

## Introduction

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# 1

## The Legacy of Public Administration Background and Review

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### THE EVOLUTION OF PUBLIC ADMINISTRATION: SCIENCE AND PROFESSION IN MOTION

An ordinary citizen of an ordinary modern democracy fortunate enough to undertake a journey backwards in time is likely to find meaningful similarities between public administration of our era and administrative systems of old cultures. The foundations of modern public administration can be discerned thousands of years ago, across cultures and in various nations around the globe. The Bible mentions a variety of hierarchical and managerial structures that served as prototypes for the governance of growing populations. Ancient methods of public labor distribution were expanded by the Greeks and the Romans to control vast conquered lands and many peoples. The Persian and Ottoman empires in the Middle East, like imperial China in the Far East, paved the way for public administration in the modern age, wherein European Christians, and later Christians of the New World, were in the ascendant. All these, as well as other cultures, used a remarkably similar set of concepts, ideas, and methods for governing and administering public goods, resources, and interests. They all employed professionals and experts from a variety of social fields. They all used authority and power as the

cheapest control system for individuals, governmental institutions, and processes. All of them faced administrative problems close in type and in nature to problems of our own times: how to achieve better efficiency, effectiveness, and economy in government, how to satisfy the needs of the people, and how to sustain stable political hegemony despite the divergent demands and needs of sectorial groups. Not surprisingly, all the above cultures and nations also used similar managerial tools and methods aimed at solving problems of this kind. They all used, fairly effectively, division of labor, professionalism, centralization and decentralization mechanisms, accumulation of knowledge, coordination of jobs, complex staffing processes of employees, long-range planning, controlling for performance, and so on. Intuitively, one feels that nothing has really changed in the managerial and administrative process of public organizations for centuries, possibly millennia, but this feeling is of course exaggerated. Some major changes have taken place in recent centuries to create both a totally different environment and new rules to which rulers and citizens must adhere and by which they must adjust their operation. In fact, a new kind of governing game has taken shape in which public administration plays a central role.

Despite basic similarities, public administration of our times is an organism entirely different from public services in the past. It is larger than ever before, and is still expanding. It is more complex than in the past, and is becoming increasingly so by the day. It has many more *responsibilities* to citizens, and it still has to cope with increasing demands of the people. It is acquiring more *eligibilities*, but more than ever before it must restrain its operation and adhere to standards of equity, justice, social fairness, and especially accountability. Moreover, modern public administration is considered a social science, a classification that carries high esteem but also firm obligations and rigid constraints. For many individuals who decide to become public servants it is also a *profession*, and an *occupation* to which they dedicate their lives and careers. Most important, however, public administration is one of the highly *powerful institutions* in modern democracies. It wields considerable strength and influence in policy framing, policy making, and policy implementation, hence it is subject to growing pressures of political players, social actors, and managerial professionals.

An overview of the relatively short history of modern public administration reveals that the field is far more eclectic than might be thought. The science of public administration was born toward the end of the nineteenth century when the business of the state started to attract social-academic attention. The revolution that turned public administration into an independent science and profession is traditionally related with the influential work and vision of Woodrow Wilson (1887) and Frank J. Goodnow (1900). These scholars were among the first who advocated the autonomy of the field as a unique area of science that drew substance from several sources. In the first years, law, political theory of the state,

the most fundamental and influential mother disciplines. Over time these fields strongly influenced the formation and transition of public administration, but the extent and direction of the influence were not linear or consistent.

Kerl and Milward (1996:7) argued that traditional public administration as advocated by the progenitors of the discipline consisted in the power of law. Representatives of the people make the law and delegate responsibility to professional bureaucrats to execute it properly. Highly qualified bureaucrats, supported by the best tools and resources, are then expected to discharge the law to the highest professional standards, which in return produce good and accountable managerial results that best serve the people. According to Rosenbloom (1998), the legal approach views public administration "as applying and enforcing the law in concrete circumstances" and is "infused with legal and adjudicatory concerns" (p. 33). This approach is derived from three major interrelated sources: (1) administrative law, which is the body of law and regulations that control generic administrative processes, (2) the judicialization of public administration, which is the tendency for administrative processes to resemble courtroom procedures, and (3) constitutional law, which redefines a variety of citizens' rights and liberties. Several legal definitions argue that public administration is law in action and mainly a regulative system, which is "government telling citizens and businesses what they may and may not do" (Shafritz and Russell, 1997:14). Over the years, however, it has become obvious that law in itself does not maintain satisfactory conditions for quality public-sector performance to emerge. Constitutional systems furnish platforms for healthy performance of public administration, but do not account for its effectiveness or efficiency. Stated differently, good laws are necessary but insufficient conditions for creating a well-performing public service.

