

# **PUBLIC MANAGEMENT**

By Laurence E. Lynn, Jr.  
Sydney Stein, Jr. Professor of Public Management  
The University of Chicago

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The University of Chicago

[H]e liked to organize, to contend, to administer; he could make people work his will, believe in him, march before him and justify him. This was the art, as they said, of managing . . . .

Henry James  
*The Portrait of a Lady*

[P]ublic management . . . is a world of settled institutions designed to allow imperfect people to use flawed procedures to cope with insoluble problems.

James Q. Wilson  
*Bureaucracy: What Government Agencies Do and Why They Do It*

## INTRODUCTION

Public management is the subject of a rapidly growing literature that is international in scope and multifarious in content.<sup>1</sup> The common sense of public management is relatively straightforward. Good public managers, whatever their particular positions or responsibilities, are men and women with the temperament and skills to organize, motivate, and direct the actions of others in and out of government toward the creation and achievement of goals that warrant the use of public authority. Few public laws and policies are self-executing, and, in their formulation, all might benefit from managerial insight and experience. Under virtually any political philosophy or regime, then, the achievement of good government requires the responsible and competent use of public authority by a government's managers.

Common sense obscures issues that have been at the heart of public management from its inception as a field of study and practice, however. What if the goals to be achieved and their possible costs and consequences are unclear or in conflict? What if public managers are given insufficient authority, resources, and tools to organize, motivate, and monitor the efforts needed to accomplish those purposes for which they are responsible? How does effective management compare in importance to good policy design, rational organization, adequate resources, effective monitoring, and the approbation of affected publics? What is effective managerial practice and how does it vary across the many contexts in which public management is practiced? How might effective public management be enabled by legislators, executives, and judicial authorities, and how might particular managerial reforms or strategies affect governmental performance?

The objective of public management scholarship is to provide theoretical and empirical foundations for addressing both the above questions and the myriad specific questions that arise in organizing and carrying out managerial responsibilities in government departments, bureaus, and offices: means-ends rationality; the role of political-legal constraints; appropriate levels of discretion and resources; *ex ante* versus *ex post* controls over administration; accountability to the public; criteria for evaluating administration; and administrative reform. The purpose of this chapter is to provide an overview of the field that is concerned with these issues.

It will be useful at the outset to introduce distinctions that are fundamental to the perspective of this chapter. Public administration's classic American literature understood management to be the responsible and lawful exercise of discretion by public administrators. In this view, public management is a *structure* of governance (Scott 1998), that is, a constitutionally appropriate formalization of managerial discretion intended to enable government to effect the will of the people. In contrast, recent literature has tended to view public management as a *craft*, that is, as skilled practice by individuals performing managerial roles. To the extent that public managers practice their craft responsibly, that is, that they respect constitutional restraints and routinely evince values that are widely held to be legitimate and appropriate (rather than narrowly partisan or self regarding), then public management becomes even more: an *institution* of constitutional governance (Weimer 1995). Public management as an institution observes "rules of practice", that is, *de facto* restraints on or guides to behavior, that ensure their

legitimacy within a constitutional, or *de jure*, regime. Properly understood, then, public management is structure, craft, and institution: “management”, “manager”, and “responsible practice”.

In the initial sections of this chapter, two issues that define the scope of public management as a field of scholarship and practice are discussed: the relationship between “public administration” and “public management” and the similarities and differences between “public management” and “private management”. With these discussions as background, public management as structure, as craft, and as institution are explored in detail in the following three sections. There follows in the penultimate section a consideration of public management as it relates to the concept of governance, a discussion which brings into focus the enduring challenges of public management in theory and practice. Summary observations conclude the chapter.

## MANAGEMENT AND ADMINISTRATION

When we talk of ‘public management’ or of ‘public administration’, are we talking of the same subject or of different subjects? Arguments to the effect that management and administration are fundamentally different have a long history in American literature, although the distinction often seems arbitrary.<sup>2</sup> Many such arguments relegate management to subordinate, specialized or even stigmatized status with the result that the structural and institutional aspects of public management that are vital to understanding its significance to constitutional governance are overlooked.

