



**RESEARCH IN PUBLIC POLICY ANALYSIS  
AND MANAGEMENT  
VOLUME 16**

**CULTURAL ASPECTS OF PUBLIC  
MANAGEMENT REFORM**

**KUNO SCHEDLER  
ISABELLA PROELLER**

**Editors**

# CULTURAL ASPECTS OF PUBLIC MANAGEMENT REFORM

# RESEARCH IN PUBLIC POLICY ANALYSIS AND MANAGEMENT

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MANAGEMENT VOLUME 16

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**PART I:**  
**DEFINING CULTURE**

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# CHAPTER 1

## PUBLIC MANAGEMENT AS A CULTURAL PHENOMENON. REVITALIZING SOCIETAL CULTURE IN INTERNATIONAL PUBLIC MANAGEMENT RESEARCH

Kuno Schedler and Isabella Proeller

### INTRODUCTION

Most scholars in public administration and management research would agree that there is a connection between the culture of a nation or region and the way management in public administration is structured and working (“public management arrangements”). However, to be incorporated into public management research and theory, a more precise notion about the forms, ways, and mechanisms of the interlinkage between societal culture and public management is required. A look into public management literature reveals that wide use and reference is made to the importance and influence of culture on public management arrangements – mostly, though, using the term “culture” as a shortcut for “organizational culture”. Public

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management treatises stress the influence of past events and contexts for the specific functioning and establishment of organizations, rules, and perceptions which in turn have great influence on the reception and functioning of public management mechanisms (Heady, 1996; Jann, 1983; Schröter, 2000; Pollitt & Bouckaert, 2004). Elsewise, organizational culture – or more precisely change thereof – is claimed to be the result of public management efforts (Ridley, 2000; Schedler & Proeller, 2000). In sum, the interlinkage between culture and public management is there, but is not systematically and explicitly incorporated by referring to adequate theory. Although cultural theory has gained considerable attention (Hood, 1998), there are still other concepts for the analysis of cultural facts that may be of interest to the subject, too.

As public administration and management discussion is getting international attention, scholars in public management as well as internationally acting practitioners have become aware of the impact of societal culture on the range of options a country has for the design of public administration. One precondition for a better consideration of cultural elements in public management reforms is a better understanding of culture itself. This paper explores how the understanding and mode of effects of culture, which are used in public management literature, correspond to notions and conceptualizations in theoretical approaches that have culture itself as their research object. Our objective is to outline different theoretical approaches to study the linkage between culture and organization, and highlight the reception and implications of these approaches for the analysis of culture in public management research. This should lead to insights for a more systematic and more theory-based consideration of culture in public management debate.

## THE MEANINGS OF CULTURE

The concept of “culture” is an attempt to explain differences in the behavior of diverse groups of actors in situations that are objectively alike. For this purpose, these groups of actors need to be formed, typical features of behavior need to be defined and explained by non-rational elements. Culture research, therefore, is the search for the shared subjective, which only becomes materialized in a mutual sense-making process among the actors of this – what we will call – cultural group.

The term culture has been said to be one of the most complicated words because it is used to describe important concepts in several distinct

intellectual disciplines and in several distinct and incompatible systems of thought (Williams, 1976). Its popularity appears to be inversely linked to its precision and unambiguity (Jann, 2000). A study from the 1970s already revealed 160 varying definitions of culture (Kroeber & Kluckhohn, 1967; Faure, 1993). We will try to give a short overview of how the term culture has been received in social science and management literature. At this point, our objective is to give a sketchy idea of the “mainstream” understanding and notions of culture in organizational and management literature. Hereto, we explicitly abstain from pointing to facets and various receptions in specialized literature and studies. Since culture became an omnipresent word in this literature, we want to highlight the main drifts of meaning of culture in common understanding.

### *Societal Culture*

From the perspective of social science and organizational analysis, the most significant usages are those stemming from anthropology. There, culture is the form of things that people have in mind, their models for perceiving, relating, and interpreting them. An explanatory definition says culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action (Kroeber & Kluckhohn, 1967). Of course, this is just one definition that might seem arbitrary at this point of our discussion. Nonetheless, it highlights that culture in academic analysis has a subjective and objective dimension, includes values, behavior, as well as artifacts, and is communicated and transmitted by explicit and implicit forms. Kroeber and Kluckhohn (1967) have provided a categorization of definitions of culture that is shown in Table 1. The categories are not exclusive, but refer to different elements and aspects of culture and, by this, highlight the facets of the term.

In empirical social science these broad definitions of culture are hard to grasp and difficult to operationalize. Nevertheless, it must be noted that a bulk of usage of the term actually refers to exactly this broad understanding of culture, namely shared values, norms, behavior, rules, and symbols in a specific social group (Jann, 2000).