One such important contribution came from the classic hard sciences of engineering and industrial relations. In its very early stages public administration was heavily influenced by dramatic social forces and long-range developments in the western world. The ongoing industrial revolution in the early 1900s, which was accompanied by political reforms, higher democratization, and more concern for the people's welfare, needed highly qualified navigators. These were engineers, industrial entrepreneurs, and technical professionals who guided both markets and governments along the elusive ways to economic and social prosperity. Various fields of engineering, the subsequent evoking area of industrial studies, and other linked disciplines, such as statistical methods, became popular and crucial for the development of management science in general and were also gradually found useful for public arenas. The link between general management and public administration has its roots in understanding complex organizations and bureaucracies, which have many shared features.

With time, dramatic changes occurred in the nature, orientation, and application of general organizational theory to public administration of modern socie-

ties. A major transition resulted from the exploration of the Hawthorn studies in the 1920s and 1930s, conducted by a well-known industrial psychologist from Harvard Business School, Elton Mayo. A behavioral apparatus was used to drive a second revolution, beyond the revolution that originally produced the theory, which swept the young science into its first stages of maturity. Today, trends and developments in the public sector cannot be fully understood without adequate attention to behavioral, social, and cultural issues, which are also an essential part of the present volume. These aspects conjoin with questions of policy making and policy evaluation, as well as with managerial, economic, and organizational contents, to better illuminate public systems. The human and social side of public organizations became central and critical to all seekers of greater knowledge and comprehension of the state's operation. People and groups were placed at the heart of the discussion on organizational development and managerial methods. The human side of organizations was made an organic part of the art of administration. It is still an indispensable facet of the craft of bureaucracy. All who are interested in the healthy future and sound progress of public organizations and services both as a science and as a profession have to effectively incorporate humanistic views into their basic managerial ideology.

Major transitions still lay ahead, however. International conflicts during the 1930s and the 1940s forced immense changes in national ideology and democratic perspectives in many Western societies, consequently public administration and public policy had to be transformed as well. During the Second World War theoretical ideas were massively supported by advanced technology and higher standards of industrialization. These were pioneered by professional managers and accompanied by new managerial theories. Ironically, the two world wars served as facilitators of managerial change as well as accelerators and agents of future developments and reforms in the public sector. The political leaders and social movements of the victorious democracies were convinced that the time had come for extensive reforms in the management of Western states. The assumed correlation of social and economic conditions with political stability and order propelled some of the more massive economic programs in which the state took an active part. The rehabilitation of war-ravaged Europe involved governmental efforts and international aid, most of it from the United States. Major attention was dedicated to the creation of better services for the people, long-range planning, and high-performance public institutions capable of delivering quality public goods to growing numbers of citizens. To build better societies was the target. A larger and more productive public sector was the tool.

In many respects the utopian vision of a better society generated by the postwar politicians and administrators in the 1940s and 1950s gradually crumbled and fell during the 1960s and 1970s. A large number of governments in the Western world could not deliver to the people many of the social promises they

highly educated and morally superior, healthier and safer than ever before, remained an unreachable goal, so during the 1970s and 1980s, citizens' trust and confidence in governments and in public administration as a professional agent of governments suffered a significant decline. The public no longer believed that governments and public services could bring relief to those who needed help, and that no public planning was good enough to compete with natural social and market forces. The promises of modern administration, running an effective public policy, seemed like a broken dream. Political changes took place in most of the Western states, most of them stemming from deep frustration in the public and disapproval of government policies. By the end of the twentieth century the crises in public organizations and mistrust of administrators were viewed both as a policy and managerial failure (Rainey, 1990). In addition, this practical uncertainty and disappointment with governments and their public administration authorities naturally diffused into the scientific community. Theoretical ideas for policy reforms in various social fields, which once seemed a key for curing malaise in democracies, proved unsuccessful. Within the last decade the search for new ideas and solutions for such problems has reached its peak, and premises originally rooted in business management have been increasingly adapted and applied to the public sector. Among these ventures are re-engineering bureaucracies (Hammer and Champy, 1994), applying benchmarking strategy to public services (Camp, 1998), reinventing government (Osborne and Gaebler, 1992), and the most influential movement, of New Public Management (NPM) (Lynn, 1998; Stewart and Ranson, 1994). These receive growing attention, accompanied by large measures of skepticism and criticism.

