

Lewis and Thornhill (1994) provide a comprehensive list of reasons why so little evaluation of training takes place especially at the highest levels. These include the confounding variables where it is impossible to unravel training outcomes from other stimuli such as pay increases or performance reviews; the non-quantifiable effect, where the results of soft skills training, for example, team-building, are difficult to quantify in tangible terms; costs outweighing benefits where the follow up evaluation study would actually cost more than the original problem; the act of faith effect where there seems to be a strong sentiment that training is a ‘good thing’ and that evaluation is not necessary; the training sensitivity effect, where trainers recognize that evaluation may point to the ineffectiveness of the training; and finally the organization political effect, where the inhibiting effect of authority counters sound training practice. Supporting evidence of this analysis can be found in the Chartered Institute of Personnel and Development (CIPD) annual survey data which confirms that many training practitioners find that ‘serious’ evaluation is too time-consuming (CIPD 2007); that managers rarely show interest in ‘traditional’ evaluation data (CIPD 2007); and that 80 percent of HRD professionals believe that training and development delivers more value to their organizations than they are able to demonstrate (CIPD 2006).

The current commitment of the SCS to improving the evaluation of its training, the emphasis in the capability studies of establishing the need for training, especially leadership training, and the evidence from the same studies that the vast majority of civil servants, 80 percent, are satisfied with learning and development opportunities confirm the high agenda status of leadership development and training. Other statistics, that 88 percent of civil servants felt they had the leadership skills necessary to do their job and 77 percent of managers were confident that their staff had the skills they need to deliver their objectives should, however, be treated with caution given the rapid rate of change in technology, knowledge and government policies. Only half of the 19 departments that will eventually be subject to the capability surveys have produced these results so there is no room for complacency, but these recent developments do indicate a serious commitment on the part of the SCS to align the aims and objectives of the
Leadership development and training in the British senior civil service

organization with the perceived need for training and development and a more rigorous approach to evaluating whether that need is being met by the training interventions.

What is still needed, however, is an evaluation approach that monitors how well the organization is learning and how well it uses that learning to achieve its strategic objectives. The ultimate goal of evaluation should be the development of the organization’s learning capability. How to measure the rate of return on learning (ROL) is the search for the real Holy Grail. The ROI idea fits the economistic, generic and rationalist approach to public management by numbers but is a very limited tool for evaluating anything’s true worth. Although there is a place for measurement there are some things that at this point in time we cannot measure with any accuracy and one is the contribution of learning to stakeholder interests within organizations. The future of evaluation of the SCS leadership programs will continue to be the search for the Holy Grail. The journey is worth taking because so much is learnt on the way. But at this time evaluation of learning can only ever be a judgment and the judgment may be different depending on which stakeholder is making it. For the SCS it may be to demonstrate that it is delivering what the government wants it to. In which case the success of the leadership development program could be assessed in terms of the ability of the civil service in general and the SCS in particular to survive in its present form. If the present leaders are right in thinking that leadership is the key to the success of the civil service in delivering on government policies and that a training intervention can ‘produce’ a corporate identity and a corps of strategic leaders and has faith that the programs provided by the NSG can do this, then it is worth the investment whatever the return!

NOTE

1. The Management Charter Initiative was spearheaded by a number of leading British companies which were committed to the development of the chartered or professional manager. The aim was to encourage training and accreditation of recognized management skills using an NVQ framework.

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The challenges facing public sector leaders continue to grow in complexity and consequence. Every challenge seems bounded by its own unique context and flooded with dynamic and often ambiguous variables, leaving the public sector leader to choose between many decisions and directions. The 18 contributions in this volume address a number of current issues and challenges, providing a sample of significant work for both public sector leaders and researchers. Author Anaïs Nin notes, ‘There are very few human beings who receive the truth, complete and staggering, by instant illumination. Most of them acquire it fragment by fragment, on a small scale, by successive developments, cellulary, like a laborious mosaic.’ And indeed each of the 18 contributions have their individual integrity; collectively, however, they offer conclusions about the state of this field, particularly the challenges facing leaders today, the responses to those challenges and the state of research in the field.

CONTRIBUTIONS

The contributions in Part I of the book address the broader question of how the nature of public sector leadership is changing, particularly given the current challenges which leaders must face, and highlight the conflicting values that must be confronted. Marcussen describes the substantial reforms undertaken in central banking over recent years, requiring central bank governors to confront three types of leadership challenges: ‘a concern with the perception of central bankers held by stakeholders and the broader population; a concern with the extent to which outcome performance is maximized; and a concern with streamlining and adapting existing working procedures to new functions.’ Marcussen’s research suggests that the move toward transparency and accountability must be balanced with the need to achieve substantive goals, specifically keeping inflation in check and economic growth vibrant. This process has not been an easy one particularly
because central banks have had to deal with declining staff trust and decreased morale. Marcussen concludes, ‘In other words, in solving one set of problems – the lack of transparency, introversion and low effectiveness – another management problem seems to emerge.’ Sætren’s study shows how an attempt to adopt an efficiencies studies program in three nations came into conflict with bureaucratic forces and inertia, implying that perhaps efficiency was not as important in Norway and Denmark as in the UK. Steen and Van der Meer’s study of the Dutch civil service shows how the focus on managerialism has diminished the role of top civil servants as policy advisers. They describe how the focus on content has been eclipsed by the focus on process. Berry’s chapter presents a systematic and detailed analysis of the many conflicts between NPM and democratic values. The advocates of NPM have made clear what is to be gained, but these authors document what may have been lost.

Sætren’s analysis provides the most detail for those seeking to understand what leads to successful change and the role of public leadership within the mesh of causal factors. His analysis indicates the contextual factors which played a role, such as the type of governmental form and the economic climate of a nation, but he also shows how leadership variables such as experience, and entrepreneurial and transformational leadership played a role in the UK’s success and Norway and Denmark’s failure to successfully implement reform.

The chapters in Part II examine the intersection between political and administrative leadership. Svara, Wille and Holzer and Illiash demonstrate that different concepts of leadership and accountability underlie the debates over and changes in political-administrative relations. Svara maps the concept of accountability and by distinguishing between accountability for the political agenda and for administrative performance on the one hand and between short-term and long-term time horizons on the other, he is able to position the two forms of US local government, mayor-council and council-manager. The association of different concepts of accountability with different types of leadership is evident. Accountability improvement in the sense of delivering results in the short term through high administrative performance appears to be related to a strong political leader who asserts control over the bureaucracy. The other approach to accountability improvement is based on shared responsibility, with the political authority both holding bureaucratic officials accountable and sharing a commitment to common values and norms that orientate the long-term political agenda.

Svara shows that in the case of the mayor-council form of government with an elected executive, strong leadership is associated with improving administrative performance in the short-term. In the case of Russia’s
autocratic leadership history, however, strong leadership has not improved accountability in any sense. Holzer and Illiash’s analysis shows that strong leadership assisted by a type of bureaucracy that is distinctly non-Weberian, did not improve administrative performance. Thus particular concepts of accountability and approaches to accountability improvement are related to particular types of leadership which involve particular political-administrative relations.

Political and public management reforms have a definite effect on the frontier of political-administrative relations. Such reforms are usually a response to popular sentiments which politicians translate into different ways of framing the direction of desirable change. Thus, as Svara shows, the political mood in the USA appears to be inclined towards framing local popular antigovernment sentiment in terms of the need for an elected city-manager (that is, mayor) who is supposed to have more clout. In Europe popular anti-Brussels sentiment (Brussels is the seat of the European Commission) initiated a reform that has emphasized the distinct roles and responsibilities of political and bureaucratic leaders but also acknowledges the virtue of collaboration. Wille’s analysis brings out clearly that the reform has resulted in a strengthening of political accountability, and that this is quite compatible with soft leadership.