**Table 1.** Definitions of Culture.

Aspect of Definition	Component	Comment
Enumeratively descriptive	Overview of the content of culture	Universality of ideas, behavior, aims, restrictions, etc., that are shared by a cultural group.
Historical	Focus on social heritage, tradition	Cultural elements, such as values, behavior, artifacts, material goods, etc., inherited or passed on among a cultural group.
Normative	Emphasis on ideals or ideals plus behavior	Prescribed behavior and values that serve as a guidance for people concerning how to act in different sociocultural situations.
Psychological	Culture as socialization device for learning, habit, adjustment, problem-solving	Cultural elements, such as values, behavior, artifacts, material goods, etc., serve purposes or solve problems for the cultural group and influence cultural learning of commonly understood behavior and values.
Structural	Organized pattern of elements	Cultural elements exist within an organized pattern, based on societal hierarchies and relations, and serving as a “tool kit” of commonly understood customs.
Genetic	Genesis of symbols, ideas, artifacts	Emphasis on origins and evolution of culture. Explaining factors that made it possible for culture to origin and develop.

Source: Following Kroeber and Kluckhohn (1967) in Srnka (2005).

### *Organizational Culture*

With respect to culture in the context of organizational studies, Dingwall and Strangleman (2005) show that classical studies like Taylor’s, Fayol’s, and Mayo’s already clearly identified the phenomenon of culture in their treatises, even though they had not yet labeled it that way. Jacques’ (1951) *The Changing Culture of the Factory* seems to have been the earliest use of the term culture within organizational studies in a published title.

To be more usable for social sciences, and organizational science in particular, a differentiation and splitting of the meaning of culture has developed. Organizational scientists like early Crozier (1964) argued that all

organizational structure and action has a cultural basis in society. The relationship between societal culture and management (culture) can be analyzed in a hermeneutic circle that tries to interlink the part (public management) with the whole (society). Thirty years later, [Mercier \(1994\)](#) has voted for a hermeneutic understanding of the culture–management interlinkages, focusing his research on the context and past history of an organization.

Another important twist to the understanding of culture in the context of public management research was added by the organizational and corporate culture literature of the 1980s ([Deal & Kennedy, 1982](#); [Peters & Waterman, 1982](#); [Schein, 1992](#)). According to this literature, organizational culture refers to basic assumptions and beliefs which members of an organization have in common. It also includes rituals, behavior, and corresponding organizational forms. As a new aspect, it was claimed that organizations not only possess culture, but also can create culture, and moreover, that the *right* culture is a trigger for efficiency and effectiveness. In this functional perspective, culture has become an object of management just like strategy and structure.

This is a fundamental difference in the use of the concept of culture in the management literature opposed to most social science definitions. To extremes, in managerial writing culture is being subjected to the quest of rational management, while other social sciences stress reflectivity of social life in which culture cannot be altered in order to achieve outcome ([Wright, 1994](#); [Jann, 2000](#); [Dingwall & Strangleman, 2005](#)). This short overview stresses how the term culture has evolved and has been used in popular common language in management and organizational literature, which also had a great influence on public management scholars. It shows that there are different stances on various aspects of the study and inclusion of culture.

## **THEORETICAL APPROACHES IN OVERVIEW – HOW TO THINK ABOUT CULTURE**

In this section, we will explore various theoretical approaches which analyze culture and organization to discuss their understanding of culture and the respective implications for public management and administration research. Our aim is to highlight implicit assumptions and varying aspects among different approaches. The overview will give orientation points for public management researchers on how to think about culture in their studies and how to undertake research. Different ways of conceiving

organization and culture will directly influence the way the conception of culture is used by researchers. It is these conceptions that we want to focus on.

In the following, we will shortly examine four different approaches that emerged for studying the interlinkage of culture and organization. First, the *sociocultural approach* will be discussed. Here, we have grouped literature which argues that institutional performance is explained and linked by socioeconomic and cultural factors. The second category comprises studies that heavily rely on concepts and methods of cultural analysis to study organizations and their development. We have labeled those approaches as *culturalist*. Third, we will examine the stances of *neo-institutionalism* on cultural aspect, while discussing the historical, sociological, and rational-choice branches. Lastly, we will turn to the literature on *functionalist approaches* such as corporate and organizational culture. These four categories are not mutually exclusive and are combined in many studies. Our categorization aims at distinguishing approaches that have been developed and perceived as a distinct school of thought in the literature and which have added and applied a unique notion on the conceptualization of the interlinkage of societal culture and public management.