### TRANSFORMATIONS OF PUBLIC ADMINISTRATION AS AN ACADEMIC FIELD

Throughout those years public administration as an academic field was also in transition. Today many examples exist in universities of independent public administration units; some operate as schools and some as freestanding faculties. In at least an equal number of universities, however, public administration programs on all levels are only part of larger units such as political science departments, business and management schools, or even public affairs schools. This disciplinary schizophrenia certainly yields a science that is more complex and heterogeneous, but also more challenging and full of promise.

The scientific background of public administration in the late 1990s and early 2000s is still not stable and has not overcome its childhood ailments. On the contrary, identity conflicts have only intensified with the years. During the last three decades Waldo's diagnosis of the late 1960s on public administration as a science in formation struggling with a pernicious identity crisis has not changed much. The evolution of alternative subdisciplines inside and around the

field (e.g., policy studies, public personnel management, information management) carried promises but also risks for its position and role as a central field of social study. As recently noted by Peters (1996), modern public administration greatly reflects a lack of self-confidence both as a science and as a profession. This lack is expressed in many ways, the most significant being an incapacity to guide governments through a safe circuit of public policy change. Much of the accumulated wisdom in the science of public administration has been obtained through social experiments, the commission of policy errors, and sometimes even learning from them about better ways to serve the people. Mistakes cost money, however—much money, money from all of us, the taxpayers. Like good customers in a neighborhood supermarket, citizens should be and have become aware of the services they deserve, of the high prices they are asked to pay, and of governmental actions that should be taken to produce useful changes. Demands for better operation are generally aimed at governments, but they should be—and are—also targeted at science and academia. Science has the potential of exploring new knowledge, generating better explanations for relevant administrative problems, applying sophisticated and useful professional methods, and most important, directing all available resources to produce successful and practical recommendations for professionals. Its prime goal is to design a comprehensive, theoretical view of public systems that is clear, highly efficient, effective, thrifty, and socially oriented at the same time. This cannot be achieved without extensive understanding of the diversity, complexity, and interdisciplinarity of the science of public administration.

In many ways the persistent public mistrust of governmental services and institutions, together with the marked instability of public administration as a science, inspired us in the present venture. The fragile status of the theory of public administration is the point of departure for a different kind of discussion, which is broader and multipercptional. Our core argument is that one can find many ways to depict the administrative system, its functionality, and its relationship with the public, but the identity crisis of public administration cannot be solved until many approaches are combined and coalesce to explain the very basic constructs that modern societies encounter at the start of the new century. A major assumption of this volume is that only mutual efforts and quality combination of critical knowledge from a variety of social disciplines and methods can yield a real opportunity for overcoming public administration's postchildhood problems. Such a crisis of identity, which has existed for more than a century now, carries risks, but also promises, which must be properly isolated, assessed, analyzed, and only then fulfilled. The translation of science into operative acts by government must rely on such sufficient wisdom, which can be accumulated from various social branches. The contribution of this volume is thus its effort to bring these views together and to produce a multifaceted analysis of modern

## DISCIPLINARY ORIGINS

As portrayed earlier, the desired comprehensive understanding of public administration should rely on the accumulated wisdom and knowledge of its sister disciplines (and not necessarily the conventional mother disciplines) in the social sciences. Unfortunately, so far most writing on public systems has adopted a unidimensional viewpoint. Public administration was frequently understood through the eyes of policy analysts or political scientists. Alternatively it was considered a specific field of management science or a domain of organizational studies. While the roots of the administrative process are definitely (and with much justification) identified with political science, policy studies, and managerial constructs of public institutions, it would be most imprecise to point solely to these arenas in portraying the boundaries and nature of public administration. An integrative approach has much merit and potential in this case, and it must be well developed to conform to the complex reality of serving the public.