Numerous early commentaries either view the two terms as synonymous or regard management as the more general concept.<sup>3</sup> In public administration’s first textbook, published in 1926, Leonard D. White, rebuking the notion that public law is the proper foundation of public administration, argued that ‘The study of administration should start from the base of management rather than the foundation of law . . . . (White 1926, p. vii).<sup>4</sup> According to Henri Fayol (1930), ‘It is important not to confuse *administration* with *management*. To manage . . . is to conduct [an organization] toward the best possible use of all the resources at its disposal . . . [i.e.,] to ensure the smooth working of the . . . essential functions. Administration is only one of these functions . . .’ (quoted in Wren, 1979, p. 232). In Roscoe C. Martin’s view, by 1940, ‘administration was equated with management,’ although, he noted, there was comparatively little talk about the ‘nature of the craft’ (Martin, 1965, p. 8). Paul Van Riper (1990), in assaying mid-to-late 19<sup>th</sup> century antecedents to Woodrow Wilson’s 1887, says: ‘Note . . . that the words *administration* and *management* have been treated here as synonymous’ (p. 8). Observed Dwight Waldo, ‘Perhaps as much as any other one thing, the “management” movement has molded the outlook of those to whom public administration is an independent inquiry or definable discipline’ (Waldo 1984, 12).

Yet many public administration scholars have held that, of the two concepts, administration is original and primary, public management is novel and subordinate or specialized. ‘Public management as a special focus of modern public administration is new,’ say Perry and Kraemer (1983), a view echoed by Rainey (1990, p. 157): ‘In the past two decades, the topic of public management has come forcefully onto the agenda of those interested in governmental administration,’ perhaps, he suggests, because of the growing unpopularity of government. In their *Public Management: The Essential Readings*, Ott, Hyde, and Shafritz (1991) argue that ‘*Public management* is a major segment of the broader field of public administration. . . . Public management focuses on public administration as a profession and on the public manager as a practitioner of that profession. . . .’ (p. 1).

Such viewpoints seem to represent a reaction to the opportunistic appropriation of the term public management in the 1970s and 1980s by the newly formed graduate schools of public policy at Harvard University, the University of California, Princeton University, and elsewhere.<sup>5</sup> According to Joel Fleishman, the policy schools’ focus on public management originated with Mark Moore’s efforts to ‘refocus political and organizational analysis into prescriptive subject matter, with a point of view that is decidedly strategic (1990, p. 743). Donald Stokes observed that ‘[S]trategic political thinking sets off the public manager who is able to *move* an agency from one who plays a custodial role . . . [T]he strategic manager sees the small openings presented by the agency’s routine to induce change toward an identified goal, step-by-step. . . .’ (1986, p. 55). By 1984, Moore summarized the emerging state of the public management art:

Our conception of ‘public management’ adds responsibility for goal setting and political management to the traditional responsibilities of public administration. . . . Our conception of

public management adds some quintessential executive functions such as setting purpose, maintaining credibility with overseers, marshaling authority and resources, and positioning one's organization in a given political environment as central components of a public manager's job (Moore 1984, p. 2, 3).

In Moore's view, the gist of public management is 'conceiving and implementing public policies that realize the potential of a given political and institutional setting' (1984, p. 3), potential he later termed 'public value' (Moore 1995). Thus Moore's view was new, that is, a departure from traditional conceptions of administration, in that it appeared to disavow interest in the settings for public management and to emphasize its behavioral and psychological aspects.

The newer behavioral approach to public management has tended to become more action-oriented and prescriptive. As such it says both more and less about public management than traditional conceptions. Briefly, the older view is that public management is the responsible exercise of administrative discretion. The newer conception adds to this what Roscoe Martin called 'the craft perspective', i.e., a concern for decisions, actions, and outcomes and for the political skill needed to perform effectively in specific managerial roles. However, by emphasizing the strategic political role of public managers *within given political and institutional settings*, the newer conception is concerned more with the immediate, pragmatic concerns of managers at executive levels of governmental organizations. As Robert Behn has put it, 'any emphasis on the perspective of practicing public managers will have a short run focus' (Behn 1993). A lower priority is placed on the manager's role in developing institutional capacity and in adhering to durable democratic values — that is, to public management as an institution —and on management at middle and lower levels of administration.

