CHAPTER FORTY-TWO

EFFECTIVE ENTERPRISES,
EFFECTIVE ADMINISTRATORS

James L. Perry

This concluding chapter seeks to summarize what we know about effective public enterprises and effective public administrators. What are the attributes, characteristics, or qualities of effective public enterprises? How might we describe an effective public administrator? What are his or her qualities and attributes? What behaviors are characteristic of effective public administration? In answering these questions, I will attempt to synthesize insights shared throughout this handbook.

What Distinguishes Effective Public Enterprises?

The contributors to this handbook have developed four themes that can be linked to effective public enterprises: clear missions, visions, and goals; effective program, organizational, and control system design; resource stewardship; and assessment of results. In the sections that follow I highlight key arguments supporting the four themes. A note on terminology: in this chapter I use the term public enterprise to refer to the entire range of contexts in which these principles apply, including organizations, communities, policy and intergovernmental networks, and inter-sector partnerships.)
Clear Missions, Visions, and Goals

Probably the most ubiquitous message in this handbook is that public enterprises cannot be effective unless they know where they are headed. Effectiveness is not random—it begins with a clear mission, vision, and goals.

Effective public enterprises vary widely in how they chart this course, however. John Bryson and William Roering identified a set of relatively formal strategic planning approaches for establishing missions, goals, and visions. Michael Barzelay and Catherine Moukheibir suggested that focusing on the micro level—the customer—can help steer a public enterprise. They argue that marketing research techniques are a valuable resource for establishing goals and direction.

The contributors also identify some subtle, less direct means for establishing visions, missions, and goals. One avenue, addressed by Anne Khademian and by John Parr and David Lampe, is to manage relations with legislatures and citizens in ways that produce consensus, reaffirm agreements, and clarify goals. Sandra Hale, Lois Wise, and Richard Kearney suggest that employee involvement can be a powerful device for directing the energy of participants in public enterprises.

Quite obviously, the contributors settle on no one "best" mechanism for creating a vision or "bottom line." Some enterprises will rely on strategic planning, others on market research, still others on employee involvement. Many public enterprises use a combination of these approaches. The lesson is that a vision is vital for effectiveness, particularly at the dawn of the new millennium.

Effective Program, Organizational, and Control System Design

A theme emphasized repeatedly throughout this handbook is that the effectiveness of public enterprises is enhanced by effective design—of legal and accountability systems, organizations, programs, and control systems. A common thread implicit in the wide-ranging essays in Part One was the effect of the success or failure of these designs at all levels of government. Carl Stenberg documented the recent rush to reform and reorganize state governments that has arisen from new pressures on government stemming from rising expectations and dwindling resources. Chester Newland described intensified institutional separation at the national level that threatens the federal government's capacity to function. Beverly Cigler emphasized that local public administrators can promote effectiveness by designing enterprises that encourage employee excellence and self-evaluation.

Several chapters focus explicitly on design issues. Carson Eoyang and Peter Spencer described a link between program design and the efficiency and effectiveness of public programs. In the realm of fiscal administration, John Mikesell pointed to the direct relationship between the design of revenue policy and economic and social benefits and costs. Susan MacManus illustrated how much the
design of procurement systems influences the cost and quality of government goods and services.

The importance of design is not a new idea in the field of public administration. Woodrow Wilson’s seminal essay “The Study of Administration” (1887) was devoted largely to the question of how efficient and effective administrative institutions should be designed to serve the purposes of a democratic society. The Progressive movement was devoted to a series of new political and administrative designs, including the council-manager plan. Herbert Simon (1969) pioneered thinking about public administration as a design science—a discipline that devises “courses of action aimed at changing existing situations into preferred ones” (p. 55). The “new” public administration of the 1970s included a strong design component (Levine, Backoff, Cahoon, and Siffin, 1975). More recently, the re-invention movement (Osborne and Gaebler, 1992), privatization efforts (Savas, 1987), the new economics of organization (for example, see Garvey, 1993; Moe, 1984), quality management (Walton, 1986; Schmidt and Finnigan, 1992), and systems thinking (Senge, 1990) have sensitized us once again to the importance of design for achieving optimal performance in our administrative institutions.