### *Sociocultural Theories*

Probably the earliest modern study that explicitly focused on cultural aspects in the public sphere has been conducted by [Almond and Verba \(1963\)](#). In *The Civic Culture*, their basic interest was to explain why in the 1920s and 1930s democracy was able to stabilize in some countries, but not in others. In the wake of behavioral sciences, *The Civic Culture* was the first systematic attempt to explain polity outcomes with cultural variables ([Laitin, 1995](#)). Almond and Verba studied the social and cultural forces interlinked with political institutions and introduced new concepts such as *political culture* and *civic culture* to explain political behavior. In the elaboration of the concept of political culture, [Almond and Verba \(1980\)](#) stressed political knowledge and skill, as well as feelings and value orientations toward political objects and processes – toward the political system as a whole, toward the self as participant, toward political parties and elections, bureaucracy, and the like. Civic culture, on the other hand, describes the interaction between personal and political satisfaction and public trust. Both concepts are crucial to institutional stability as they account for the acceptance or rejection of public organization. This approach thus devotes special attention to behavior

influenced by non-political and cultural institutions, such as social environment, school, or workplace. The authors argue, that unless a society's political institutions are congruent with its underlying political culture, those institutions will be unstable. Based on these assumptions, Almond and Verba examine public attitudes and competences and conclude that the civic culture is a mixed political culture. It consists of both modern and traditional traits, incorporating active participation as well as tributary behavior, either supporting or rejecting public organization (Almond & Verba, 1963). Within the sociocultural approach, culture represents an independent variable which influences outcomes concerning democracy and administration through a (changing) hierarchy of values (Inglehart, 1977). Although culture is a conservative element in social evolution, it gradually adapts to ongoing changes in values. This can enable an amplification of the citizen's political competences through social transformations, e.g. better accessible and improved education and lower costs for political information, which in turn is able to modify political culture (for an overview of the development of political culture research see Inglehart, 2006).

In the meantime, this notion of *political culture* has been broadened and elaborated by the authors themselves as well as by others, and especially also has included attitudes toward public policy, and opened the notion of culture beyond the limitation to "a set of attitudes" (Laitin, 1995). Eckstein (1966, 1988) inquired how authority relates to culture and showed how cultural change can give rise to political change. Inglehart (1997) found that nearly all societies that rank high on self-expression values are stable democracies, whereas the evidence suggests a culture that is high on tolerance, trust, subjective well-being and an activist outlook is conducive to the emergence and survival of democracy, rather than it would support the other way around theses of democracy fostering self-expression values. In a more recent seminal study, Putnam (1993) – even though himself not a representative of the sociocultural approach, his results are in-line with this approach – investigated under what conditions public institutions serve the public interest and argued that the success or failure of democratic institutions reflect the degree to which a culture of trust and participation is present (note the parallel to the rationale of Almond's and Verba's study). The conclusion of this study leads to the appraisal that democratic institutions cannot be built from top-down (or at least not easily). They must be built up in the everyday traditions of trust and civic virtue among its citizens (Laitin, 1995).

Intriguing as the study of political culture is, it is only of indirect interest for scholars of public management. Of much more interest should be studies

with a clear focus on public administration and its functioning. In a later article, [Anechiarico \(1998\)](#) studies the differences in anti-corruption policies in the Netherlands and the United States and follows that different societal values are leading to diverse civil society phenomena, most importantly a higher level of civic engagement of Dutch citizens compared to their US counterparts. This results in considerable differences in administrative culture and problem-solving policies, although both administrations are based on bureaucratic structures and processes. He concludes that

administrative culture is not an autonomous, causal factor in the public sector. Administrative culture is both the sum of historical and political factors and an indicator of the contemporary interaction of political and structural forces. ([Anechiarico, 1998, p. 29](#))

From an organization theory and public management point of view, the sociocultural approach can be described as contextualist. [March and Olson \(1989\)](#) see the major theoretical significance of contextualist ideas in their general inclination to see the causal links between society and polity as running from the former to the latter, rather than the other way around. Analogical application of this rationale to public administration and public management outcomes could imply that organizations, structures, and management practices will only be supported (and successful) when they are congruent with the existing culture. Since the sociocultural approach implies a unidirectional model, public management has hardly any possibility to influence culture in turn. Typical research settings of this approach seek to explain institutional outcomes by cultural attitudes and tradition. In this body of literature, culture is most often seen as something stable and external to public management.

This approach to societal culture is widespread in public management and administration research, especially in comparative administration and international public management. The neglect of cross-cultural differences, it is argued for instance, has led international organizations such as the OECD or the World Bank to promote “one-size-fits-all” solutions to developing countries, with sometimes disastrous effects ([Arellano-Gault, 2000](#)). According to [Caiden and Sundaram \(2004, p. 376\)](#),

when countries have relied on foreign experts, the outsiders have too often ignored domestic circumstances and confused matters by incorporating their foreign values. Imposed reforms (by elites) have been formally adopted but informally evaded.