Precision concerning the distinction between administration and management is of more than antiquarian interest.<sup>6</sup> Because the concept of public management as the responsible exercise of discretion is at least implied by the intellectual development of public administration as a field, public administration's literature is also a literature of public management. Together, the older and more recent, craft-oriented literatures provide foundations for the structural, craft and institutional aspects of the subject. These three aspects, because they emphasize that practice must conform to constitutional structures and values, supply an analytic framework for evaluating particular public management reform proposals and developments, whether they be those of the Brownlow Report, the New Public Administration, the Blacksburg Manifesto, the U.S. Government Performance and Results Act, the Clinton Administration's National Performance Review, or the New Public Management. Of all such proposals, we wish to understand their structural, craft, and institutional implications in order to determine whether they befit constitutional requirements.

One particular argument for distinguishing between administration and management deserves further scrutiny, however. "Those who define public administration in managerial terms," argues David Rosenbloom, "tend to minimize the distinctions between public and private administration" (1998, p. 16). The term administration, in this view, conveys respect for the constitutional and political foundations of governance in a way that the term management does not.

## **PUBLIC AND PRIVATE MANAGEMENT**

How alike or unlike are managing in the public and private sectors? Can and should government be more business-like? Is management generic. To the extent that public and private management involve similar temperaments, skills, and techniques, then the extensive body of ideas and practices relating to corporate success can be applied to the problems of public management, and the public sector can in principle draw on the large pool of private sector managers to meet its own managerial needs. To the extent that, from structural or craft perspectives, they are different, then the public sector must have access to sources of knowledge, techniques, and skills suited to its unique character.

This issue was addressed with authority at the dawn of public administration as a profession. Argued Frank J. Goodnow in 1893, '[i]n transacting its business [the government's] object is not usually the acquisition of gain but the furtherance of the welfare of the community. This is the great distinction between public and private business' (1893, 1902, p. 10). At a more subtle level, Goodnow argued that 'the grant to the administration of . . . enormous

discretionary powers' means that '[t]here has . . . been a continuous attempt on the part of the people to control the discretion of the administration in the exercise of the sovereign powers of the state' (1893, 1902, p. 10, 11). In 1926, Leonard D. White added the consideration that the principle of consistency — today, we say equity — governs public administration to an extent not observed in business administration (White 1926; cf. Stamp 1923).

The basic elements of the argument that public and private management are fundamentally unlike in all important respects are: (1) that the public interest differs from private interests, (2) that public officials, because they exercise the sovereign power of the state, are necessarily accountable to democratic values rather than to any particular group or material interest, and (3) that the constitution requires equal treatment of persons and rules out the kind of selectivity that is essential to sustaining profitability. Moreover, the extent of the differences between the two sectors has been well documented empirically (Rainey 1997).

Some will argue nonetheless that an enumeration of such differences is misleading because it obscures important similarities. 'All organizations are public,' argues Barry Bozeman (1987), by which he means that all organizations, whether governmental, for-profit, or non-profit, are affected to at least some degree by political authority. Thus, he argues, '[p]ublic managers can be found in most every type of organization' because public managers are not limited to government employees but encompass 'persons who manage publicness' (p. 146) in any sector. However, one might also argue the converse, that all organizations are 'private' to the extent that they are responsible for tasks that are also performed by experts who are governed by professional or technocratic authority rather than by stakeholder interests. These tasks were first recognized by Goodnow (1900, p. 85) as 'the semi-scientific, quasi-judicial, and quasi-business or commercial' functions of administration, although as Don Price later warned, 'the expert may come to believe that his science justifies exceeding his authority' (1959, p. 492), a pervasive danger in all organizations requiring specialized expertise.

The distinction between public and private management, then, is arguably definitive from structural, craft, and institutional perspectives. The two sectors are constituted to serve different kinds of societal interests, and distinctive kinds of skills and values are appropriate to serving these different interests. The distinctions may be blurred or absent, however, when analyzing particular managerial responsibilities, functions, and tasks in particular organizations. The implication of this argument is that lesson drawing and knowledge transfer across sectors is likely to be useful and should never be rejected on ideological grounds.