It would be too simple, however, to conclude that the institutional contexts determine in which direction the political-administrative frontier moves. Arguably institutional contexts are important, and US political routines and cultures give the impression of attaching more importance to ‘the leader’ than do European political cultures which remain historically averse to a Führer-type strong leader. However one can easily find examples of public safety crises in Europe similar to Katrina where European citizens want strong leaders who take charge, provide clear direction and restore order (see Boin & ’t Hart 2003). Indeed the structure of political-administrative relations should also be understood in relation to the characteristics of the issues that political leaders and bureaucracy must deal with, such as the delivery of routine public services or the resolving of highly complex and intractable social problems (Clarke and Stewart 1997). Thus political-administrative relations in US local governments cannot directly be compared with these relations in the European Commission. In fact many of the issues that local government must deal with – whether in the USA or Europe – will be different from the kinds of issues that the European Commission or the US Federal Government will deal with.

In terms of further research this section suggests that it is worthwhile to study political-administrative relations as a result of the ways in which key actors understand the concepts of leadership and accountability and the
ways these reflect the institutional contexts in which public organizations operate as well as the kind of issues they face.

Leadership in a network setting, the focus of Part III, according to Mandell and Keast involves different processes, depending on the type of network concerned. In cooperative networks, leadership involves connecting individuals from different organizations; in coordinative networks, it involves guiding the integration of all organizations involved in the collective delivery of improved services. In both these types of networks, the participating organizations are independent. In collaborative networks, however, the participants are interdependent and leadership involves learning new ways of behaving and dealing with each other as part of developing new arrangements to accomplish tasks.

Several of the cases presented in Part III have public organizations participating as actors in one of these types of networks. However the cases presented by Ingraham and Justice and Skelcher are different. Ingraham’s case of the US Coast Guard illustrates the use of both positional power by the Coast Guard’s executive to enforce the external contractor’s compliance and soft power to reglue the organization internally. Justice and Skelcher present an interesting case of cooperation and coordination networks in which a public organization figures not in the capacity of direct participant in the network but as the actor designing the framework for primarily private sector actors.

The different types of relationships between the organizations involved require different leadership activities. Obvious activities (Schruijer and Vansina 2007) include bringing together the relevant parties and legitimating their presence, creating the motivation to work together, building trust (Vangen and Huxham 2003), providing information about the problem definitions and goals as perceived by different actors and working towards shared perceptions, and developing skills to handle differences constructively and creatively. Obviously one of the capacities most difficult to achieve is opening up the agenda, transcending organizational routines of approaching an issue and thinking creatively. While this holds for any organization, it is particularly difficult for public authorities to do so and accept a collective approach (see also Kumar et al. 2007). This difficulty is connected with the traditional understanding that when public interests are at stake the state has the ultimate authority and must make use of its hierarchy or positional power to safeguard those interests. The use of such authority is very different from the importance attached to social and process competencies as keys to a collaborative network with public, private and non-profit organizations set to find a way of tackling a complex public issue, such as that of sustainable water use described by Mandell and Keast. On the other hand there are situations in which formal authority
can help in several ways and support social and process competencies when cooperation and coordination between several public organizations is required as in the case of information-sharing described by Gil-Garcia, Pardo and Burke.

The problem of a public organization’s participation in a collaborative network cannot be reduced to the issue of hierarchy and the use of positional power related to the ultimate principle of the primacy of politics. Such a reading would concentrate on the formal aspects of a public organization’s involvement in networks. Another issue is how public values at stake in a complex social problem are defined and protected. Stakeholders’ dialogue and collaboration cannot provide absolute criteria. However, neither can political deliberations. Therefore one of the specific requirements that must be part of the agenda of public sector leadership is that the definition of public values at stake is made a matter of explicit debate.

The contributions comprising Part IV of the book inform our conception of ethics, particularly examining the more implicit facets of issues that comprise often overlooked ethical failings. The works in this section highlight the critical connection between mindful, individual-focused leadership and ethical behavior, recalling Bass and Avolio’s (1994) concept of individualized attention in transformational leadership theory. ‘It is only by tracing things to their origin that we can gain rightful ideas of them, and it is by gaining such ideas that we discover the boundary that divides right from wrong,’ wrote Thomas Paine in 1795 (Paine 1987). The detailed analysis by Adams and Balfour of the Katrina crisis and the examination of public-private partnerships in the context of the Sydney Cross-City Tunnel by Johnson and Gudergan both emphasize the shortcomings of the technical-rational mindset. Both chapters show the need for leaders to be mindful of the organizational and structural mental frameworks that can lead to failure as well as the social relational aspects that must be foreseen to ensure success. As James MacGregor Burns (1978, p. 389) has noted, ‘Divorced from ethics, leadership is reduced to management.’ Paradoxically, these works inadvertently advocate for a technical-rational approach, but one that takes a far broader (and more dynamic and ambiguous) set of variables into account, that is, the management of leadership.

Defining leadership as the process of influencing others toward a common vision begs numerous questions of public leaders, one of the most important from this work being what values guide both process and vision. There are many facets of value to ‘see,’ honor and foster: economic, social, human, cultural and spiritual. However the value of diversity continues to languish. Efforts focused on diversity often strive for the inclusion of individuals by category, which ironically defeats the purpose of capitalizing on individual differences. The works by Newman, Guy and Mastracci
and Vanmullem and Hondeghem expand our notion about the nature of diversity, specifically by focusing on differences as a meliorating factor to motivation and satisfaction, as well as on the levels at which true diversity manifests, that is, at the individual and relational levels. Newman et al.’s focus on the multi-faceted concept of emotional labor highlights the critical importance of mindfully building and navigating individual relationships in public administration. They challenge leaders ‘not to make their work more efficient but to make it more humane and caring.’ Likewise, Vanmullem and Hondeghem suggest, ‘Leaders must move beyond their managerial or supervisory role and establish motivational environments that inspire followers to achieve levels of performance that meet the workers’ expectations and perhaps exceed their initial beliefs in their own capabilities.’ Leadership processes that value the uniqueness of each individual are those that truly honor diversity.

Part V of the book asks how can more effective public sector leaders be developed, and what factors lead to leadership success in the public sector? Indeed this is the primary objective of the entire book, and a number of themes built upon all the chapters speak to these questions. The most apparent theme evident throughout the chapters is that leadership matters and is often the reason for incredible progress or catastrophic failure. For example Sætren analyzes efficiency strategies in the UK and two Scandinavian countries (Denmark and Norway) and shows how the actions of Prime Minister Margaret Thatcher and her top governmental appointees helped save hundreds of millions of pounds as the innovative program built upon the Efficiency Unit was implemented. Norway and Sweden, lacking such leadership, failed to realize major effects of their similar efforts. And Ingraham describes how Admiral Thad Allen of the US Coast Guard moved the Deepwater contracting effort from the initial failure of refurbishing fast response cutters, which proved to be unseaworthy, to a successful effort to fix the contracting process and renew this key organization. Justice and Spencer show how some business improvement districts succeeded in mobilizing business leaders toward collective and mutually beneficial efforts in those communities where governance structures encouraged active business participation. Adams and Balfour describe a great failure of public sector leadership in the Hurricane Katrina debacle. The location of leadership differed, the issues varied, even the results were not the same, but the point in these and many other chapters in the book is that effective public sector leadership was key to success.

A second major theme, consistent with current leadership theory, is that context comprises a significant factor in leadership success. At one extreme Holzer and Illiash’s analysis of leadership and the Russian bureaucracy illustrates the extent to which a nation’s traditions impede its ability to
achieve public functions. The authors show how the lack of tradition of a public bureaucracy inhibits leadership from being successful and results in a ‘weak’ state. At the other extreme Sætren shows how the parliamentary system and political party accountability in the UK played a major role in the success of Margaret Thatcher’s adoption and implementation of the scrutinies programme. Between the analyses of the strong authoritarianism of Russia and the democratic accountability and parliamentary system of the UK, we find other research that shows how context is most significant. Steen and Van der Meer explain how the Dutch skepticism toward authority affects their vision of leadership and the role of civil servants in the nation’s central government. Marcussen’s analysis of central banking in Europe, with the US as a backdrop, illustrates how national traditions and politics impact on a relatively arcane (but very significant) governmental function. Public sector leaders would be well advised to consider a deeper conceptualization of context that includes past history, organizational and community culture, goals and interconnections between sectors.