Administrative science is a discipline in transition that involves politics, but not exclusively. It deals with policy, but reaches much farther and deeper than policy questions. It incorporates sociological and cultural aspects that change rapidly in a mass communicative global world, but it goes beyond these issues. It deals with people as workers, citizens, clients, and consumers, and as leaders and managers, as well as with a variety of other human constructs that merge into a unique branch of knowledge. A multidisciplinary approach is evidently required to explain better what every scholar already knows from his or her personal perspective: that the truth about public administration has many faces and no monopoly exists any longer over the discipline's status and orientations.

We identify three main disciplines that serve today as core sources of knowledge in the study of public administration. These are political science and policy analysis, sociology and cultural studies, and organization management and the business sciences, which also comprise the organizational behavior (OB) and human resource (HR) subdivisions. Beyond the legal approach noted by Rosenbloom (1998), which still has many advantages for the study of present-day public administration, the former disciplines furnished the essence of the field as a new science in its early days. They highly influenced its formation in subsequent years, too. Political science and policy analysis provided public administration with a core scientific terminology, a macro-conceptual framework, a research focus, and a politics-oriented agenda to be developed in later years. In most modern nations public administration is considered mainly a blend of political and organizational knowledge that characterizes large bureaucracies. Sociology contributed the cultural aspect, which is relevant for cross-organizational and cross-national studies (Hofstede, 1980). It also made possible the development of comparative studies and a better understanding of group dynamics and informal structures such as norms or values inside bureaucracies (Schein, 1985).

The business approach guided public administration through managerial considerations and individual behaviors in organizations. Traditional management science of the late 1800s and the concentration on the human side of organizations during the early 1900s exerted increasing influence on administrative thinking. A significant increase and extension of managerial influences on public administration thinking as a science and profession occurred during the mid-1980s with the evolution of NPM trends, which revitalized managerial theory in the public sector. Together these three disciplines and their appropriate internal integration are essential for a better understanding of contemporary modern public services.

### THE THREE P's: POLITICS, POLICY, AND PUBLIC ADMINISTRATION

The political approach to public administration was depicted by Rosenbloom (1998) as stressing the values of representativeness, political responsiveness, and accountability to the citizenry through elected officials. These values are considered necessary requirements of democracy, and they must be incorporated into all aspects of government and administration. Wallace (1978) argued that ultimately public administration is a problem in political theory. It deals with the responsiveness of administrative agencies and bureaucracies to elected officials, and through them to the citizens themselves. Shafritz and Russell (1997) provide several politics-oriented definitions of public administration: it is what government does (or does not do), it is a phase in the policy-making cycle, it is a prime tool for implementing the public interest, and it does collectively what cannot be done as well individually (pp. 6–13). It is thus impossible to conduct a politics-free discussion of public administration.

Politics is definitely the heart of public administration processes. Politics focuses on citizens as members of groups or on highly institutionalized organizations that sound the public's voice before political officials and civil servants. The politics approach to public administration involves strategies of negotiating and maneuvering among political parties, public opinion, and bureaucracies. It involves an incremental change in society, which relies on open debate, a legitimate power struggle, distribution and redistribution of national resources and budgets, and a heavy body of legislation and law to regulate these processes. Perhaps the most obvious linkage between politics and public administration stems from policy-making and policy-implementation processes. It is naive to distinguish political systems from professional administration systems in regard to public policy. As Rosenbloom (1998:13) suggested, "public administrators' involvement in the public policy cycle makes politics far more salient in the public sector than in private enterprise. Public administrators are performe required to build and maintain political support for the policies and programs they

implement. They must try to convince members of the legislature, chief executives, political appointees, interest groups, private individuals, and the public at large that their activities and policies are desirable and responsive."

The theoretical contribution of political science to the study of public administration is therefore multifaceted; it invokes better understanding of the power relations and influence dynamics that take place inside and among bureaucracies (Pfeffer, 1992) and determine their operative function as well as outcomes. Here, party politics acknowledges that the investigation of pressure and interest groups and the better understanding of conflict relationships among various players of the state are used to build models of decision making and policy determination that are rational and realistic. In addition, political psychology is implemented more thoroughly to explore personality traits of political leaders as well as public servants. For the same reasons, budgetary studies and policy analysis methods are an integral facet of the political approach, which assumes limited rationality as well as high constraints of time and resources on the administrative process.