Resource Stewardship

Resource stewardship is an important feature of effective public enterprises. I use the word stewardship here in a special way, to denote both public organizations’ shared responsibility for acquiring resources and their commitment to using them appropriately. Donald Kettl struck a similar chord in the context of his discussion of capacity: “Concrete steps can be developed to produce fundamental change from a system based on control through ownership of knowledge and resources to a system based on seeking out new knowledge in order to use limited resources wisely.”

As both experience and political rhetoric continually remind us, money alone solves few public problems. And even if it did, people’s willingness to commit resources to public enterprises is declining (see Chapters One, Two, and Sixteen, among others, for elaboration of this point). Effective public enterprises must rely on a range of resources contributed by a variety of participants. The constitutional structure of American government imposes extraordinary demands on resource stewardship. Recent shifts to even more complex networks involving private corporations and nonprofit agencies (dramatically illustrated by H. Brinton Milward in Chapter Five) place a greater premium on resource stewardship.

Parts Four and Five focused on financial and human resources, illustrating the importance of stewardship of these resources. But these resources alone are not sufficient to produce the results the public demands. Information, typically a less tangible resource, must also be skillfully gathered and managed. The formula
for acquiring information resources is complex. It relies on both communication flows within and among enterprises and on formal information systems. James Garnett's and Kenneth Kraemer's contributions summarized lessons for effective communication with and among stakeholders and ways to strategically merge information systems and organizational strategies.

Organizational, political, and social resources must be merged with financial, human, and information resources to meet the extraordinary demands imposed on public sector organizations today. How are these organizational, political, and social resources created? This question has no easy answer, but the contributors again provide insights. For example, Hal Rainey suggested that the shared meanings attached to strong organizational cultures are a vital resource that can be tapped in order to cultivate high levels of appropriate, focused effort. Inculcation of high performance norms, as Sandra Hale suggested, can significantly facilitate organizational responsiveness to stakeholder demands.

Norms can also be an important resource in the political and social realms. Beverly Cigler's idea of social entrepreneurship and John Parr and David Lampe's call for citizen involvement are ways to cultivate political and social norms as forms of social capital (Putnam, 1993). The contributions on accountability (Chapter Six), legislative relations (Chapter Ten), intergovernmental processes (Chapter Twelve), and leadership (Chapter Thirty-Five) identify additional lessons that public enterprises should heed in their stewarding of political and social resources.

Assessment of Results

At the conclusion of his chapter, Harry Hatry poses the rhetorical question: “If one does not know the score, how can one play the game?” Effective public enterprises “know the score” by measuring and monitoring their results.

As Hatry recounts, significant attention to performance measurement in public administration has at least a sixty-year history, dating to Ridley and Simon’s pathbreaking Measuring Municipal Activities (1938). Hatry described the substantial progress public enterprises in all arenas have made toward effective performance measurement. The demands for a more results-driven public sector will stimulate further development of valid and useful performance measurement. The uses for good performance measures abound, from holding public officials accountable (Chapter Six), to motivating employees (Chapter Twenty-Two), to contracting services (Chapter Fifteen), to procuring goods (Chapter Thirty-Four).

In Chapter Thirty-Two, Kathryn Newcomer identified a variety of techniques used to assess program effectiveness. Effective public enterprises employ these
methods in some combination to scrutinize the overall results and outcomes of a program and to improve its operations. Newcomer's evaluation suggests decision-making rules that public organizations might apply to get the best results from their evaluation efforts.

Another way that effective public enterprises measure and monitor results is by keeping close to the customer—and legislatures, courts, citizens, employees, collaborators, and peers. Although a great deal of attention has been given to customer satisfaction since the early 1980s (Peters and Waterman, 1982; Walton, 1986), public enterprises must often balance competing claims from many stakeholders, including their legislatures who appropriate their funds and the taxpayers who ultimately pay the bill. By defining customers as stakeholders rather than service recipients, Michael Barzelay and Catherine Moukheibir acknowledge the distinctiveness of public enterprises and the difficulty of demarcating customers as the sole (or perhaps even primary) principle in public sector transactions. Because public performance is often messy, not tangible, and multilateral, public administrators must pay attention to cues and nuances in their environment in order to understand and interpret their performance. Thus, feedback from many types of stakeholders is an essential part of the process of measuring and monitoring results.