[Schick \(1998\)](#) has even argued that most developing countries should not implement public management reforms such as demanded by international

organizations, inter alia for reasons of cultural differences. For scholars of international public management, the consequence lies in a need to analyze societal cultures as a relevant context for public management arrangements, understanding them as independent external variables of their study.

### *Culturalist Theories*

Analogous to the study of culture in society, a stream of literature deals with the study of organization from an anthropologically oriented perspective. We are referring to these approaches as culturalist theories of organization. Organization is studied and perceived as culture and the epistemological and methodological approach to study organization builds on those of anthropology.

As noted before, culture in anthropology is conceptualized in many different ways. A wide spectrum of methods is offered for the study of organization as culture. Smircich (1983) analyzed that organization theorists tend to draw their cultural analogies on views of culture from cognitive anthropology, from symbolic anthropology, and to a lesser extent, from structural anthropology and psychodynamic theories. In *cognitive anthropology*, also known as ethnoscience, culture is a system of shared cognitions or a system of shared beliefs and knowledge (Goodenough, 1981). The research interest is to determine the rules, and learn how the members of a culture see and describe the world. Accordingly, organizations are perceived as structures of knowledge, cognitive enterprises, or master-contracts whose “grammar”, the rules and scripts that guide action, needs to be discovered. This approach highlights that thought is linked to action, and by that stresses the place of human mind in organizations. In the *symbolic perspective of anthropology*, societies, e.g. cultures, are seen as systems of shared symbols and meanings and the task is to interpret the “themes” of a culture, meaning the open or hidden understandings and postulates that orient or stimulate action (Geertz, 1983). It is traced how symbols are linked in meaningful relationships and how they are related to activity. Interpretation is the key method in this perspective. In interpreting an organization, the focus will be on how individuals interpret and understand their experience and how these interpretations and understandings relate to action. In the *structural and psychodynamic approach*, culture is the expression of unconscious psychological processes. Accordingly, organizational forms and practices are seen as projections of unconscious processes and the dynamic interplay of unconscious processes

and their conscious manifestation is analyzed. The purpose of study is to reveal hidden, universal dimensions of the human mind.

The particular stance of this approach to the study of culture and public management is very different from the sociocultural approach. First, it is to note that culture and organization are not treated as separate entities or variables, but that organizations are considered as cultures and analyzed as such. In consequence, in organizational studies culture is treated as any kind of variable that is defined independently of the organization, for example as a nation, but also as something that emerges within and accomplishes organizations. Culture then is not a variable to describe and explain organization, but a metaphor for organization (Smircich, 1983). Second, in this perspective, action, behavior, and development within organization are guided by the meaning and sense making that members attribute to it. Herein lies a very different explanation to functionalist approaches, such as they are often found in public management literature. Structures, operating procedures, and rules are argued to be in place because they serve a purpose, as for example to guarantee legality, ensure effectiveness or efficiency. On the contrary, cultural analysis of organizations would argue that such manifestations could only be explained by the actual meaning they have for the members. Finally, it should be noted that culturalist approaches rely on specific methodological techniques ranging from ethnographic to symbolic analysis, but also on (quantitative) analysis of attitudes, beliefs, and texts.

For the mainstream scholarship in public management, culturalist theories have had little significance and impact so far. As far as we can trace it, it has evolved into an epistemic approach of relational constructivism, which has gained significance in organizational theory. Recently, some scholars complained that public management theory had lost touch with organizational theory and its latest findings. Kelman (2005a) therefore suggests that public management needs help from general management research. It can be expected that the revival of an exchange between public and private management research would also bring relational constructivism into play in public management theory.

### *Institutionalist Theories*

A very influential incorporation and consideration of cultural aspects for organizational studies has been experienced by neo-institutionalism, especially in its historical and sociological occurrence, and to a lesser extent also in rational choice. Institutions are formal and informal rules and

regulations within an organization or polity, and they have a major impact on social and political outcomes as they pre-determine available options for the behavior of the actors within the organization or polity. Since they structure collective behavior and generate distinctive results, institutions create common knowledge by serving as a basis for social and political interaction.

Among institutionalist theories, there are different approaches to the study of the process of origin and change of institutions and how the relationship between institutions and behavior is construed. As established approaches in the study of politics, three “sub-theories” have been discussed in several treatises (Hall & Taylor, 1996; Aspinwall & Schneider, 2000). In this chapter, we will concentrate on the discussion of the cultural element within them. Cultural elements play a role and appear in all types of neo-institutionalism, and yet they differ substantially in the conceptualization and form of influence of culture.

