

Public Management (1): The Challenge of Policy and Organizational Reform

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Objectives

- Introducing the ‘strategic triangle’ framework for diagnosing management challenges and managing the stakeholder environment in the public sector
- Working through “The Thai Microfinance” case study as an example

Managerial success

What are the indicators of the success of managers in the private sector?

Private managerial success

- Private sector definition of managerial success: profits, stock prices, market shares.
- Non-profit definition of success complicated:
 - What is output or value?
 - How to measure?
 - What does successful management look like? Failed management?

Public managerial success

- Personal reputation and career advancement?
- Building large and strong organizations?
- Achieving program success?
Program sustainability?

Public output assessment

- 'Public interest' often not well defined: What are we doing and why?
- Multiple programs and constituencies – difficult to attribute and assess. Mandates conflicting.
- We are one actor among many: how to define contribution?
- Time lag in program / policy impact.
- Lack of evaluative data.

Difficult questions

- *How do non-profit managers select their goals and policies?*
- *How can their actions and outputs be properly assessed?*

Some answers

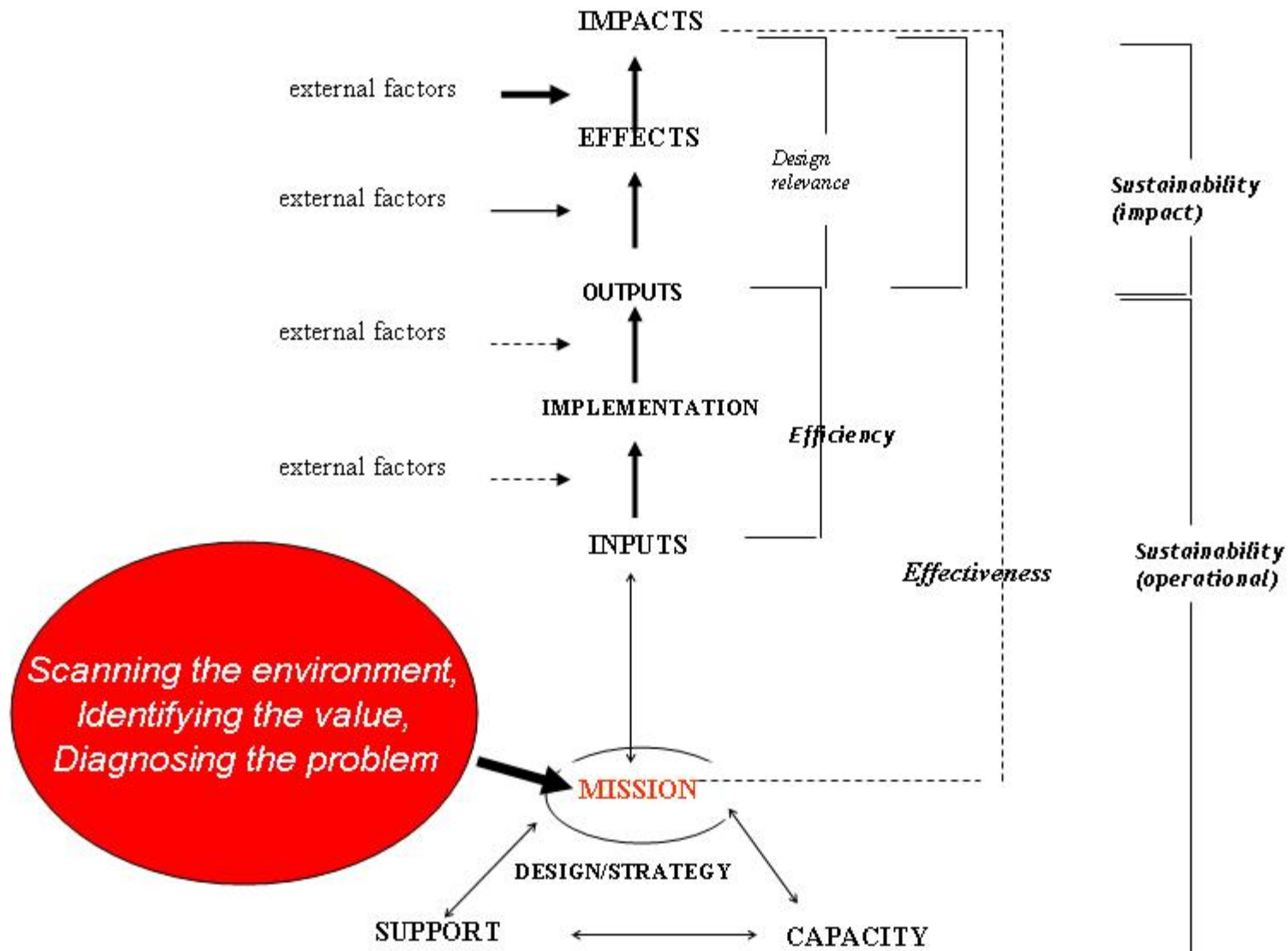
- Donor's satisfaction?
- Political leaders' satisfaction?
- Program evaluation – efficiency, effectiveness, fairness etc.? Cost-benefit analysis?
- “Customer” satisfaction?
- Public value? (Mark Moore)

The strategic triangle

1. Mission and purpose
 - Goals, objectives and strategic directions
 - Defining policies and products that create public value
 - Involves program analysis and value considerations

Not just a good idea or intention – but a valid problem diagnosis and causal model for having an impact

Getting the Impact Model Right



The strategic triangle

2. Authorization and legitimacy

- Mandate, resources and authority
- Sustain support from the authorizing environment, negotiating among the players needed to make things happen
- Political and institutional analysis

Both vertically and horizontally, bringing the key players together.

The strategic triangle

3. Organizational capacity

- Deploying resources effectively towards their stated ends
- Implementing programs / policies and attains goals
- Organizational / managerial analysis

Execution: The discipline of making it happen.

The hard part

Touch all three bases!

(Consider what happens if you miss)

Functions of the strategic triangle

- Help managers position their enterprises in complex, dynamic environments
- Help managers envision a sustainable public value proposition to be pursued
- Help managers assess *feasibility* of different proposals
- Help distribute managerial attention across complex set of tasks being faced – avoiding errors, seizing opportunities...

Comparison with traditional public administration

Traditional view:

- Focuses on administration of given mandate
- Assumes organizational and policy directions, resources and mandates as given.
- Ignores strategic activities – defining substantive policy, crafting mission and goals, managing political environment and stakeholders, improving organizational capacity and compliance.
- But remains an ideal and assumption in many contexts

More questions

- *Can a “public interest” really be defined when there are so many conflicting values and groups in society?*
- *Are public managers ‘technicians’ (passive implementers of mandated goals or policies) or ‘strategists’ (policy entrepreneurs and advocates)?*
- *To whom and how should public managers be held accountable (answerable) for their actions?*

Conclusion

- Public sector output not easy to define and assess. “Public value” and the strategic triangle provide one framework.
- Difficult tasks:
 - Linking the three capacities
 - Dealing with risk of unresolved conflict and potential failure
 - Ethical and accountability issues (to be explored later)

Questions for the Thai case study

- What are – or what *should be* – the objectives of the project? Is there any contradiction or tension between the various goals?
- Whose support is essential for the project to succeed? Do they have different interests?
- What capacities are necessary to implement the program well? At present, are those capacities sufficiently present in the system?