What Makes an Effective Public Administrator?

The late W. Edwards Deming (discussed in Walton, 1986) popularized the idea that variations in quality are largely determined not by people but by systems. Get the system right, Deming argued, and quality follows. But whose responsibility is it to get the system right? People's! Whether public enterprises develop compelling visions, steward sufficient resources, design effective systems, and measure results depends on capable and committed public administrators. Thus, it is imperative to ask what factors influence a public administrator's effectiveness. Six stand out: technical skill, human skill, conceptual skill, intrapersonal skill, responsiveness to democratic institutions, and a focus on results, including the moral consequences of one's actions.

Technical Skill

An effective public administrator commands the specialized activities that are part of his or her organizational role. One of the hallmarks of modern organizations (and by extension modern public administration) has been the rise of specialization.
Therefore, effective administration requires some capacity to perform specialized tasks. Technical skill implies proficiency in a specific kind of activity and particularly in its methods, procedures, or techniques (Katz, 1974).

Some contributors to this handbook have explicitly addressed the importance of technical skills for administrator effectiveness; others have recognized their importance implicitly. For example, Craig Johnson emphasized the technically complex responsibilities associated with developing debt policy, structuring and selling bond issues, and administering repayment of outstanding debt. An administrator's failure to attend to the technical side of administering public debt can seriously erode both the financial viability of a government entity and the public's confidence in it, as the 1994 Orange County bankruptcy illustrates.

Technical skill is important to effectiveness in many of the other domains addressed in this handbook. It is essential for public administrators who serve as financial and budget analysts (Chapters Seventeen and Nineteen), compensation analysts (Chapter Twenty-Three), trainers and management developers (Chapter Twenty-Four), and organizational developers (Chapter Twenty-Nine). Because technical skills are the most concrete aspect of administrator effectiveness and have held such a central role in public administration over the years (Kaufman, 1969), it is important to put them into perspective. Although technical skills are necessary in virtually every administrative position, their relative importance usually declines as an administrator ascends within an organization's hierarchy. By the same token, technical skills are never likely to be the only characteristic that discriminates between effective and ineffective performers at any level in an organization.

Human Skill

Human skills are complex, and their role in organizations is difficult to summarize. At a minimum, they involve an awareness of oneself and how one's actions affect others, perceptiveness regarding the motives and sensitivities of others, recognition of one's responsibility to the group, genuineness in one's relations with others, and the ability to bridge competing cultures, resolve conflicts, and negotiate (Katz, 1974; Ring and Perry, 1985). The effective public administrator must possess the human skills to integrate people within a wide variety of cooperative activities.

As this handbook has illustrated, the situations in which a public administrator must employ these human skills are extensive. The task that is probably most identified with human skills is that of motivating subordinates to achieve high performance (see, in particular, Chapters Eight and Twenty-Two about achieving high performance and enhancing employee performance, respectively). Using their
human skills, public administrators seek to develop member identification with
and commitment to organizational goals, and to ensure members’ satisfaction with
the rewards and incentives the organization offers. As Sonia Ospina notes in Chap-
ter Twenty-Five, the management of diversity is becoming an increasingly im-
portant part of creating an effective motivational context.

The importance of human skills for the public administrator reaches into the
political environment. Relations with legislators and citizens are potential sources
of confrontation unless the public administrator brings the appropriate orienta-
tion and human skills to the situation. Perceptiveness and empathy—that is, being
able to identify with other parties and understand their position—is a necessary
starting point for constructive, nonconfrontational relationships. But some con-
frontation is inevitable (and sometimes desirable), as Sue Faerman argues in Chap-
ter Thirty-Six. Public administrators must have the skills to effectively manage
conflict and to negotiate solutions when necessary, as discussed by Lisa Bingham
in Chapter Thirty-Seven.