### *Historical Institutionalism*

For historical institutionalists, institutions are the result of the past history of an organization. Nevertheless, the supporters of this approach do not exclude other causal forces. Historical institutionalists devote a lot of attention to comparative historiography and stress the existence of path-dependencies (North, 1990; Putnam, 1993). In different organizations, equal causes do not necessarily lead to equal consequences, as the results and the outcome of a certain policy are depending on the institutional context in which it takes place. At this point, historical institutionalism opens up for the influence of culture. Culture is a characteristic of the institutional context and is related to the mutual interpretation of historical experience within an organization. Historical institutionalists define institutions as formal and informal procedures, rules, norms, and conventions, which are coupled with organizational design of society. In the culturalist sub-branch of this approach people are considered to behave bounded rationally and to be influenced by their environment and routines (*homo sociologicus*). Institutions, in turn, define the identity and preferences of people. In this notion, organizational development is a historical process and hardly a rationally planned one.

The analysis of culture and public management in the tradition of the historical institutional approach often has specific characteristics. Firstly, culture is seldom precisely conceptualized or defined. Reference is mostly made to highlight specific traditions and beliefs at the national level which seem plausible and relevant to explain certain traits and developments. Thus, culture is usually understood as national culture or political culture. Secondly,



argumentation in a historical institutional tradition not only sees culture as an external variable, but organizations can also shape culture in the sense that strategies induced in organizations today may ultimately affect and shape self-images and preferences of actors of tomorrow. Then, culture becomes an additional perspective on the organizational level. Thirdly but more rarely, culture is an interdependent variable in the analysis, influencing and being influenced by organization and management. Yet, there is a clear difference to the approaches of cultural analysis, since a historical institutionalist would still treat culture and organizational elements as two distinct factors (or variables). Lastly, historical institutional analysis tends to give ex post rationalization of reforms. Varying reception and implementation is explained, ex post, by historical or cultural differences, or administrative traditions. Barzelay and Gallego (2006a) subsume Pollitt's and Bouckaert's (2000) *Public Management Reform* to this strand of theory, which supports our findings that most of comparative public management research in the past years has been mainly based on historical institutionalism.

### *Sociological Institutionalism*

Culture and cultural elements have received special attention in the approach of sociological institutionalism. In line with this school of thought, the reason for organizations to exist is not rational selection of actors. Rather, organizational forms and practices should be seen as culturally specific. Organizations do not necessarily enhance a means-end efficiency, but are the result of interactions associated with the transmission of cultural processes. Hall and Taylor (1996) highlight three particularities of this approach, which are also highly relevant for our objective to explore the interlinkage of culture and management. Firstly, institutions are defined not just as formal rules, procedures or norms, but also include a system of symbols, cognitive scripts, and moral framing. Secondly, the relationship between the organization and individual action is highly interactive and mutually constitutive and institutions affect behavior by normative and cognitive dimensions. Thirdly, organizations embrace specific institutional forms or practices because the latter are valued within a broader cultural environment: organizational change happens as it does because it enhances social legitimacy.

This approach parallels the culturalist theories discussed before, starting from a similar understanding of culture. Both approaches include cognitive, symbolic, and normative dimensions to the definition of culture. Further, both consider organizations as cultures which ask for a culturally specific analysis. Yet, there are also differences between the two approaches, even though a sharp distinction cannot be made. While cultural analysis

approaches focus on the deciphering, interpreting, and reading of implicit and hidden information and grammar within organizations and therefore take a more organizational–anthropological stance, sociological institutionalism can be interpreted as a development of this stance geared toward the explanation of creation and change of organizations based on a structuralist argument.

For international public management research, the fact that new organizational practices are adopted to enhance social legitimacy, and not to advance any means-end efficiency (Hall & Taylor, 1996), urges scholars to understand the socio-cultural context of any public management reform. By this, sociological institutionalism offers an intriguing explanation to the dissemination of similar organizational practices and isomorphisms worldwide. Studies discussing the influence of the EU-accession process and its accompanying consulting programs on the public management reform agenda of candidate and new member states, such as Phare, can be considered to follow this stream of argument (Proeller & Schedler, 2005). Additionally, sociological institutionalism stresses the normative and cognitive structures, in which action and practices are embedded and which address the individual sense making in daily practice. Faced with a situation, an individual must find a way to recognize and to respond to it, whereby the institutional scripts and templates provide a means (Hall & Taylor, 1996). Barzelay and Gallego (2006b) have argued that examples for this approach are well represented in public management literature. They cite examples of studies which highlight the imitative behavior of agencies as well as the normative and cognitive structures institutionalized in the public service. Strong focus on legal education and high representation of jurists among the public servants, for instance, leads to a persistent and high adherence to legal values.