A third important theme across the chapters is that connections and collaborations matter. There is a growing realization that given the increasing complexity of social challenges and the growing interconnectedness of influence and impact of these challenges only collaborative efforts across fields, sectors, organizations and individuals will bring about effective solutions. The reader can see this by considering many of the chapters as well as by reading between the lines. Ingraham’s study of the US Coast Guard’s experience of contracting out has similarities to Johnston and Gudergan’s case study of the public private partnership established to build the Sydney Cross-City Tunnel. In both cases public sector leaders were faced with being held accountable not for the efforts of their own staffs but for efforts of outside contractors. The new public management, with its emphasis on running government like a business, has brought many new challenges. In addition the increased role of networks has also led to common issues for public sector leadership. Mandell and Keast’s study of two programs, the Water Forum in California and the Services Integration Project in Australia, both requiring collaboration across many organizations, has many parallels to Gil-Garcia et al.’s study of the response to the West Nile virus outbreak in two US states (New York and Colorado).

A final theme that pervades this work is that one’s concept of leader and leadership matters. Substantive shifts in how leaders view their role may be called for to address the complex collaborative contexts that define public leadership. Several of the authors try to explain what has or would lead to the success of public sector leadership. Sætren offers the most complex analysis, showing how the effectiveness of the UK’s effort at reform, when compared with reform efforts in Norway and Denmark, was a function of
many factors, including the degree of modernization of public administration, the degree of a perceived economic crisis and the type of governing political party in each country. Ingraham analyzes the US Coast Guard as an example of an ‘unglued’ organization to illustrate the complexity of leadership today – command and control in hierarchical bureaucracies has never been as easy in reality as on paper, but today’s public sector leaders must confront the fact that they are trying to influence key players who are not in their own organizations, players with different goals, norms, and views of the world. In this context Wille offers a fascinating look at Europe’s attempt to build a bureaucracy that works in the context of a multinational organization: the European Commission.

The complexity of public sector leadership is illustrated by the problematic demand for accountability. The same complexity of public sector leadership also makes accountability a requirement. Svara shows that simple assumptions about the achievement of accountability with the mayor-council versus the council-manager form of government do not hold true. Marcussen’s work focuses on the ways in which central banks in Europe have varied in their responses to calls for greater transparency and accountability and the way this impacts each of the organizations. Berry raises deeper questions about how we can achieve accountability when more and more ‘government work’ is outsourced to non-governmental organizations. Johnston and Gudergan provide an example of how public sector leaders failed to accept responsibility for a flawed privatization effort in the construction and operation of the Sydney Cross-City Tunnel. Mau’s analysis of core competency training programs in three nations emphasizes the added complexity of accountability in the public as compared to the private sector. Accountability for public sector leadership will clearly continue to be a complex issue, and understanding the distinctions between leadership, management and administration may help clarify roles and responsibilities.

Peter Drucker (1983, p. 26) notes, ‘No institution can possibly survive if it needs geniuses or supermen to manage it. It must be organized in such a way as to be able to get along under a leadership composed of average human beings.’ Public sector leadership in today’s complex world adds new demands on top of the old requirements. Analyzing the role of core competencies in leadership development programs in Canada, Australia, and US, Mau concludes that while such programs are helpful, they do require unique public sector aspects, require attention to implementation as well as design and require evaluation. Beinecke and Spencer, trying to determine if there is a core to mental health training programs throughout the world, conclude that ‘Core competencies are universal’ and thus develop a leadership and management skill-set with five extensive competency areas: (1) Personal skills and knowledge; (2) Interpersonal (people) skills; (3)
Transactional (execution, management) skills; (4) Transformational skills; (5) Policy and program knowledge. However they also conclude, ‘In an ideal world, a competent leader should be strong in all these areas... [but] that is usually not possible.’

Whether one begins with a competencies-based training and development program or another approach, the work of the authors in the section of this book on collaboration make it clear that new skills will be needed for future public sector leaders. Mandell and Keast specifically call for ‘process catalysts’ to lead collaborative networks, Ingraham for leaders who can deal with the increased demands of public sector leadership including contract management and applying ‘glue’ where needed, Adams and Balfour for competent and ethical leaders, and Newman et al. for affective leaders who excel at emotional labor. Bob Denhardt’s Foreword makes the point that we expect managers not just to manage but also to lead, a conclusion all these authors would clearly support. However, not one chapter suggests that any of the ‘old’ management capabilities could be dropped. We must conclude, then, that public sector leaders will require a much wider array of knowledge, skills, and abilities to succeed in the years ahead.

FUTURE RESEARCH

The difficulty of conducting significant research on public sector leadership is evident from the chapters herein. Almost all of the chapters in this book, selected from those nominated by leaders in the field who co-chaired the workshops at TAD3, are case studies or comparative case studies. By contrast Ingraham and Van Slyke (2006, p. 394) call for more systematic analyses of public sector leadership, studies that move beyond ‘simple accumulation of many different kinds of data about leadership and leaders.’ They seek studies that ‘identify the most critical variables and influences, devise a strategy for systematically testing their comparative impact, and ultimately link them to clearly specified cases of success and/or failure.’ For example Horton in Chapter 19 shows how the success of leadership training and development programs can be measured by surveying participants and analyzing their feedback (validation), while measuring the financial impact (evaluation) of such programs based on the extent to which the organization is learning remains beyond our reach.

Systematic analysis of public sector leadership will necessarily require multiple methods and research approaches to allow researchers to continue to build a causal knowledge base and practitioners to apply lessons promptly to their specific context. Defining and operationalizing the leadership variables necessary in NPM and collaborative efforts, taking
into account the contexts that leaders face, and measuring the results of public efforts and controlling for exogenous factors such as economic and social conditions will significantly challenge researchers. However the qualitative research that provides a ‘rich, thick’ description of context and circumstance may provide a far more useful model for developing leaders (Thompson 2008). Based on research in intuitive decision-making, individuals who are highly experienced have developed mental models and processes that maximize their chances of making good decisions and succeeding. Case studies can be a limited substitute for development when the real experience is not possible (or desirable, as in the Katrina debacle!) We hope this book will serve as a major step in both types of such research.

The world of public sector leadership is complex, changing and challenging, and as Kotter (1990, p. 104) stated nearly 20 years ago, ‘More change always demands more leadership.’ The chapters in this book have shown how leaders in many nations have tried to address the issues they face and how researchers have analyzed their efforts. We asked at the beginning of this book, will we have the public sector leadership we need for the twenty-first century? The works included in this book indicate that for an affirmative answer leaders will have to lead and manage conflicts – including public service versus NPM values – challenges – including continued calls for accountability and the need for affective and collaborative leadership – and concepts – understanding and operationalizing a broader definition of leadership. Much will be asked of public sector leadership in the future but success is possible. This volume will help to further develop a field that is critical to us all.