A public administrator’s capacity to function effectively within the complex
networks and implementation structures discussed by H. Brinon Milward, Robert
Agranoff, Laurence O’Toole, and Rosemary O’Leary depends heavily on human
skills. Public administrators must develop cooperative linkages with peers, subor-
dinates, politicians, competitors, and constituents to be able to gather and get in-
formation vital for working effectively within these networks.

Communication is a human skill whose importance is accentuated by organ-
izational size, social cleavages, and network structures. As James Garnett noted
in Chapter Thirty-Eight, communication in the public sector is different be-
cause government organizations are often situated at the nexus of information
networks. Within such networks, communication skills become essential tools for
operating effectively.

Reflecting about the situations in which human skills are important demon-
strates the tenuousness of the public administrator’s position. Although gov-
ernment is the chief coercive institution in our society, it is obvious that much
of what happens in government depends on cooperation rather than coercion.
As change agents, public administrators are therefore relatively helpless unless
they can wield informal influence. Thus, public administrators need to de-
velop their human skills to provide the glue to bind people together and engage
them in cooperative action.

Conceptual Skill

Conceptual skill involves the public administrator’s ability to see the big picture—
to conceive how decisions, events, and people are linked together in time and
space. Conceptual skills are to an administrator what effective design is to the larger enterprise. Each helps to unify and coordinate the administrative process.

Robert Katz (1974) suggests that conceptual skill involves recognizing how an organization's functions are interdependent and visualizing the organization's relationship to its broader context. In government, this means being able to envision the relationship between one's own activities and broader agency and government goals, recognize the implications of one's actions for many attentive groups and the general public, and anticipate the consequences of action or inaction over time.

Like human and technical skills, the situations that require well-developed conceptual skills are numerous. For example, conceptual skills are a necessary resource for effectively managing the multiple accountability relationships discussed by Barbara Romzek in Chapter Six. Effective public policy making, the focus of Part Three, requires participants to visualize programs holistically over time. Conceptual skill is essential to the number and quality of policy options that can be defined for any public problem. Implementation of public programs requires public administrators to conceptualize the factors that will ultimately contribute to the success of a program and the contingencies that might diminish its success. The ability to conceptualize a program in operational terms at an early stage must be complemented by an ability to conceptualize it in physical and human terms as well.

**Intrapersonal Skill**

Many of the skills the effective public administrator employs can be acquired by education (for example, technical skills such as budgeting) or practice (for example, human skills such as giving effective feedback and listening). As Robert Denhardt and Maria Aristigueta illustrated in Chapter Thirty-Nine, other necessary skills are acquired by introspection, reflection, and self-awareness. Among the “intrapersonal” skills that they identify are establishing a personal vision, becoming more creative and innovative, dealing with ambiguity and change, and improving one's sense of self.

Douglas Eadie contends that the skills Denhardt and Aristigueta call intrapersonal are essential as foundations for personal growth and, in turn, organizational change. Drawing from recent writings by Senge (1990), Govey (1989), and others, Eadie concludes in Chapter Twenty-Eight that psychological and spiritual development—personal growth—is an important precondition for effective change management. His perspective converges with some of the individual change technologies Robert Golembiewski describes in his discussion of organizational development and change in Chapter Twenty-Nine.
The association of intrapersonal skills with an individual’s character suggests that intrapersonal skills are highly consequential for ethical behavior. In Chapter Forty, Carol Lewis and Bavard Catron identify several character traits—virtues and vices—that have an important impact on public service. Among the virtues are humility, moral imagination, and courage, qualities that have long served a central role in American public administration (Richardson and Nigro, 1987). If public administration is reinvented as a more flexible, results-oriented activity in American society, an administrator’s character, and thus his or her intrapersonal skills, will become increasingly important.