## **PUBLIC MANAGEMENT AS STRUCTURE**

As already noted, the earliest conception of public management was as a structure of governance, that is, a formal means for constraining and overseeing the exercise of state authority by public managers. From a structural perspective, public management involves two interrelated elements: lawful delegation of authority and external control over the exercise of delegated authority. The design of arrangements that balance these elements constitutes the paradigmatic problem of public management viewed as a structure of governance (Bertelli and Lynn 2001).

Overcoming the reluctance of legislatures and courts to delegate authority to unelected bureaucrats constituted the first challenge to establishing public management as a structure of governance. As early as 1893, Goodnow asserted that 'A large discretion must be given to the administrative authorities to adapt many general rules of law to the wants of the people' (1893, p. 28). He noted further that 'while the main duty of the executive is to execute the will of the legislature as expressed in statutes, . . . there is a realm of action in which the executive authority possesses large discretion, and that it looks for its authority not to the legislature but to the constitution' (1893, p. 33). Asked John Dickinson (1927, p. 156), 'if . . . we . . . imply that the main purpose [of administrative agencies] . . . is to adjudicate according to rules, will we not have abandoned the characteristic and special advantage of a system of administrative justice, which consists in a union of legislative, executive, and judicial functions in the same body to secure promptness of action, and the freedom to arrive at decisions based on policy?'

Discretion must be controlled, however, and thus a second challenge arose: ensuring adequate legislative, judicial, and public oversight of public management. As legal scholar Ernest Freund put it, '[i]ncreased administrative powers call for increased safeguards against their abuses, and as long as there is the possibility of official error, partiality of excess of zeal, the protection of private right is as important an object as the effectuation of some governmental policy' (quoted by White 1926). Leonard D. White explored the problem of 'control of the

administration' at length in his 1926 textbook. 'The problem,' he argued, 'has gradually developed into that of finding means to ensure that the acts of administrative officers shall be consistent not only with the law but equally with the purposes and temper of the mass of citizens' (1926, p. 419). In Paul Appleby's later view, '[p]erhaps there is no single problem in public administration of moment equal to the reconciliation of the increasing dependence upon experts with an enduring democratic reality' (1952, p. 145).

Delegation and oversight by legislatures and deference to administrators by courts are now accepted features of constitutional governance. Striking the right balance between capacity and control remains a controversial aspect of public management, however, and failure to do so often defeats efforts to achieve public management reform. As Kettl has expressed it (1997), tensions continue to exist between "making managers manage", that is, imposing substantial *ex ante* and *ex post* controls over managerial discretion, and "letting managers manage", that is, holding public managers accountable for their performance rather than for their compliance with formal rules and procedures. These two strategies, Kettl notes, "require culture shifts in opposite directions" (1997, p. 449), a reality not always fully appreciated by advocates of public management reform.

## **PUBLIC MANAGEMENT AS CRAFT**

In recent decades, increasing emphasis has been placed on public management as a craft practiced by specific individuals in specific managerial roles. An intellectual development of seminal importance to this movement was the appearance in 1938 of Chester Barnard's *The Functions of the Executive* (1968), which laid the groundwork for new perspectives, including that of Herbert Simon, on managerial responsibility. As Frederick Mosher interpreted him, Barnard 'defined administrative responsibility as primarily a moral question or, more specifically, as the resolution of competing and conflicting codes, legal, technical, personal, professional, and organizational, in the reaching of individual decisions' (Mosher 1968, p. 210).

Barnard clearly influenced John Millett, whose 1954 book, *Management in the Public Service*, constitutes an early example of the craft perspective:

The challenge to any administrator is to overcome obstacles, to understand and master problems, to use imagination and insight in devising new goals of public service. No able administrator can be content to be simply a good caretaker. He seeks rather to review the ends of organized effort and to advance the goals of administrative endeavor toward better public service (1954, p. 401).