From a somewhat different perspective, Ellwood (1996:51) argued that political science has simultaneously everything and little to offer public management scholars, hence also public administration scholars: everything, because both fields deal with political behavior, processes, and institutions; little, because political science deals only with the constraints forced on the administrative process with no practical contribution to the managerial improvement of public systems. Ellwood further agrees that both fields rely on other academic disciplines, employing techniques of anthropology, economics, game theory, historiography, psychology, and social psychology, as well as sociology. In line with this it would be only natural to conclude that the relationship between political science and public administration is described as an on-again, off-again romance. Kettl (1993: 409) suggested that "the importance of administration lay at the very core of the creation of the American Political Science Association . . . when five of the first eleven presidents of the association came from public administration" and played a major role in framing the discipline. As Ellwood puts it, over the years public administration became public but also administration; it shifted its focus to a more practical and client service orientation that necessarily incorporated knowledge from other social disciplines, such as personnel management, organizational behavior, accounting, and budgeting. The methodological contribution of a political approach to public administration studies is also meaningful. Here a macro-analysis is necessary if one seeks an understanding of the operation of large bureaucracies and their coexistence with political players. A political approach delivers these goods by means of comparative studies, policy evaluation methods, rational choice models, and simulations, as well as content analysis techniques and other tools useful for observation of the political sphere.

## THE VOICE OF SOCIETY: SOCIOLOGICAL AND CULTURAL APPROACHES TO PUBLIC ADMINISTRATION

The second approach that is highly relevant to the understanding of public administration bodies and processes rests on a sociological apparatus. It has a very close relationship with the political approach, so it is sometimes defined as a sociopolitical view of public systems or as a study of political culture (Shafiriz and Russell, 1997:76), yet its core prospects are beyond the political context. The voice of society has a special role in the study of public administration arenas not only for democratic and political reasons but also because of its fundamental impact on informal constructs of reality such as tradition, social norms and values, ethics, lifestyle, and other human interactions.

The theoretical contribution of a sociological and cultural approach to public administration consists of several elements. An essential distinction must be drawn between inside and outside cultural environments. An outside cultural sphere incorporates informal activities and behaviors of small groups as well as of larger social units that interact with the administrative system. Included in this category are customers' groups, private organizations, not-for-profit volunteering organizations, and citizens at large. Considerable attention has been turned to communities and to the idea of communitarianism (Etzioni, 1994; 1995), as well as to the emergence of the third sector as rapidly changing conventional structures and beliefs in modern societies. An inside cultural environment is related to internal organizational dynamics and to the behaviors of people as work groups, thus it is sometimes termed organizational culture or organizational climate (Schein, 1985). Like the outside organizational environment it has some observable constructs, but it mostly expresses many covert phases. In many ways, "culture" is to the organization what personality is to the individual—a hidden, yet unifying theme that provides meaning, direction and mobilization" (Klimann et al., 1985). It includes basic assumptions as to what is right and what is wrong for a certain organizational community, the norms and beliefs of employees, and unseen social rules and accepted codes of behavior, as well as tradition, language, dress, and ceremonies with common meaning to all organizational members. All these distinguish "us" from "them," promote group cohesiveness, and improve common interests.

Several sociological sources can be effective in analyzing public administration dynamics. First is group theory, which is also closely related to the study of leaders and leadership. Second is ethnic studies, which concentrate on minorities and race questions, such as equity, fair distribution of public goods, and integration in productive public activity. Third is communication and the technological information revolution, which have had a radical effect on society, public policy, and public administration units and structure. Information networks and communication have become an imminent feature of the cultural investigation

of bureaucracies. For many years a plausible approach in management science and in the study of public administration called for the formulation of a universal theory in the field, one that is culture-free and applicable across all nations. With the passage of time and with giant technological developments this perception became ever more anachronistic.