NOTE


REFERENCES


Index

ABD (Algemene Bestuursdienst) 19, 97, 99–101, 103
Aberbach, J.D. 127, 129, 138, 140, 141
ABN Amro 83
accessibility 44–5, 46
accountability
  central bank reform 74, 76–7, 84–5, 377
  competency models 333
  contracting-out 221–5
  European Commission 134–5, 136
  government reform 44, 46
  and leadership 111, 354, 384
  local government 20, 110–21, 378, 379
  meaning of 110–12
  political-administrative relations 378–80
  public-private partnership agreements (PPPs) 279, 280, 287
action plans (leadership development) 369, 370, 372
Adams, Guy B. 15, 25–6, 381, 382, 385
administrative evil 295–6, 306–7
Administrative Leadership in the Public Sector (Van Wart and Dicke) 7
Advanced Leadership Program (ALP) 362, 370–71, 372
affective delivery 232
affective leadership 245–54
age, and leadership 25, 262
age diversity
  empirical analysis 262–70
  and leadership style 257–8, 270–73
  and motivation 262, 270–73
  theories of 261–2
Alban-Metcalfe, R.J. 348
Alexander, R.W. 6
Algemene Bestuursdienst (ABD) 19, 97, 99–101, 103
Alimo-Metcalfe, B. 348
Allbaugh, Joe 299
allegiance 216
Allen, Thad (Admiral) 220, 221, 223, 224, 382
American Management Association 345
Annapolis Coalition 340–41
appreciation 271
art, leadership as 231, 245–6, 248, 343
artful affect 246
Arvonen, J. 259–60, 261, 270, 272
Asian financial crisis 37
Austin, J. 198
Australia
  central bank reform 74
  competency models 314, 315, 318–19, 321–2, 326–9, 331, 334, 335, 384
cross-city tunnel (CCT) 283–8, 381, 383, 384
demographic change in the workforce 340
government reform 37
leadership training 28
new public management (NPM) 318
Services Integration Project (SIP) 167–8, 169–73
Australian Public Service (APS) 326–9, 334
authenticity 237
authority 216
autocratic leadership 146
autonomy 84, 95–6, 186–7, 249
Avolio, B.J. 343, 381
Balfour, Danny L. 15, 25–6, 381, 382, 385
Balkundi, P. 10
Baltes, Paul B. 261
Banca d’Italia 19, 78, 79, 82–3, 86, 87
Bank of Canada 87
Bank of England 74, 83
Bank for International Settlements (BIS) 82
banking see central bank reform
base line model 367
Bass, B.M. 259, 343, 381
BBVA (Banco Bilbao Vizcaya Argentaria) 83
Behn, Bob 41, 44, 46–7, 110, 111
Beinecke, Richard H. 15, 28, 384
Bekke, H.A.G.M. 94
Belgium 135, 315
Bennis, Warren xviii, 232, 252
Berry, Frances Stokes 14, 18, 378, 384
Blanchard, K. 259
Blanco, Kathleen 302
Bogason, P. 196
Bolsheviks 149–55
Booher, D.E. 167
Boothroyd, K. 282
Borins, S. 38, 40
bottom-up politicization 103–4
Bouckaert, G. 38, 62, 63, 214
Bourgon, Jocelyn 324
Bovaird, T. 277, 289
Bowen, P. 282
Bradford, D.L. 343
Brezhnev, Leonid 154
Brinkerhoff, J. 283
Britain
central bank reform 74
efficiency scrutinies program 53–4, 55–8, 62–9, 382, 383
government reform 35, 37
health leadership training 347–9
Senior Civil Service (SCS) 28, 360–63, 368–72
see also United Kingdom (UK)
Brown, A. 154
Brown, Michael 1, 299–300, 304
Brunner, Karl 74
Bryson, J.M. 180
Bundesbank 73, 84
Bureau ABD 99, 100
bureaucracy
and accountability 379
cartoons 157–8
definition 146
and democracy 157
Hurricane Katrina response 306
Russia 148, 149–56, 382–3
see also civil service; European Commission
Burke, G. Brian 14, 22, 381
burnout 248
Burns, J.M. 258, 343, 381
Bush, George (Snr) 298
Bush, George W. (Jnr) 1, 299, 303, 304–5, 306
business improvement districts (BIDs) 196–200, 202–10, 211–12
business leadership 196–8, 201–2, 361–2
see also leadership
business schools 29, 345
Buss, T.F. 3, 7
cabinet heads (European Commission) 132–3, 138–41
Callahan, K. 40
Canada
central bank reform 87
competency models 313, 315, 318–19, 323–6, 331, 333, 335, 384
demographic change in the workforce 340
leadership training 28
new public management (NPM) 318
Canada Public Service Agency (CPSA) 325, 326
Canada School of Public Service (CSPS) 325, 326
capabilities 373
capitalism 155–6
career patterns, European Commission 132
caritas 232, 240–41
Cartier, Jimmy 298
cartoons 157–8
case studies
collaborative networks 167–73
emotional labor 237–45
public-private partnership agreements (PPPs) 202–10, 283–8
US Coast Guard 219–25
West Nile virus (WNV) 183–92
Center for Creative Leadership 345
Index

Center for Leadership Capacity Services (CLCS) 322
Center for Strategic Leadership 361
central bank reform
   accountability 74, 76–7, 84–5, 377
   differences in 86–8
   leadership challenges 76–86, 377–8, 384
   transparency 74, 77, 81, 83, 84, 377
   trends in 18–19, 73–6, 383
change 172–3, 321
change-oriented leadership style
   259–60, 264–71
CHAOS report 181
Cheka 151
Chertoff, Michael 301, 303, 304
Chicago 117
chief administrative officers (CAOs)
   118
China 43
Chrislip, D. 174
Christiansen, T. 129
Chubarov, A. 149, 151, 154, 155
citizen empowerment 43–4, 46
city managers 112–15, 116–17, 121
civil liberties 152
civil service
   cartoons 157–8
   Dutch civil service 94, 96–103, 378, 383
   establishment of 94
   European Commission 125–7, 128–30, 133–41
   leadership models 92–6, 361–2
   political-administrative relations 96–8, 127–8
   politicization 101–3
   professionalism 42–3, 46, 92–4, 95–6, 103
   recruitment 130–33
   reforms 46, 48, 62–9, 91–2
   Russia 148, 149–56
   United Kingdom (UK) 18, 95, 382, 383
   United States (US) 95
   see also efficiency reviews
Civil Service College (CSC) 360–61
clarity, of mission 219–22, 223, 224
Clark, W.A. 148
Clegg, S. 278
cclimate 169–70
Clinton, Bill 37, 298
coalitions 321
Coast Guard, US
   case study 219–25
   contracting-out 23, 217, 380, 382, 383, 384
cognitive work, vs emotional labor 234–7
Cohen, A.R. 343
Cohen, M.D. 54, 218
Cold War 37
collaboration
   European Commission 139–40, 379
   executive involvement 185–90
   formal authority 190–92
   and leadership 10–11, 179–83, 192–3, 218, 354, 355, 383
   public leadership 10–11, 218
   public-private partnership agreements (PPPs) 280, 287
   skills 354, 355
   West Nile virus (WNV) case study 179–80, 183–5
   see also cross-boundary collaboration; interorganizational collaboration
collaborative networks
   case studies 167–73
   leadership in 22, 163–4, 165–6, 167–76, 380–81
   process catalyst 173–6
   see also cross-boundary collaboration; interorganizational collaboration
collective public action 196
Collins, Thomas (Admiral) 221
Colorado 179, 184–91
Comfort, Louise 305
Commissioners, European 131, 133, 134–5, 136, 138–41
commitment 170–71, 215
Committee of Senior Officials (COSO) 324–5
Commonwealth Association for Public Administration and Management 330
communication 74, 248, 303–4, 321, 354
Communist Party 149–55
compassion fatigue 232, 248
competence 305–6
competencies
definition 316–17, 344
leadership 315–16, 318–29, 340–41, 351–6
training 322–3, 326, 329, 343–4, 361
competency-based management 317–18
competency models
advantages 317–18
Australia 314, 315, 318–19, 321–2, 326–9, 331, 334, 335, 384
Canada 313, 315, 318–19, 321–2, 323–6, 331, 333, 335, 384
competency-based management 317–18
complexity 331–2
disadvantages 318
and ethics 321, 332–4
private sector 315–16, 329–30
public sector distinctiveness 329–35, 384–5
and recruitment 313–14, 329–35
United States (US) 314, 315, 316, 319–23, 331, 334
use of 313–15, 335
competition 48, 217
complementarity 139–40
Conger, J.A. 318, 335
connectivity 253, 383
Connick, S. 167
content theories of motivation 260
contingent leadership 259
contracting-out
public sector organizations 214, 216–18, 223–5, 380, 382, 383, 384
US Coast Guard 23, 219–25, 380, 382, 383, 384
and values 46, 48–9
Cook County Illinois Office of Public Guardian (OPG) 237–40, 245, 246, 249
cooperation 208, 211, 280, 287
cooperative networks 22, 165, 175, 380
coordinative networks 22, 165, 175
core competencies see competencies;
competency models
corporate identity 362
Corporate Leadership First 362, 371–2
Corps of Engineers 301
Corrections, Department of (DOC), Illinois 242–5, 246, 250, 252
corrections officials 242–5, 246, 250, 252
corruption 43, 148, 155, 156, 280, 281, 287
Corruption Perception Index (CPI) 82
council-manager forms of government 20, 109–10, 112–14, 115–21, 250, 378, 384
Council of Ministers (Soviet Union) 150
Council of Secretaries-General (Dutch civil service) 99
CPE (change, production and employee) model 259–60, 261, 264
credibility 84
criticism, intolerance of 154
Critien, P. 365
Crosby, B.C. 4, 180
cross-boundary collaboration
executive involvement 185–90
formal authority 190–92
and leadership 179–83, 192–3, 218
West Nile virus (WNV) case study 179–80, 183–5
cross-city tunnel (CCT), Australia 283–8, 381, 383, 384
cult of leadership 158
Cyprus 135
czar (Russian Emperor) 147–8, 153, 158
Dallas 114
Dance of Leadership, The (Denhardt and Denhardt) 8
Dawes, S.S. 182
decentralization 46, 49
Deepwater contract 220, 221–2, 382
DeLeon, Linda 41
democracy, and bureaucracy 157
democratization 155–6
demographic change in the workforce 257, 313–14, 340
Index