Millett goes in a manner prefiguring later ideas from the policy schools:

In a democratic society this questing is not guided solely by the administrator's own personal sense of desirable social ends. The administrator must convince others as well. He must work with interest groups, with legislators, with chief executives, and with the personnel of his own agency to convince them all that a particular line of policy or program is desirable (*ibid.*)

The newer literature within the craft perspective is based, by and large, on the careful study and analysis of particular cases of managerial experience.<sup>7</sup> As Graham Allison noted in a seminal article, 'The effort to develop public management as a field of knowledge should start from problems faced by practicing public managers' (Allison 1979, p. 38). The focus of such study is on what managers did or should do in specific settings. A more critical view saw this enterprise as representing an 'ongoing effort to create a new 'myth' for public management. . . by emphasizing a political and activist orientation — heroes and entrepreneurs became the stock and trade of its case studies' *at the expense of institutions* (Dobel 1992, p. 147). Among the numerous examples of this perspective, Heymann's *The Politics of Public Management* (1987), Reich's *Public Management in a Democratic Society* (1990), Behn's *Leadership Counts* (1991), and Moore's *Creating Public Value* (1995) are representative.

Anxious to inspire public officials with the conviction that 'management counts' and with an entrepreneurial, proactive spirit, the craft literature emanating from the public policy schools turned heavily to prescription (Lynn 1996). The best of this literature — e.g., Light's *Sustaining Innovation* (1998) and Bardach's *Getting Agencies to Work Together* (1998) — represents a thoughtful appreciation of the existential challenges of public management and an attempt to deduce best practices from closely observed successful stories. Other

contributions — e.g., Cohen and Eimicke's *The New Effective Public Manager* (1995) and Haas's *The Bureaucratic Entrepreneur* (1999) — are explicitly didactic and feature numerous prescriptions and principles based on the experiences and reflections of effective practitioners.

Within this genre, many craft-oriented public management scholars have assumed away the structural elements of public management, concerning themselves with the temperamental and psychological aspects of management. This approach leads to a highly reductive view of public management that harkens back to an earlier preoccupation with leadership traits and managerial personalities. Thus successful managers are characterized as enterprising or entrepreneurial, disposed to take risks, purposeful, imaginative and intuitive, and inclined to act. Others emphasize simple, generic processes — establishing and reiterating clear goals, managing by walking around — or adhering to unexceptionable principles — develop and focus on a narrow agenda, look for opportunities to act, and the like. Says Behn: 'Most management concepts are simple, and, to have any impact these simple management ideas must be expressible in some pithy phrase' (1988, p. 651). After citing five unexceptionable principles for achieving influence as a manager, Haas asserts: 'Being effective is that simple — and that complicated' (1994, p. 230).

The oversimplifications of its proponents should not discredit the importance of craft as an element of public management, however, at least in principle. Beyond structural considerations are the behavioral and intellectual challenges that any good manager must take into account. There are, as well, what Barnard called the 'non-logical' aspects that give rise to timely reactions, intuitive insights, and, ultimately, good judgment. From a craft perspective, some public managers are better than others. Though there has been relatively little rigorous empirical research on managerial contributions to governmental performance (Lynn, Heinrich and Hill 2001), it is reasonable to assume that public management will be only as effective as public managers are masters of their craft.

## **PUBLIC MANAGEMENT AS INSTITUTION**

How, and on behalf of what values, should public managers practice their craft? The answer to this question bears directly on the issue, discussed above, of the feasibility of "letting managers manage" and the consequences of doing so for constitutional governance.

The appropriateness of intrinsic or self control by public managers has been a recurring issue since the Friedrich-Finer debate of 1940 (Finer 1940, Friedrich 1940). Against Finer's view that public managers should be subject to minute legislative control, Friedrich countered that the best means for ensuring that management is responsive to the polity is the professionalism of the manager. More substantively, Rohr has argued that '[a]dministrators should use their discretionary power in order to maintain the constitutional balance of powers in support of individual rights' (1986, p. 181). Denhardt has urged that public managers commit themselves to 'values that relate to the concept of freedom, justice, and the public interest' (1993, p. 20). Wamsley insists that 'the only possible source of governing impetuses that might keep our complex political system from either a dangerous concentration of power on the one hand, or impotence or self-destruction, on the other, is a public administration with the necessary professionalism, dedication, self-esteem, and legitimacy to act as the constitutional center of gravity' (1990, p. 26). In asserting that public managers 'must resist, thwart, or refuse to implement policy that runs counter to the founding documents or to American regime values', George Frederickson comes tantalizingly close to enunciating a doctrine of administrative nullification (Frederickson 1997, p. 229).