Today the goal of a universal administrative paradigm is hardly achievable. An alternative viewpoint is more balanced and contingent. It argues that basic similarities do exist between public organizations and public administration mechanisms, but at the same time intraorganizational and extraorganizational culture fulfills a major mediating role. Culture in its broad context constantly affects the operation of bureaucracies as well as political systems that interact with them. Such examples as theory Z of W. Ouchi (1981) and lessons from more recent Chinese and Eastern European experiences stimulated the scientific community and initiated culture-oriented ventures in general management inquiry (Hofstede, 1980). They especially promoted the investigation of work values and culture-oriented management in private but also in public arenas. Many scholars became convinced of the necessity of incorporating social and cultural variables as core elements in the administrative analysis of public arenas. A sociological and cultural approach to public administration also made an important methodological contribution. It initiated culture-focused surveys of individuals and groups who work in the public sector or of citizens who receive services and goods. Culture-focused observations and analyses possess the merit of being sensitive to individuals' (as citizens or employees) norms, values, traditions, and dispositions, and sometimes they overlap with other politics and policy-oriented studies, the better to explore dynamics in public organizations.

## THE HUMAN SIDE OF PUBLIC SYSTEMS: MANAGEMENT, ORGANIZATIONAL BEHAVIOR, AND PUBLIC ADMINISTRATION

A managerial definition of public administration proclaims that it is the executive function in government or a management specialty applied in public systems (Shafiriz and Russell, 1997:19-23). Although public-sector management is distinguished from private-sector management, in many ways the two systems share a surprisingly broad area of similarities (Rainey, 1990). For many years, differences stemmed from the nature of services each sector used to provide, from diverse structures and functions, but mainly from discrepancies in the environment. When the environment started to change rapidly, however, organizations had to change as well. Modern societies have become more complex, flexible, and dynamic. Cultural, industrial, technological, economic, and political environments of organizations have undergone rapid transformations that are still in progress today. On the one hand, public and private organizations have to adjust

and comply with similar changes in the environment to safeguard their interests and existence, but on the other hand, the starting point of public organizations is far inferior and urgently calls for rethinking and reinventing (Osborne and Gaebler, 1992).

Conventional wisdom accepted a classic assumption regarding the relatively stable and unshakable structure of public organizations. Drawing on the Weberian approach, hardly anyone disputed the need for large bureaucracies in modern democracies. Moreover, the advantages and disadvantages of large bureaucracies were well known among academics and practitioners. A weighty bureaucracy was considered an axiom of public administration. Only with the emergence of new management trends in old bureaucracy were these basic assumptions questioned. For example, Kettl and Milward (1996) stated that management in the public sector matters. It matters because citizens' demands increase and because the standards of performance expected from governments are higher than ever before. Performance is related in the minds of people and in scientific studies with quality of management, quality of managers, and the administrative process between them. Accordingly, it has much to do with the human aspects of administration. Perhaps this perception has led to some recent developments in public administration, making it client-oriented and more businesslike. Scholars frequently define these shifts as the principal change in public administration and its transition into a revised field of study named public management.

### RECENT TRANSFORMATIONS IN PUBLIC ADMINISTRATION THEORY: A PUBLIC MANAGEMENT REVOLUTION?

Since the early 1980s much work has been conducted in public administration theory and practice that claims to go beyond the conservative approach in the field. This "liberalization" of public administration is recognized today as the NPM trend. The self-identity problem of public administration was greatly aggravated by the launching of the idea of NPM. As noted by Kettl and Milward (1996: vii), "public management is neither traditional public administration nor policy analysis since it borrows heavily from a variety of disciplines and methodological approaches." Mainly drawing on the experience of the business/industrial/private sector, scholars have suggested taking a more demanding attitude to the dynamics, activity, and productivity of public organizations; however, "competing academic disciplines dueling to establish bridgeheads or, worse, virtually ignored each other as they developed parallel tracks on related problems" (p. 5). Consequently, a cross-fertilization, which could have accelerated learning and improved performance of public systems, was delayed.

What are the roots of NPM, and in what way is it actually a *new* arena in the study of the public sector? Several theoretical foundations, as well as practical factors, can answer these questions. The first, and probably the deepest source of NPM, emerges from the distinction between two proximate terms or fields of research: administration and management. As noted earlier, since the late 1880s the monopoly on the term administration has been held by political scientists. Such scholars as Goodnow and Wilson were those who perceived public administration as a separate and unique discipline that should consist of independent theory, practical skills, and methods. The term management, however, referred to a more general arena, used by all social scientists and mainly by those who practice and advance theory in organizational psychology and business studies. Consequently, conservative administration science tends to analyze the operation of large bureaucratic systems as well as other governmental processes aimed at policy implementation. Management, on the other hand, refers to the general practice of empowering people and groups in various social environments and in handling multiple organizational resources to maximize efficiency and effectiveness in the process of producing goods or services.