Responsiveness to Democratic Institutions

The effective public administrator not only complies with the letter of the law but also strives to facilitate all aspects of the democratic process—by promoting an informed citizenry, contributing to open debate of the issues, and respecting the choices of citizens and their representatives. Carrying out the law is the first test of democratic responsiveness. As Phillip Cooper argues in Chapter Seven, failure to uphold the law cannot be justified on the basis of intended administrative ends, because the administrator’s authority is derived from law. For a public administrator to violate the law is illegitimate, and therefore, it undermines the foundations of constitutional democracy. The public administrator’s exposure to liability, reviewed by Charles Wise in Chapter Forty-One, is a reflection of how highly we value these constitutional principles.

As Part Two illustrates, legal systems are but one mechanism for encouraging democratic responsiveness by structuring the public administrator’s environment. Accountability structures, leadership, and organizational culture also influence whether democratic values are honored or breached. The effective public administrator recognizes these influences and strives to use these mechanisms to further the goals of a democratic society.

While formal control systems create an environment for accountability, they do not ensure that public administrators will respond to the needs and interests of citizens and their representatives. The public administrator who perceives and properly interprets environmental cues about popular control has probably also successfully internalized the values and ethical precepts of democratic governance.

Although accountability is generally discussed in process terms, responsiveness to democratic control is not solely procedural. Citizens expect quality services at a reasonable cost as part of their social contract with the government. The ability of a democratic government to satisfy the more mundane and daily demands of its citizens is essential if it is to maintain its legitimacy. The effective public
administrator recognizes the linkage between routine operating responsibilities and the long-term viability of democratic governance.

Focus on Results

Despite the ambiguities that are often an inherent part of their positions, effective public administrators have a keen interest in results. As stewards of the scarce communal resources discussed earlier, public administrators are obligated to achieve results.

Achieving results has always been a core value in public administration. Among the results that have historically attracted the most attention are efficiency, effectiveness, and equity. But the effective public administrator’s concern about results does not end with these three. He or she is interested in the moral dimension of public actions as well. Thus, the effective public administrator is cognizant of the ethical use of his or her office. The effective public administrator is also aware of the consequences of institutional decisions and is actively engaged in mitigating the undesirable consequences of administrative actions.

Effective public administrators are interested not only in the obvious moral consequences of their actions but also in the more subtle, less perceptible consequences. In deliberations about tax policy, for example, an effective public administrator recognizes that decisions about taxes are not neutral but have important distributive, economic, and social consequences. It is the public administrator’s role to help focus public debate on these consequences of taxes as well as on their revenue-enhancing capacity and collectability.

Public Administration as a Profession

Public administration has long been synonymous with public service—sacrifice on behalf of others in pursuit of the common good (Perry and Wise, 1990). Throughout much of American history, the call to public service has been a powerful motivator, a noble activity worthy of the best of our society. For example, President Kennedy’s call to “ask not what your country can do for you, ask what you can do for your country” led a generation of America’s best and brightest to seek public service careers. Commitment to public service is part of our civic heritage.

As the contributions to this handbook demonstrate, however, effective public enterprises cannot be built on commitment alone. Effective public enterprises evolve from clear missions, effective design, responsible resource stewardship, and
monitoring and measuring of results. No amount of individual effort can build effective enterprises without these elements.

But effective administrators are a vital part of public enterprise effectiveness. As I noted in the introduction to Part Seven, few public sector activities are self-administering. The effective public administrator possesses a range of skills and attributes, each important to the successful performance of his or her assigned and implicit responsibilities. These skills range from grasping the technical components of a job to understanding the big picture, from working with others to possessing a personal vision. The effective public administrator is also attuned to the letter and spirit of democratic governance and works to facilitate processes and substantive outcomes supportive of democratic institutions. But at the same time that the effective public administrator is attentive to achieving results, he or she is aware that results need to be defined more broadly than simply the economical or efficient provision of government services.

Attaining the skills and attributes to be an effective public administrator is in itself a formidable challenge. To become effective, a public administrator must aspire to two potentially conflicting personal attributes—specialized knowledge and an awareness of and sensitivity to common shared values. Effective public administrators succeed in integrating these attributes because of their commitment to public service. Public administrators can take great pride from the past and future accomplishments of the public sector. It has been because of their competence and commitment that these accomplishments have been achieved.

References