### *Rational Choice Institutionalism*

Rational choice institutionalism in its original shape is based on theories of rational behavior and strategic interactions within organizations. Institutions act as a structuring force in all sorts of social interactions as they indicate possible behavior within a society without much regard to the specific cultural environments. Linked with cultural analysis, however, rational choice serves as an important instrument in analyzing social interactions (Cohen, 1974). Also, Max Weber's sociological theory considered social reality to be constructed by the interaction of both strategic *and* cultural forces. As opposed to the sociocultural approach, here culture is treated as a product of primordial and rational interactions and hence is not dependent on the individual attitudes of citizens. In rational choice-based cultural

theory, culture systems are given and individuals are confronted with them. Culture shapes identities, values, and preferences of individuals.

Laitin (1986) also reverts to rational choice to construct a “second face of culture”. Uniquely to this approach, parallel existence of several cultures is proclaimed, which in consequence also makes individuals not only subjected to one, but to several cultures, and individuals can strategically choose which culture system they are referring to in a given situation. In this way, culture is a priori given on the one hand, and instrumentalized as a means to the (political) end on the other. The “second face of culture” is based on the combination of the rational choice approach and cultural analysis. It fuses opportune notions with the analysis of cultural preferences in a given society. By examining common symbolic systems and applying cost–benefit considerations, this approach aims at framing a “cultural rationality model” of a given group to predict individual and collective action of its members. While the symbolic aspect of this compound approach focuses on “primordial identities” transmitting preferences and tendencies of a given social system, the rational factor implies how given cultural systems transform to actual effects. On that account, culture and organization are treated separately. That is to say that culture essentially comes into play on the level of suppositions and utility functions, and organization stands for explaining and describing outcomes based on the assumption of rationally acting agents and the structuring force and functionalist character of institutions. To be able to explain and predict real outcomes, Laitin (1986) argues that it is crucial to call rational choice into play as “(...) political outcomes are largely a function of the real pressures people face in daily life (...)” (p. 172), and cultural analysis by itself lacks the capacity to establish stable theoretical frameworks. Intertwining the cultural with the rational approach suggests a more realistic possibility to study the interlinkage of culture and polity. Rational choice-based cultural theories explain the political importance of culture as they elaborate on the relevance of culture as a pool of (political) resources. Cultural resources are similarities, such as race, language, religious beliefs, or habits which facilitate communication and reduce transaction costs. In the context of public management discussion, this approach reflects in the debate on different “roles” which individuals and groups can take on. Roles are based on given cultural resources and allow, or even ask, individuals to apply different reasoning and value concepts wearing the cultural uniform of the group. In the process of strategic bargaining (Hood, 2000) for limited resources, elites and counter-elites make use of the given cultural resources in a political manner to mobilize masses in order to reach profit-maximizing outcomes. In public management terms, different

cultural dispositions and the political instrumentalization thereof make it difficult to transfer public management concepts among social environments: a public management reform might be successful in one place, but fail miserably in another.

### *Functionalist Theories*

Literature on *organizational culture* – or a term that specifies this view better: *corporate culture* – refers to culture as an organizational element from a managerial perspective. Culture is analyzed in relation to management challenges and outcomes. Typical areas of interest are the impact of culture on management outcomes (Parker & Bradley, 2000), influence of culture on change processes (Reschenthaler & Thompson, 1998), and the determination of certain “types” of culture and their effect on management (Renshon, 2000).

In the development of the corporate culture debate, three phases are distinguished which refer to the conceptual and methodological sophistication (Dülfer, 1991). Stimulated by the success of Japanese companies and a following search for cultural differences, which account for their success, culture was considered and analyzed as external determinant in the initiating phase. The second phase was strongly influenced by management bestsellers and practice-oriented work in which corporate culture has been established as field of management and success factor for management. In the third phase, the methodological and epistemological sophistication and maturation has taken place. But also in this approach a lot of variations to the study of culture can be observed and the developments described in the other approaches in this section also reflect in this group of research.

A common trait in this body of literature is that corporate culture has been an important *tool* to manage corporate change and that outcomes have been linked to, or even dependent on, culture. Even though this notion is particularly typical for earlier works of this approach, it continues to be taken up throughout contemporary writing on organizational culture (Osborne & Brown, 2005). As regards the question what organizational culture is, the early and influential works of Deal and Kennedy (1982) describe four elements of organizational culture: values, heroes, rituals, and networks. Peters and Waterman (1982) identify seven success factors that characterize “excellent” companies and ascribe them to basic values existing in those organizations, but not in others. Generally, works on corporate culture see values as well as patterns and actual, observable behavior as key

elements. As mentioned before, corporate culture literature often does not restrict to a descriptive-analytical analysis of organizations, but seeks to find out about the interlinkage to managerial outcomes. In consequence, this leads to the question whether the culture of an organization is changeable so that managers can shape “a success-supporting culture”. According to Schein (1992), different levels of culture should be distinguished: the visible, symbolic artifacts and the underlying basic assumptions and values. The latter are embedded in societal values and practices, so that there may be country-specific features of organizational cultures.