A consensus exists today that NPM has become extremely popular in the theory and practice of public arenas, but can we define it as a long-range revolution in public administration theory? No comprehensive answer exists to this question. Some will say that NPM has only revived an old spirit of managerialism and applied it in the public sector. Others will argue that this in itself has been a momentous contribution to public administration as a discipline in decline. Relying on an extensive survey of public management research in America, Garson and Overman (1983:275) argued that this increasing popularity was due to the more virile connotation of the term management than administration. Over the years, a growing number of political scientists have perceived public administration as an *old* and declining discipline; it was unable to provide the public with adequate practical answers to its demands, and moreover it left theoreticians with epidemic social dilemmas waiting for exploration. Interesting evidence of this process could be found in many schools of public administration, which during the 1980s and 1990s decided to become schools of public management. Looking for alternative ideas, management theory was proposed as the source for a new and refreshing perspective. It was suggested that public management rather than public administration could contribute to a new understanding of how to run the government more efficiently and thereby to surmount some of its pandemic ailments.

In an attempt to more fully understand and advocate this inclination, Perry and Kraemer (1983) proposed that a greater impact of new ideas and methods from the field of public management on the administrative science was essential and natural. It reflected a special focus of modern public administration that was

not to be ignored. Rainey (1990:157) claimed that this process was a result of the growing unpopularity of government during the 1960s and 1970s. Ott et al. (1991:1) also stated that public management was a major segment of the broader field of public administration since it focused on the profession and on the public manager as a practitioner of that profession. Furthermore, it emphasized well-accepted managerial tools, techniques, knowledge, and skills that could be used to turn ideas and policy into a (successful) program of action.

During the last two decades many definitions have been suggested for NPM. Nothing seems wrong with the relatively old perception of Garson and Overman (1983:278), however, who defined it as "an interdisciplinary study of the genetic aspects of administration . . . a blend of the planning, organizing, and controlling functions of management with the management of human, financial, physical, information and political resources." As further discussed by other scholars (e.g., Lynn, 1996:38-39), six differences exist between public administration and public management that make the former a new field of study and practice. These are: (1) the inclusion of general management functions such as planning, organizing, control, and evaluation in lieu of discussion of social values and conflicts of bureaucracy and democracy; (2) an instrumental orientation favoring criteria of economy and efficiency in lieu of equity, responsiveness, or political salience; (3) a pragmatic focus on midlevel managers in lieu of the perspective of political or policy elites; (4) a tendency to consider management as generic, or at least to minimize the differences between public and private sectors in lieu of accentuating them; (5) a singular focus on the organization, with external relations treated in the same rational manner as internal operations in lieu of a focus on laws, institutions, and political bureaucratic processes; and (6) a strong philosophical link with the scientific management tradition in lieu of close ties to political science or sociology.

While the emergence of NPM is frequently related to the increasing impact of positivist behavioral science on the study of politics and government (e.g., Lynn, 1996:5-6), the practical aspect of this process should also be considered. Practical public managers (Golembiewski, 1995) as well as political scientists will refer to the difficulties in policy making and policy implementation that confronted many Western societies in Europe, America, and elsewhere during the 1970s. These practical difficulties are viewed today as an important trigger for the evolution of NPM. Reviewing two recent books on NPM (Aucoin, 1995; Boston et al., 1996), Khademi (1998:269) argues that American and British advocates of the field find common ground in explaining why such reforms are necessary. The problem of an inflexible bureaucracy that often could not respond efficiently and promptly to the public needs conflicted with some basic democratic principles and values in these countries. Peter Aucoin elegantly summarizes a "trinity" of broadly based challenges with which Western democracies have

management reform. These are: (1) growing demands for restraint in public-sector spending; (2) increasing cynicism regarding government bureaucracies' responsiveness to citizen concerns and political authority and dissatisfaction with program effectiveness; and (3) an international, market-driven economy that does not defer to domestic policy efforts. It seems that these challenges have led many Western governments in America, Britain, New Zealand, Canada, and elsewhere to the recognition that sound reforms and changes should be made in the public service.