Denhardt, Janet xx, 5, 8, 232, 233, 234, 235, 237, 242, 243, 245, 246, 253
Denhardt, Robert B. 5, 8, 41, 232, 233, 234, 235, 237, 242, 243, 245, 246, 253, 385

Denmark
central bank reform 19, 77–8, 80–82, 86, 87
efficiency reviews 54, 58–60, 62–9, 382, 383
and the European Union (EU) 78–9
public sector performance 18
deontological ethics 296
Department of Corrections (DOC), Illinois 242–5, 246, 250, 252
depoliticization 128–33, 140
Depré, R. 263
deregulation 46, 48
Desai, U. 249, 250
developing countries 276
development
competency models 329
evaluation of training 363–8, 372–5, 385
public sector leadership 26–8, 362–8
Senior Civil Service (SCS) development program 362–3, 368–72

Diamantopoulou, Anna 135
dicke, L. 4, 6–7
Dickmann, Michael 1
digital divide 45
directors-general (Dutch civil service) 98–101
directors-general (European Commission) 131, 132, 133, 136–7, 138–41
disaster response 297–307
distributed leadership 206–10, 211–12
district management corporations (DMCs) 202–10
diversity 23–6, 131–2, 137, 354, 381–2
see also age diversity
Dixon, J. 327
Downs, Thomas 246
Draghi, Mario 83
-drive (for results) 321
Drucker, Peter 384
Dunham, V. 151
Dunkle, D. 215

Dutch civil service 94, 96–103, 378, 383

Dynamics of Leadership in Public Service: Theory and Practice (Van Wart) 6, 13
e-government 43, 45, 46, 48
Eaton, K.B. 150, 152
economic conditions 37–8, 66–7
Economic and Monetary Union (EMU) 84
education 217
Edwards, P. 282
efficiency reviews
Britain 53–4, 55–8, 62–9, 378, 382, 383
Denmark 54, 58–60, 62–9, 378, 382, 383
Norway 54, 60–61, 62–9, 378, 382, 383
efficiency scrutinies program 18, 53–4, 55–8, 62–9, 378, 382, 383
Egeberg, M. 135
Eglène, O. 182
Ehrenhalt, A. 111, 118
Ekvall, G. 259–60, 261, 270, 272
emergency management 298
emotion management 232, 239, 241
emotion work see emotional labor
emotional anesthesia 233
emotional armor 233
emotional chameleon 233
emotional engagement 233, 247, 253
emotional equilibrium 233
emotional intelligence 253, 353
emotion labor
affective leadership 245–54
case studies 237–45
vs cognitive work 234–7
and leadership 24–5, 231–2, 235–7, 245–54, 382
meaning of 232–4
public service organizations 243–5, 247–54
emotion mask 233
emotional mirror 233
emotional suppression 233, 237, 241
empathy 241
empowerment 43–4, 46, 354
enabling role 97, 101
Index

Encyclopedia of Leadership (Goethals) 3
energizers 138–9
engagement 321
Engaging Leadership Questionnaire (ELQ) 348
England 348–9
see also Britain; United Kingdom (UK)
entrepreneurship 69
equilibrators 138–9
ethics
competency models 321, 332–4
health leadership training 353
and incompetence 294–5, 297, 305–6
public-private partnership agreements (PPPs) 278–82, 287–91, 381
public sector leadership 23–6, 294–5, 305–7, 381–2
and technical-rationality 296–7, 306–7
euro-area 77–8, 79, 85
Europe, demographic change 261
European Association for Public Administration Accreditation (EAPAA) 29
European Central Bank (ECB)
central bank reform 19, 74, 77, 78, 82, 84–6, 87
research 83
European Coal and Steel Community (ECSC) 128
European Commission
central bank reform 83, 84, 87
Commissioners 131, 133, 134–5, 136, 138–41
leadership roles 133–40, 384
political-administrative relations 20–21, 125–7, 133–41, 379
politicization of 128–30
recruitment 130–33, 139, 140
reforms 125–7, 140–141
structure of 141
European Monetary Institute (EMI) 84
European Parliament (EP) 131, 135
European System of Central Banks 77
European Union (EU)
central bank reform 83, 85
and Denmark 78–9
government reform 38
public-private partnership agreements (PPPs) 276, 279, 280, 281
and Sweden 78–9
evaluation
lack of 374
levels of 364
meaning of 360
of performance 250, 373
Senior Civil Service (SCS) 368–72
of training 363–8, 372–5, 385
Evaluation Research Measurement Model 366
evidence-based decision-making 74
evil 295–6, 306–7
Executive Core Qualifications (ECQs) 316, 319–23, 331
executive group (Canada) 319
executive involvement 180, 181–2, 185–90
Executive Leadership and Management Program (ELMP) 347
executives, recruitment of 313–14
expectancy theory 260, 263
expertise 225
external government 202–10, 211–12
Extraordinary Commission for the Struggle against Counterrevolutions, Sabotage and Speculation (Cheka) 151
Fairholm, M.R. 26
Fazio, Antonio 83, 87
Federal Emergency Management Agency (FEMA) 1, 298–301, 302, 305, 307
Federal Executive Institute 322, 345
Federal Reserve 1, 73
feedback 369, 370, 371, 372
Feyerherm, A.E. 167
Filtzer, D. 152
finance 1, 200, 354, 372–3
five-year plans (Soviet Union) 150–53
Flanagan, R.M. 117, 118
flexibility, organizational 249
flexicurity 2
floodwalls 301, 303
Florida 43–4, 302
Flynn, R. 92, 93
formal authority 180, 182–3, 190–92
formal leadership 211–12
formative evaluation 364
framing 201–3, 206–10, 379
France 135
Frattini, Franco 135
Friedman, Milton 74
Gaebler, T. 41, 45
gameface 232
Gardner, John xix, 342
gender 266
General Accounting Office (GAO), US 41
generalist role 95, 100, 132
Germany
central bank reform 73, 84
competency models 315
cult of leadership 158
European Commission 135
Holocaust 295, 296, 306
Getha-Taylor, H. 319, 331–2, 333
Gil-Garcia, J. Ramon 14, 22, 381, 383
Gillies, J. 300
Giuliani, Rudy 115, 118, 158
globalization 158
glued organizations 217–18, 223–5
goal-directed training 364
Goffman, E. 198, 201
Goleman, Daniel 232, 233, 234, 235, 237, 243, 245, 246
Gosplan (State Planning Committee) 150
governance
business improvement districts (BIDs) 198–200, 211–12
case studies 202–10
central bank reform 77, 84–5
government reform 35–6
literature 282–3
of public-private partnership agreements (PPPs) 25, 196–8, 211–12, 277, 279–82, 287–91
urban regeneration 22–3
governing by network 332
Government Performance Project (GPP) 224, 225
government reform
developments in 35–6
efficiency reviews 53–4, 55–61, 378, 382
reasons for 37–9, 91–2, 360–62
role of leaders 41–2, 65
success factors 62–9
theoretical model 54–5, 56
types 39–41
values promoted by 42–50
Great Britain see Britain; United Kingdom (UK)
Grint, K. 10
Gudergan, Siegfried 15, 25, 383, 384
Gurwitt, R. 115
Guy, Mary E. 15, 24, 381–2
Hamblin, A. 364, 368
Hamman, J.A. 249, 250
Hardcastle, C. 282
Harmon, M.M. 296
Harris, A. 174
Harris, Robert 238
Health Information Network (HIN) 184, 191
health leadership
competencies 340–41
skill-set 351–6
training 28, 347–51, 356–7, 384
Health Research Council (New Zealand) 344
Heifetz, R.A. 343
Hersey, P. 259
Herzberg, F. 215
Hochschild, Arlie 232
Hodge, G. 282, 283
Holländer, P. 145
Holocaust 295, 296, 306
Holton, E. 366, 374
Holzer, Marc 14, 21, 40, 378, 379, 382
Homeland Security, Department of
220, 222, 249, 299, 300, 302, 305
Homeland Security Operations Center (HSOC) 300, 302–3, 304
Hondeghem, Annie 15, 25, 263, 382
Hood, Christopher 41, 54, 102, 315, 317
Hooghe, L. 129
horizontal management 332
Horton, Sylvia 15, 28, 316, 385
Howard, A. 111, 118
human resource management (HRM) 97, 99, 354
Hurricane Katrina 1, 25–6, 219, 220, 294, 297–307, 381, 382
Huxham, C. 10, 11, 167, 172, 173, 181
Huxley, Aldous 252
Ibbs, Robin 65
Ilgen, D.R. 253
Illiash, Iryna 14, 21, 378, 379, 382
Illinois 237–40, 245, 246, 249, 250
Illinois Department of Corrections (DOC) 242–5, 246, 250, 252
Imperialist rule, Russia 147–8
incompetence 294–5, 297, 305–6
Indiana State University 345
industrial production 150–53
inflation targeting 75, 77
informal leadership 180, 185–6
information-sharing
executive involvement 185–90
formal authority 190–92
and leadership 179–83, 192–3, 218
West Nile virus (WNV) case study 179–80, 183–5
information technologies (IT) 180–83, 184, 354
Ingraham, Patricia Wallace 2, 8, 14, 23, 27, 319, 331–2, 333, 380, 382, 383, 384, 385
Ink, Dwight 305
Innes, J.E. 167
Innovation in Public Leadership Development (Morse and Buss)
7–8
institutional legitimacy 182–3
institutions 63–4
Intagliata, J. 331
Integrated Coast Guard Systems (ICGS) 221, 224
integrated leadership 8
Integrated Leadership System (ILS) 321–2, 328–9, 331
integration 222, 224
integrity 321, 334
interdependence 139–40
intergovernmental networks
executive involvement 185–90
formal authority 190–92
and leadership 179–83, 192–3, 218
West Nile virus (WNV) case study 179–80, 183–5
Interior, Department of (US) 250
internal management reform
developments in 35–6
efficiency reviews 53–4, 55–61
reasons for 37–9
role of leaders 41–2
success factors 62–9
theoretical model 54–5, 56
types of 39–41
values promoted by 42–50
International City/County Management Association (ICMA) 113, 114
International Initiative for Mental Health Leadership (IIMHL) 341
International Monetary Fund (IMF) 77
interorganizational collaboration
executive involvement 185–90
formal authority 190–92
and leadership 179–83, 192–3, 218
West Nile virus (WNV) case study 179–80, 183–5
interorganizational networks 21–3
interpersonal skills 233, 235–6, 352, 354
Iraq 1, 217
Ireland (Republic of) 28
Italy 19, 78, 82–3, 87, 135
James MacGregor Burns Academy for Leadership 26, 346
job dissatisfaction 243–5
job level, in employing organization 266
Johnston, J.M. 217
Johnston, Judy 15, 25, 381, 383, 384
Jones, Bruce 219
judicial system 152
Jurkiewicz, C.L. 263
Justice, Jonathan B. 14, 22, 380, 382
Kamarck, E. 40
Kanter, Rosabeth Moss 342
Katrina, Hurricane 1, 25–6, 219, 220, 294, 297–307, 381, 382
Katz, Fred 295
Index