The notion that public management should be a self-regulated institution evokes the concept of responsibility, another paradigmatic value in traditional public administration. Woodrow Wilson observed that '[t]here is no danger in power, if only it be not irresponsible' (1887, p. 213). Argued Morstein Marx, '[t]he heart of administrative responsibility is a unified conception of duty, molded by ideological and professional precepts' (1940, p. 251). To Frederick Mosher, '[r]esponsibility may well be the most important word in all the vocabulary of administration, public and private' (1968, p. 7), adding later that responsibility 'would seem to me to be the first requisite of a democratic state' (1992, p. 201).

How should responsible public management be defined? Rohr, Denhardt, Wamsley and others tend to define it in terms of adherence to a liberal political philosophy. Mosher (1968) distinguished between objective

responsibility, or answerability for one's actions, a structural perspective, and subjective responsibility, which is akin to identification, loyalty, and conscience, a craft perspective. More specifically, Bertelli and Lynn (2001) identify in the classic literature of public administration four distinct and demonstrable qualities — accountability, judgment, balance, and rationality — which, they argue, constitute a *precept of managerial responsibility* that, when observed in managerial practice, justifies judicial deference when agencies are defendants in litigation and qualifies as a general norm of responsibility. The logic of this precept is as follows.

*Accountability* has been defined in general terms as 'those methods, procedures, and forces that determine what values will be reflected in administrative decision' (Simon, Smithburg, and Thompson (1950, p. 513). Accountability is complicated in the United States by the fact that all three branches of government compete for control of public management. Despite this competition, 'no one [branch], nor all three jointly, provide the [public manager] with the totality of the value premises that enter into his decision' (*ibid.*, p. 539). The responsible public manager is not, however, a free agent empowered to act on the basis of whim or ideology. '[m]anagement guided by [the value of responsible performance] abhors the idea of arbitrary authority present in its own wisdom and recognizes the reality of external direction and constraint' (Millett 1955, p. 403).

After all external direction is taken into account, however, public managers still 'have considerable freedom to decide matters on the basis of their own ethical promptings' (Simon, Smithburg, and Thompson 1950, p. 539). Thus no combination of mechanisms for enforcing administrative responsibility can extinguish the element of *judgment* from public management. What kind of managerial judgment fulfills a precept of managerial responsibility? Schuyler B. Wallace argued that, apart from 'the primary purpose of Congress in establishing the unit', good judgment makes 'reference to some ideal purpose more comprehensive than that of Congress' (1941, p. 89). The notion of idealism is an unacceptably open-ended standard for judgment, however, because it appears to authorize the public manager to enact political philosophies that may not reflect the will of the polity. More precision is needed.

Because public managers are necessarily accountable to numerous stakeholders in their political environments, one characteristic of good judgement is *balance*. Public managers, argues Morstein Marx, should 'give careful thought to the legislative balance of power, the enunciated or anticipated preferences of the chief executive, and the probabilities of public reactions. Ideally, political and administrative thinking should blend into a joint process' (1959, p. 102). The act of striking a balance is termed 'adjustive activity' by Emmette Redford: 'In the concept of administration as adjustive activity, [public management] is an extension of the political process of adjustment among interests' (1969, p. 188). Thus public managers must strike a balance among competing interests, political philosophies, and interpretations of fact. The real agenda of public management, say Ott, Hyde, and Shafritz, is 'balancing political, economic, and social concerns for equity, justice, and fairness, as well as integrating perspectives for bettering 'the public good' in complex, highly diverse, competitive, and inequitable environments' (1991, p. xvi).

A second characteristic of good judgment is *rationality*. Marshall Dimock conceptualized managerial discretion as 'the liberty to decide between alternatives' (1936, p. 46). To be responsible, judgment concerning the merits of alternative strategies or actions, whether devised by the public manager or by other stakeholders, should aspire to be logical or rational as well as politically balanced. A rational action is one for which the relationship between the goals and the means for achieving them in the mind of the manager corresponds to the relationship between goals and means for achieving them in reality (or as might be confirmed by independent analysis) (Aron 1998, p. 121). To be responsible, the public manager must seek out and master arguments and evidence concerning the relationships between means and ends. Inescapable, however, is what Nicholas Rescher termed 'the predicament of reason,' or 'the irresolvable tension between the demands of rationality and its practical possibilities' (Rescher 1998, p. 169). The fact that the public managers cannot anticipate or calculate all consequences following from their actions, however, does not vitiate the argument for intentional rationality in management decisions.