These functionalist theories have found many followers in public management research. To many, changing the administrative culture is a major task of public management reforms – with the final aim of a more efficient and effective public administration (Dunleavy & Hood, 1994; Claver & Llopis, 1999; Ridley, 2000). Many reform programs and prescriptive contributions to reform approaches address the need for a change of culture and depict a vision for the administrative culture that is aspired. When summarizing findings of more than 10 independent evaluations of public management reforms in Switzerland, Rieder and Lehmann (2002) found that New public management (NPM) reforms lead to a significant change in administrative culture described by values, such as cost consciousness, results orientation, and entrepreneurial behavior. Others argue, however, that there exists a specific public service culture which shows imperviousness to change (Osborne & Brown, 2005).

### *Comparison of Approaches*

The discussion in the previous sections presented varying approaches to study culture and cultural elements in the context of organizational analysis. The overview is not complete and could not account for each approach in detail, but highlights variations and different assumptions concerning the role and inclusion of culture. Characteristics of the approaches are summarized in Table 2.

As regards the definition and conceptualization of culture, the wide scope of meaning in its anthropological origins is continued also in its application to organizational contexts. It showed that early studies restricted cultural aspects to attitudes and values, but that gradually more complex definitions came into use in organizational analysis. The term culture is used in organizational analysis to address cultural aspects on various levels, ranging from national cultures to organizational subcultures. Further, it is to be

**Table 2.** Overview of Definitions and Conceptualizations of Culture.

	Sociocultural Theories	Culturalist Theories	Institutionalist Theories			Functionalist Theories
			Historical	Sociological	Rational Choice	
Definition of culture	<ul style="list-style-type: none"> <li>• C. as set of attitudes</li> <li>• C. is studied as values and attitudes of individuals</li> <li>• C. basically stable, flexible in the long-term</li> <li>• Prominent conceptualizations: “political C.”, “civic C.”</li> </ul>	<ul style="list-style-type: none"> <li>• Anthropological understanding and definition of C.</li> <li>• C. defined in relation to relevant social system</li> <li>• Emphasis on cognitive scripts, unconscious processes, role of symbols, etc.</li> <li>• Broad and complex concepts, precise conceptualizations</li> </ul>	<ul style="list-style-type: none"> <li>• C. as characteristic of context and organization</li> <li>• Often no precise definition of culture</li> <li>• C. as history, identities, beliefs, routines</li> </ul>	<ul style="list-style-type: none"> <li>• C. is an institution</li> <li>• C. as norms, routines, rules and cognitive scripts, symbol systems, moral framing</li> </ul>	<ul style="list-style-type: none"> <li>• C. as a product of primordial and rational interactions</li> <li>• C. not dependent on individual attitudes</li> <li>• Various cultural identifications to choose from</li> <li>• Often no precise definition of culture</li> <li>• Prominent conceptualizations: “first/second face of C.”</li> </ul>	<ul style="list-style-type: none"> <li>• C. as beliefs, values, artifacts</li> <li>• Often imprecise definition, residual for the informal and the implicit</li> </ul>
Definition of organization	<ul style="list-style-type: none"> <li>• Formal organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Organization is culture/organization as cultural phenomenon</li> <li>• Broad understanding of organization</li> </ul>	<ul style="list-style-type: none"> <li>• Formal and informal organization</li> <li>• Rules and conventions promulgated by formal organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Organization is a culture</li> </ul>	<ul style="list-style-type: none"> <li>• Formal organization</li> </ul>	<ul style="list-style-type: none"> <li>• Legal entities</li> <li>• Objects of managerial responsibility</li> </ul>
Linkage between culture and organization	<ul style="list-style-type: none"> <li>• C. as independent variable for the outcome of organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Thought is linked to action</li> <li>• C. creates/limits restrictions and possibilities for action and determines how this action is understood by its members</li> <li>• Organizations are cultural constructs</li> </ul>	<ul style="list-style-type: none"> <li>• C. as interdependent variable</li> <li>• Organization shapes identities, beliefs, routines</li> <li>• C. as context, influences organization via path-dependency</li> </ul>	<ul style="list-style-type: none"> <li>• Highly interactive and mutually constitutive relation organization–culture</li> <li>• Organizations affect normative and cognitive dimension of individuals</li> <li>• Organizational practices are culture-specific</li> </ul>	<ul style="list-style-type: none"> <li>• C. as independent variable</li> <li>• C. serves as context dependent resource-pool</li> <li>• Organization as rationally functioning body based on given cultural resources</li> </ul>	<ul style="list-style-type: none"> <li>• C. often as internal variable, sometimes also as external variable</li> <li>• C. as success factor for institutional performance</li> </ul>