Katz, R.L. 235
Kearns, P. 367, 368, 373
Keast, Robyn 14, 22, 380, 383, 385
Kettl, D. 37, 305
Key Leadership Competencies Model 321–2, 324, 325–6
Kiedrowski, J. 4
Kilduff, M. 10
Kim, Daniel 23
King, C.S. 9
Kingdon, J.W. 68
Kinnock reforms (European Commission) 126, 129
Kirkpatrick, D. 364, 365–6, 368, 372
Klein, Gary 24
Klein, H.J. 253
knowledge 352, 353–4
Korsten, A.F.A. 102
Kotter, John 4, 342, 343, 386
Kramer, R. 232, 245
Kroes, Neelie 135
Kyprianou, Markos 135
La Relève Leadership Competencies 324, 325
Lambert, L. 174
Larson, C. 174
Latin America 37
Lawler, J. 4, 27
leaders
perception of 158, 214, 251
role of 4, 41–2, 215, 382
strong leaders 145–7, 156–9, 379, 382–3
leadership
and accountability 111, 354, 384
affective leadership 245–54
and age diversity 257–8, 262, 270–73
as an art 231, 245–6, 248, 343
and autonomy 95–6
capabilities 373
central bank reform 76–86, 377–8, 384
in collaborative networks 22, 163–4, 165–6, 167–76, 380–81
contingent 259
and contracting-out 223–5
cult of 158
development 26–8, 362–8
distributed leadership 206–10, 211–12
and emotional labor 24–5, 231–2, 235–7, 245–54, 382
ebtics 23–6, 294–5, 305–7, 381–2
European Commission 133–40, 384
government reform 41–2, 65
informal 180, 185–6
integrated leadership 8
interorganizational collaboration 179–83, 192–3, 218
local government 120–21
and management 4–5, 92–5, 97–8, 100–103
meaning of 13, 341–3
models of 92–6, 361–2
and motivation 260–61, 270–73
neo-charismatic theories 235
and networks 164–6, 167–76
public-private partnership agreements (PPPs) 196–8, 280, 287
public sector distinctiveness 218–19, 329–35
relational 235, 251, 259–60, 264–71
scholarship of 3–12
strong leadership 145–7, 156–9, 382–3
task-oriented 259–60, 264–71
theories of 166–7, 258–60
transactional 258–9, 343, 344, 352, 354–5
transformational 236, 251, 259, 343, 344, 352, 355, 381
US Coast Guard 220
see also business leadership; public sector leadership
Leadership Foundations Seminar 323
Leadership for Health Improvement Programme (LHIP) 348
leadership-member exchange (LMX) theory 236
Leadership Pad, The 362
leadership qualities framework (LQF) 348, 349
leadership style
and age diversity 257–8, 270–73
empirical analysis 262–70
and motivation 260–61, 270–73
theories of 259–60
leadership training
barriers 356–7
and competencies 322–3, 326, 329, 343–4
evaluation 363–8, 372–5, 385
graduate programs 29
health sector 340–41, 347–56
public sector 26–8, 344–6
United Kingdom (UK) 27, 28, 362–3, 368–72
United States of America (USA) 26–7, 28, 345, 346, 366
Leading Modernization Programme (LMP) 348
learning 65–6, 169–70, 326, 329
see also training
learning transfer system 374
learning transfer system inventory (LTSI) 366
legal authority 182–3
legal contracts 277–82, 283, 285, 287–91
legitimacy 84–5, 182–3
Leisink, Peter xvii, xix
Lenin, Vladimir Ilyich 149, 153, 155, 158
levees 301, 303
Lewis, P. 374
Liebersbach, Dave 301
lifespan 261
linkages in public organizations 217–18, 223–5
listening skills 233–4
local government
accountability 20, 110–12, 115–21, 378, 379
business improvement districts (BIDs) case studies 202–10
forms of 109–10, 112–15
policymaking 211–12
localized episodic problems 190, 192
Lockheed Martin 221, 224
Lodge, M. 315, 317
Los Angeles 118
Lott, Trent 304
Louisiana 301–2
Loy, James (Admiral) 219–22, 224
Luke, J.S. 343
Lynch, Kevin 313, 335
MacAvoy, P.W. 113
Mackay, P. 344
management
as an art 343
in competency models 320, 321, 328
definition 92
and leadership 4–5, 92–5, 97–8, 100–103
Management Charter Initiative 360
Management Development Centers (MDCs) 322, 345
managerialism 92–5, 97–8, 100–103, 136
managers 41–2, 112–15, 116–17, 121
Mandell, Myrna P. 14, 22, 380, 383, 385
March, J.G. 54, 218
Marsussen, Martin 14, 18–19, 377–8, 383, 384
market-based reforms 48, 155–6
masked evil 306–7
Mastracci, Sharon H. 15, 24, 381–2
Mau, Tim A. 15, 27–8, 344, 384
Mayfield, Max 302
mayor-council forms of government 20, 109–10, 112–13, 114–21, 250, 378, 384
Mazade, N. 346
McBer competency framework 315
McCaffery, A. 198
McClelland, David 315
Medvedev, Dmitry 146
mental health leadership competencies 340–41, 351–6
emotional labor 242
skill-set 351–6
training 28, 347–51, 356–7, 384
merit 140
Merkel, Angela 135
Michel, Louis 135
Middlebrooks, Anthony E. xvii, xix
Milgram, S. 296
Millstein, I. 113
mission 219–22, 223, 224, 238, 248, 298–9
mobility 132–3
Modern Leaders Program 362–3
monitorship 280, 287
Monnet, Jean 128
Moore, Mark 42, 45, 50
moral failure 296–7
moral inversion 295–6
morality 280, 287, 288, 353
Morse, R.S. 3, 4, 7
motivation
age diversity 262, 270–73
empirical analysis 262–70
health leadership training 354, 355
leader’s role 215, 382
leadership style 260–61, 270–73
theories of 260–61
Mullin, M. 115
multiple policy streams 54–5, 56, 62–8
Murphy, L. 343
Murphy, Patrick 237–8, 246
mutuality 280, 287
Nagin, Ray 302
NASA 249–50
National Association of Schools of Public Affairs and Administration (NASPAA) 12, 26, 29
National Center for Healthcare Leadership 350–51
National Health Leadership Programme 347
National Health Service (NHS) 347–9
National Hurricane Center 302
National Institute of Mental Health Staff College 349
National Performance Review 37
National Response Plan (NRP) 300, 302–3, 304
National School of Government (NSG) 28, 361, 363, 368, 372
National Science Foundation 183
National Vocational Qualifications (NVQs) 360
Nationalbank 19, 78, 79, 80–82, 86
nationality 131–2
natural disasters 294, 297–8
neo-charismatic theories of leadership 235
Netherlands 19, 94, 96–103, 135, 315, 378, 383
networks 21–3, 164–6, 332, 380–81
see also collaborative networks; intergovernmental networks; interorganizational collaboration
New Orleans 1, 219, 220, 294, 301–2
new public management (NPM)
adoption of 314, 316, 318
civil service reforms 91–2
developments in 18–19, 35–6, 378
Dutch civil service 97, 101
efficiency reviews 53–4, 55–61
European Commission 128
reasons for 37–9
role of leaders 41–2
success factors 62–9
theoretical model 54–5, 56
types of reform 39–41
values promoted by 42–50
New South Wales 283–8
New York 115, 118, 179, 182, 184, 185–91
New Zealand
central bank reform 87
competency models 315
government reform 53
leadership training 28, 344, 347, 353
ew public management (NPM) 318
Newman, Meredith A. 15, 24, 381–2, 385
Nin, Anaïs 377
911 call takers 240–41, 245, 246, 252
nomenklatura 153–5, 156
Noordegraaf, M. 93
Northern Ireland 28
Northhouse, P.G. 13
Northrup Grumman 221, 224
Norway 18, 54, 60–61, 62–9, 378, 382, 383
Nuclear Regulatory Commission 249
Office of Public Guardian (OPG) 237–40, 245, 246, 249
officials see bureaucracy; civil service; European Commission
Ohio State University 345
Olsen, J.P. 54
O’Neill, Robert 113
optimism 231
Organisation for Economic Co-operation and Development (OECD) 39, 40–41
organization theory 215–16, 354
organizational flexibility 249
organizational structure 243–4
organizations see public sector organizations
Osborne, D. 41, 45
Ouchi, William 73
oversight 221–5