The institutional perspective on public management might be summarized as follows: the structures of the administrative state constitute an appropriate framework for achieving balance between a jurisdiction's need for administrative capacity to pursue public purposes and citizen control of that capacity (Lynn 2001). When managerial craft practiced within this framework is guided by a sense of responsibility, public management becomes a primary institution for preserving the balance between the state's capacity to effect the public interest and the



citizen's power to hold office holders accountable. The issue was perhaps best stated by Goodnow:

[D]etailed legislation and judicial control over its execution are not sufficient to produce harmony between the governmental body, which expresses the will of the state, and the governmental authority, which executes that will. . . . The executive officers may or may not enforce the law as it was intended by the legislature. Judicial officers, in exercising control over such executive officers, may or may not take the same view of the law as did the legislature. No provision is thus made in the governmental organization for securing harmony between the expression and the execution of the will of the state. The people, the ultimate sovereign in a popular government, must . . . have a control over the officers who execute their will, a well as over those who express it (1900, pp. 97-98).

As early as 1900, then, the contemporary problem of balancing the competing values of democratic institutions, including the institution of public management, was clearly in view.

## **PUBLIC MANAGEMENT AND GOVERNANCE**

Public management performs its institutional role when public managers conform to lawful constraints, manage responsibly within them, and respond creatively to opportunities for policy making and structural reform. But public management is not the only institution that preserves balance in a constitutional regime. The capacity to effect the public interest, as Goodnow foresaw, does not reside solely in the executive agencies of government, nor does the maintenance of control reside solely with legislatures and courts. Capacity and control, and the balance between them, depend upon the actions of executives, legislatures, judicial institutions, and citizens acting in their many capacities. A term for this complex reality is 'governance.' From a public management perspective, governance may usefully be defined as regimes of laws, rules, judicial decisions, and administrative practices that constrain, prescribe, and enable the exercise of public authority on behalf of the public interest (Lynn, Heinrich, and Hill 2001).<sup>8</sup>

The broader issue for any self-governing jurisdiction, then, is distributing power among lawful organizations and institutions so as to establish a governance regime that ensures a satisfactory balance among competing interests and values. Achieving that balancing is the stuff of partisan politics and, as such, is infused with group interests (Pollitt and Bouckaert 2000). The task of political actors, argues Terry Moe, is 'to find and institute a governance structure that can protect . . . public organizations from control by opponents' (Moe 1995, p. 125). However, as Moe has put it, '[a] bureaucracy that is structurally unsuited for effective action is precisely the kind of bureaucracy that interest groups and politicians routinely and deliberately create' (1995, p. 328). As James Q. Wilson notes, referring to America's constitutional separation of powers, "[t]he governments of the United States were not designed to be efficient or powerful, but to be tolerable and malleable" (Wilson 1989, p. 376). Therein lies the continuing challenge to public management as an institution. As a result of regime restraints and the politics they authorize, the public manager may have to deal with inadequate resources, unreasonable or unrealistic workload or reporting requirements, inconsistent guidance, or missions defined so as to be virtually unachievable.

While the consequences for public management of the way governance is organized are ultimately relevant to virtually every regulation, policy, and program, these consequences are discussed most explicitly during debates over administrative reform proposals intended to improve the performance of government as a whole. In the United States beginning in the early 1990s, reforms provoking a discourse on governance have included the enactment of the Government Performance and Results Act and the Clinton administration's efforts to implement the National Performance Review. Internationally, these issues have arisen under the rubric of the New Public Management in its many national expressions. To the extent that they are actually implemented, which is often in doubt, these kinds of reforms, intended variously to increase the use of performance measurement in resource allocation, to empower public employees to engage in continuous improvement in public programs and operations, and to mobilize the theoretical advantages of markets to induce greater efficiency, all have major implications for public management as an institution (Pollitt 2000).