Scholars agree today that at least some of the accumulated wisdom of the private sector in these countries is transferable to the public sector (Pollitt, 1988; Smith, 1993). In an attempt to liberate the public sector from its old conservative image and tedious practice NPM was advanced as a relevant and promising alternative. New Public Management literature has tried to recognize and define new criteria that may help in determining the extent to which public agencies succeed in meeting the growing needs of the public. New Public Management has continuously advocated the implementation of specific performance indicators (PIs) used in private organizations to create a performance-based culture and matching compensatory strategies in these systems. It has recommended that these indicators be applied in the public sector (e.g., Smith, 1993; Carter, 1989) since they can function as milestones on the way to better efficiency and effectiveness of public agencies.

Moreover, citizens' awareness of the performance of public services was suggested as a core element of NPM since it can increase the political pressure placed on elected and appointed public servants, thereby enhancing both managerial and allocative efficiency in the public sector. Scholars who advocate NPM liken this process of public accountability to stakeholders/citizens to the role adopted by financial reporting in the private/corporate sector (Smith, 1993). As in the private sector, increasing exterior-related outcomes can have a profound impact on internal control mechanisms, as managers and public servants become more sensitive to their duties and highly committed to serve their public customers.

In view of the above, and looking toward the future, Lynn (1998:231) suggested that the NPM of the late 1990s had three constructive legacies for the field of public administration and for democratic theory and practice. These were: (1) a stronger emphasis on performance-motivated administration and inclusion in the administrative canon of performance-oriented institutional arrangements, structural forms, and managerial doctrines fitted to particular context; in other words, advances in the state of the public management art; (2) an international dialogue on and a stronger comparative dimension to the study of state design and administrative reform; and (3) the integrated use of economic, sociological, social-psychological, and other advanced conceptual models and heuristics in the study of public institutions and management, with the potential to strengthen the

field's scholarship and the possibilities for theory-grounded practice. While the first two "legacies" are widely discussed in contemporary literature, the third is much understudied and needs further theoretical development, empirically guided research, and practical implementation.

Kettl and Milward (1996) argue that one of NPM's most significant contributions to public administration as a discipline in transition is the focus on the performance of governmental organizations. According to their analysis, this scientific orientation needs to draw on "a wide variety of academic disciplines for the full and richly textured picture required to improve the way government works. Only through interdisciplinary cross-fertilization will the picture be rich enough to capture the enormous variety and complexity of true public management (and administration) puzzles" (p. 6).

#### INCOMPLETE SUMMARY: THE ONGOING JOURNEY OF PUBLIC ADMINISTRATION AND THE WAY FORWARD

In all, modern public administration decidedly benefits from the inputs of managerial and organizational theory. It gains additional profit from traditional political and policy analysis prospects, as well as from a wider society- and culture-oriented theory. Modern societies question current obligations of public personnel toward citizens and urge them to put the people first by treating them as customers or clients, yet these tendencies draw fire from those who argue that a client orientation of the public sector breeds citizenry passivism and lack of individual responsibility for the state and its agencies. It is further assumed that today these obligations and commitments are not clearly decoded, manifested, or satisfactorily implied. Much more can be done to improve responsiveness to citizens' needs and demands without the active role of citizens in the administrative process being abandoned.

Moreover, the application of multidisciplinary approaches (political, social, and managerial) to public service is essential before further advance can be made. It is argued that some tenets of administrative culture and democratic values need to be explored in order to propose higher levels of social theory synthesis and integration. These may also be the milestones on the way to better linkage, partnership, and cooperation between rulers and citizens in modern societies. Here lies the main challenge of public administration in the coming years: the invention of a new vitalized administrative generation tightly bound up with modern participatory democracy.

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## 2

# Economic Versus Dilemmas in Public Administration

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### INTRODUCTION

Difficult trade-offs define the dilemmas that face public administrators and observers. The question of how to balance that appears in Israel and in other countries is a complication in politics and public administration between conflicting demands with any degree of certainty.

Coping is one way for public administrators to preclude certainty in political decisions. Simplifying cues to voters, simplifying calculations about budgetary needs, and a host of other simplifications are used when they encounter difficult decisions that do not assure success. Indeed, public administrators choose a simplifying device to deal with a problem and to embark on a course of action.