Pachett, Ray 110
Paine, Thomas 381
Pardo, Theresa A. 14, 22, 381
Pearson, C.S. 236
people skills 233, 235–6, 352, 354
perception
central bank reform 76–7, 79–80, 81, 82–3, 85
of leaders in government 214, 251
performance
central bank reform 75, 76, 77, 80, 81, 83, 85–6
evaluation 250, 373
measurement 46–7
person-environment fit (P-E fit) 260
personal skills 352, 353–4
Peters, B.G. 127, 132, 140
Peters, G. 38, 40
Pittsburgh 117
planned economy 150–53
Podger, Andrew 328
police 151, 152, 240–41, 245, 246, 252
policy decisions 74–5
policy entrepreneurs 69
policy knowledge 352, 356
policy learning 65–6
policymaking 134–5, 149, 200, 202–10, 211–12
political-administrative relations
accountability 378–80
central bank reform 88
changes in 19–21
civil service leadership 96–8, 127–8
Dutch civil service 100, 101–3
European Commission 20–21, 125–7, 133–41
local government 113
models of 127–8, 378–9
politcization 96, 101–4, 128–33, 134–5, 140
Pollitt, C. 38, 62, 63
Popper, M. 232, 237, 245
position, in employing organization 266
post-Soviet Russia 155–6
PPPs see public-private partnership agreements (PPPs)
Préfontaine, L. 182
President of the European Commission 131
Preskill, H. 366
principles 279, 280, 287
prison 242–5, 246, 250, 252
private sector 155–6, 284–6, 315–16, 329–30
privately financed initiatives (PFIs) 277, 284
privatization 48–9
Privy Council Office 325
probity 280, 287
problem solving 190, 192, 355
procedures 77–8, 80, 82, 83, 84–5
process 46, 47, 171–2
process catalyst 22, 164, 173–6
process theories of motivation 260
Prodi, Romano 131, 132, 133, 135
professional ethics 296–7
professional face 232, 242–3
professionalism 42–3, 46, 92–4, 95–6, 103
Profile of Public Service Leaders and Managers 323
profit maximisation 205, 207–8
Program Analysis and Review (PAR) 55, 58
program knowledge 352, 356
promotions 373
psychodynamic approach to leadership 236–7
public health crisis 22, 183–92
public ownership of the means of production 150–53
Public Policy Forum 330
public-private partnership agreements (PPPs)
analysis of supranational organizations’ reports 277–82, 287–8
business improvement districts (BIDs) 198–200
and business leadership 196–8
case studies 202–10, 283–8
ethics 278–82, 287–91, 381
forms of 277
governance 25, 196–8, 211–12, 277, 279–82, 287–91
literature 282–3
use of 276
public responsiveness 134–5
public sector leadership
challenges xix–xxi, 1–3, 12–13, 377–8
competency models 313–15, 318–29
complexity of 218–19, 383–5
distinctiveness of 329–35
emotional labor 243–5, 247–54
and ethics 23–6, 305–7, 394–5
failures 1–2
future research 385–6
information technology (IT) initiatives 181–2
scholarship of 3–12
this study of 13–28
training 26–8, 344–6, 347–51, 356–7, 384
values 23–6, 381–2
see also leadership
public sector organizations
contracting-out 214, 216–18, 223–5, 380, 382, 383, 384
contracting-out case study 23, 219–25
organization theory 215–16
public service 247–54, 296–7, 313–14
Public Service Commission (Australia) 327, 329, 335
Public Service Commission (Canada) 325, 335
Public Service Human Resources Management Agency of Canada 325
Putin, Vladimir 146, 158
Qualifications Review Board 320
quality management 44, 46, 354
Raadschelders, J. 94
Rae, L. 367, 368
Raffel, Jeffrey A. xvii, xix, 26
Rainey, H.G. 3, 19, 215
Rand Corporation 300
rapport 233, 239–40
rationality 205
Rayner, Derek 55, 65
re-engineering government 47
Ready, D.A. 318, 335
Reagan, Ronald 35, 37
Reason, Jim 24
recognition 271
recruitment
and competency models 313–14, 329, 335
Department of Corrections (DOC), Illinois 243–5
European Commission 130–133, 139, 140
Soviet Union 153–4
Red Army 151
reform see government reform
Reicher, S. 10
relational conditions 277
relational leadership 235, 251, 259–60, 264–71
relationships 169–70, 171–2, 235, 253, 321
research, central banks 83, 84
Reserve Bank of Australia 74
Reserve Bank of New Zealand 87
resources 189, 200, 216, 225, 372–3
results 321
return on investment (ROI) 363, 367, 373, 375
return on learning (ROL) 363, 375
Rhodes, R.A.W. 54, 62
Richmond, Virginia 114–15
Ridge, Tom 300
Riksbank 19, 79–80, 81, 86
risk 278, 280, 282, 287
Rivlin, Alice 231
Roberts, P.S. 300
Rockman, B.A. 138
Romzek, B.S. 217
Roosevelt, Franklin 158
Ross, A. 344
Royal, Ségolène 135
rule of law 152
Russ-Eft, D. 366
Russia
cartoons 157–8
Imperialist rule 147–8
political-administrative relations 21
post-Soviet Russia 155–6
Soviet Union 149–55
strong leadership 145–7, 156–9, 379, 382–3
Rutgers, M. 94
Rutherfoord, R. 201, 207
Rwelamila, P. 282
Ryavec, K.W. 146, 150
Sacramento 168–9
Sætren, Harald 14, 18, 378, 382, 383
Sakharov, A.D. 154
Santer, Jacques 84, 131
Schruijer, S.G.L. 10
Scotland 28, 347–8, 353
second chance effects 65–6
secretaries-general (Dutch civil service) 98–101
Seldén, S.C. 249
selection processes 28, 130–33, 139, 140, 153–4, 313–14, 329
self-government 202–10, 211–12
Self, Peter 93
Selznick, P. 73
Senior Civil Service (SCS), Britain 28, 360–63, 368–72
Senior Executive Leadership Capability (SELC) Framework 321–2, 327–9
Senior Executive Service (SES), Australia 319, 326–9
Senior Executive Service (SES), US 26–7, 316, 319–23
services 44, 46
Services Integration Project (SIP) 167–8, 169–73, 383
Singapore 43