Such implications may remain inadequately defined, however, both because they are obscured by partisan

claims during the debate over the reform proposals and because widely-accepted standards for evaluating such claims are for the most part lacking. Greater clarity concerning the nature of public management as structure, craft and institution, a purpose of this chapter, might, as suggested earlier, prove helpful in facilitating such evaluations. For example, traditional conceptions of public management discussed throughout this chapter incorporate far more respect for the difficulties of harmonizing law, politics, citizens, and democratic values than do customer-oriented managerialism or populist-oriented civic philosophies that, in promoting employee, community and citizen empowerment, ignore the inevitability of the kind of factionalism and partisanship fully foreseen by the authors of *The Federalist*. Many managerial reforms barely acknowledge or actually denigrate the constitutional role of legislatures, courts, and elected executives and the need to anticipate political competition. Proposed reforms of governance which do not exhibit respect for a nation's basic institutions should be regarded with profound suspicion.

## **CONCLUSION**

Notwithstanding the vagaries of politics, public management as an institution and public managers as individuals must attempt to do the best that they can under difficult, if not impossible circumstances, even when that means doing little more than 'muddling through' or 'coping' (Lindblom 1959; Wilson 1989). Doing the best that they can is unquestionably a matter of craft, which can benefit from training and practice based on the study and analysis of particular cases. It is also, and maybe even primarily, a matter of institutionalized, and internalized, values, of public managers being self-consciously guided by a precept of managerial responsibility. Though the particular character of structure, craft, and institution varies across organizations, levels of government and countries with different legal and political traditions, a strong argument can be made for the general relevance of these concepts to effective public management and to successful administrative reform.

In the final analysis, public management is also a matter of common sense. Governments authorize imperfect people to use flawed procedures to cope with insoluble problems. The results of their efforts are remarkably effective given the exigencies of their roles. Responsible public management is indispensable to sound governance.

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## END NOTES

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<sup>1</sup> As defined in this chapter, public management varies across countries with different legal and political traditions. Public management literature offering a comparative perspective includes Peters (1996), Kettl (2000), Kickert (1997), Pollitt and Bouckaert (2000), and Christensen and Lægreid (2001). For a survey and analysis of various definitions of public management from a European perspective, see Pollitt and Bouckaert (200), pp. 8-16.

<sup>2</sup> The Oxford English Dictionary provides no basis for distinguishing between 'administration' and 'management'. The definition of each refers to the other.

<sup>3</sup> Barry Karl (1987) notes that '[f]or American reformers, the term 'administration' served to focus a kind of pragmatic attention on the governing process. The term became part of an elite reform vocabulary . . . .' (p. 27).

<sup>4</sup> 'The study of administration from the point of view of management,' White said, 'began with the bureaus of municipal research and was first systematically formulated in the 1920s' (White 1926, p. viii). An accurate understanding of public administration's intellectual history requires the disentangling of those influences originating in problems of municipal administration, fertile ground for applications of an apolitical 'scientific management', and those originating in problems of national administration, where issues concerning legislative delegation, judicial deference, and managerial accountability were more prominent.

<sup>5</sup> As argued in Lynn (1996), public administration scholars would have been justified in claiming that their field had 'owned' the subject of public management for decades. As evidence, in addition to the citations in the text, the journal of the International City Management Association took the title *Public Management* in 1927. In 1940 a volume edited by Fritz Morstein Marx was titled *Public Management in the New Democracy* (Morstein Marx 1940). John Millett's 1954 book *Managing in the Public Service* hits a strikingly contemporary note (Millett 1954). A 1955 'classic' in public administration is Catheryn Seckler-Hudson's 'Basic Concepts in the Study of Public Management' (Shafritz and Hyde 1992).

<sup>6</sup> It is of particular interest in the United States because the combination of the constitutional separation of powers and common law tradition establishes the power of precedent which, in the case of public management, is to be found in its traditional literature.

<sup>7</sup> A more extensive review of this literature is in Lynn 1996, pp. 55-88.

<sup>8</sup> According to Bouckaert and Pollitt (2000), the terms 'steering', 'guidance' and 'managerialism' are preferred to 'governance' outside the United States (for an exception, see van Heffen, Kickert, and Thomassen 2000). The complex interrelationships associated with such terms have also been described by Bouckaert and Pollitt and others in terms of an input/output model.