situational theory 236, 259
Skelcher, Chris K. 14, 22, 380
skills 235–6, 351–6
small- and medium-sized enterprises (SMEs) 205
Smola, K.W. 271
social activity 207–8
social contract 277, 280, 283, 285, 287, 288–91
social intelligence 233
social judgement 235–6
social skills 235–6
social workers 237–40
Solnick, S.L. 153
South America 37
Soviet Union 149–55
see also Russia
Spence, L.J. 201, 207
Spencer, Justin 15, 28, 382, 384
spider sense 233, 241
stability 63, 77
Stalin, Joseph 146, 150, 155, 158
Standard and Poor’s 289
State Planning Committee (Gosplan) 150
Staub, Elias 295
Stech, E.L. 237
Steen, Trui 14, 19, 378, 383
stewardship 280, 287
Stillman II, R.J. 145
Stordeur, S. 343
strategic planning 46, 47, 66, 80, 134, 321, 355
strategy 332
strong leaders 145–7, 156–9, 379, 382–3
sub-prime mortgage financial crisis 1
Substance Abuse and Mental Health Service 350
Suffolk University 346
Suleiman, E. 136
summative evaluation 364
supranational organizations 277–82, 287–8
sustainability, in collaborative networks 170–71
Sutton, C.D. 271
Svara, James H. 14, 20, 378, 379, 384
Sweden
central bank reform 19, 78–80, 81, 86, 87
and the European Union (EU) 78–9
government reform 35
Sy, T. 253
Sydney 283–8, 381, 383, 384
Tallahassee Police Department 911 call takers (TPD) 240–41, 245, 246, 252
task-oriented leadership style 259–60, 264–71
team leadership 236
technical-rationality and ethics 296–7, 306–7
meaning of 295–6
public-private partnership agreements (PPPs) 277–82, 283, 285, 287–91
teleological ethics 296
terrorism 298–9
Terry, Larry 41
Texas 114
Thatcher, Margaret 18, 35, 55, 65, 68, 69, 382, 383
Theen, R.H.W. 149
Thompson, Jim 238
Thorndike, Edward 233
Thornhill, A. 374
time out 243
Toffler, Alvin 251
top-down politicization 96, 103, 104
top management group (TMG) 99
Top Management Program (TMP) 362, 368–70
totalitarianism 151–5
town centre management (TCM) 196
training barriers 356–7
and competencies 322–3, 326, 329, 343–4
evaluation 363–8, 372–5, 385
graduate programs 29
health sector 340–41, 347–56
public sector leadership 26–8, 344–6, 347–51, 356–7, 384
Senior Civil Service (SCS) development program 362–3, 368–72
United Kingdom (UK) 27, 28
United States of America (USA) 26–7, 28, 345, 346, 366
training cycle 364
transactional leadership 258–9, 343, 344, 352, 354–5
transformation 35
Transformation Leadership
Competencies Wheel 350
transformational leadership 236, 251, 259, 343, 344, 352, 355, 381
transformative perspective 87
Transforming Leadership Questionnaire (TLQ) model 348
Transforming Public Leadership for the 21st Century (Morse) 7
transparency central bank reform 74, 77, 81, 83, 84, 377
contracting-out 224
performance evaluations 250
promotion of 43, 46
public-private partnership agreements (PPPs) 279, 280, 287
Transparency International 82
Treasury, Department of (US) 250
trust 250, 277, 280, 287
Tsebelis, G. 113
Tuite, M. 182
unglued organizations 217–18, 223–5
United Kingdom (UK) civil service 18, 95, 382, 383
competency models 315
frame analysis of business decisions 201
health leadership training 347–9, 353
leadership training 27, 28, 366
new public management (NPM) 318
public-private partnership agreements (PPPs) 196, 198
see also Britain
United Nations (UN) 276, 279, 280, 281
United States (US) age of workers 261
bureaucracy 157
business improvement districts (BIDs) case studies 202–10
central bank reform 73
civil service 95
competency models 314, 315, 316, 319–23, 331, 334, 384
demographic change in the workforce 340
frame analysis of business decisions 201
government reform 37, 38–9, 43, 48
health leadership training 349–51, 353, 356
Hurricane Katrina 1–2, 25–6, 219, 220, 294, 297–307, 381, 382
leaders 158, 214, 251
leadership training 26–7, 28, 345, 346, 366
local government 109–10, 114–19, 378, 379
political-administrative relations 20
public-private partnership agreements (PPPs) 196, 198, 290
scholarship of 12
selection processes 28
Water Forum Project (WF) 168–73, 383
West Nile virus (WNV) 179–80
West Nile virus (WNV) case study 183–92
United States Office of Personnel Management 345
universal leadership 259
universities 29, 345–6
urban regeneration 22–3, 196–200, 202–10
US Coast Guard 23, 217, 219–25, 380, 382, 383, 384
validation 360, 363–4, 367, 372
values competency models 321, 332–4 and contracting-out 46, 48–9
European Commission 139
government reform 42–50
health leadership training 353
public sector leadership 23–6, 381–2
Van der Meer, Frits M. 14, 19, 94, 378, 383
Van Slyke, D.M. 6, 8, 27, 217, 385
Van Wart, Montgomery 3, 4, 6–7, 9, 13, 19
Vangen, S. 10, 11, 167, 172, 173, 181
Vanmullem, Kathleen 15, 25, 382
Vansina, L.S. 10
verbal judo 232
Verheugen, Gunter 125, 140
Virginia 114–15
visibility 249
vision 222, 223, 355, 381–2
Vroom, V.H. 215, 260, 263, 270
Walker, David 50
Wallis, J.L. 8
Wallstrom, Margot 135
Warr, P. 364
Water Forum Project (WF) 168–73, 383
Weberian model 127, 145–6, 156–7
Weick, K. 278
Weihe, G. 277
West Nile virus (WNV) 179–80, 183–92
whole-of-government approach 88
Wilder, Douglas 115
Wille, Anchrit 14, 20, 378, 379, 384
Williamson, T. 111, 118
willingness 187–9, 190–91
Wilson, F.L. 149
Witt, James Lee 298–9, 300
Wonka, A. 130
World Bank (WB) 276, 280, 281
World War II 98, 295, 296, 306