*Table 2. (Continued)*

	Sociocultural Theories	Culturalist Theories	Institutionalist Theories			Functionalist Theories
			Historical	Sociological	Rational Choice	
Implication for organizational and public management analysis	<ul style="list-style-type: none"> <li>Contextualist approach</li> <li>Organization needs to be congruent with C.</li> <li>Reform and change will happen within cultural structures</li> </ul>	<ul style="list-style-type: none"> <li>Organizations are reproductions of culture systems, not functionalist instruments or structures</li> <li>Organizations cannot be constructed, they are accomplished</li> </ul>	<ul style="list-style-type: none"> <li>Change and development of organizations are historical processes</li> <li>Reform strategies in different institutions will lead to different outcomes (path-dependency)</li> <li>Culture, as one of many causal factors, determines structural possibilities of reform</li> </ul>	<ul style="list-style-type: none"> <li>Organizational practice and reform enhances social legitimacy (and not rationality)</li> <li>Reforms are not case-wise independent</li> <li>Reforms and change developments are driven by imitation of reference groups and normative pressure</li> </ul>	<ul style="list-style-type: none"> <li>Organizational development</li> <li>Political elites instrumentalize cultural resources to mobilize masses to influence reform outcomes</li> <li>Different reform outcomes in different cultural contexts</li> </ul>	<ul style="list-style-type: none"> <li>Change of culture as field of management</li> <li>“Visions” of appropriate and aspired culture</li> <li>Culture as enabler/limiter of organizational development</li> </ul>
Research interest	<ul style="list-style-type: none"> <li>Determination of various “types” of C. and their underlying attitudes</li> <li>Fit between organizational forms and culture</li> </ul>	<ul style="list-style-type: none"> <li>Revelation, “deciphering” and interpretation of social action, events, structures</li> <li>Development of analytical concepts to understand, to be understood</li> </ul>	<ul style="list-style-type: none"> <li>Cross-national variations of institutional framing to new challenges</li> <li>Typologies which classify and explain patterns and trends</li> <li>Emphasis on unintended effects of institutions</li> </ul>	<ul style="list-style-type: none"> <li>Explanation of why institutions adopt specific forms, procedures, rules, symbols, values, etc.</li> <li>Exploration of how practices are diffused cross-organizationally and internationally</li> </ul>	<ul style="list-style-type: none"> <li>Determination of “cultural rationality” by deciphering cultural preferences and applying cost-benefit considerations to given context</li> <li>Researching intra-/intercultural factors affecting acceptance of/resistance to political change</li> </ul>	<ul style="list-style-type: none"> <li>Management techniques and contingencies to influence and shape culture</li> <li>Link of cultural characteristics and management performance</li> </ul>

noted that not all approaches work with clear and precise conceptualizations. While some carefully transmit the concept from its anthropological context to organizations, there is a tendency to use the term culture as a residual. Most importantly, the understanding of culture in corporate culture context is materially distinct from that in other social science disciplines.

Theoretical discussion uses various kinds of ways to model the link between cultural aspects and organization. From being incorporated as unilateral causal relationship in contextualist studies, the array ranges over interdependent modeling structures to another extreme, which has been referred to as culture as metaphor (not as variable) (Meadows, 1967; Smircich, 1983). While culture and organization are often treated as two separate objects of investigation, which are somehow linked, the latter approach considers culture and organization to be identical and therefore the same object of investigation.

These different stances on the character and link of culture lead to varying results and implications for organizational and management practice. Approaches tend to focus on certain explanations of organizational practices and assign different effects and influences to culture. For example, while historical institutionalism emphasizes variations in reform implementation on an international scale, sociological institutionalism seeks to explain why similar organizational practices disseminate internationally. In both approaches culture is used for argumentations, yet in different notions.

In sum, the conception of culture and organization seems to be linked to the topic or phenomenon researchers are interested in. Smircich (1983) argues that the interlinkage between culture and organization manifests in several topical content areas that interest organization and management scholars. Such areas are: comparative/cross-cultural management, corporate culture, organizational cognition, organizational symbolism, and unconscious processes and organization. Notably, in each content area different conceptions of culture and organization underlie research.

## **THE EXPLICIT USE OF SOCIETAL CULTURE IN PUBLIC MANAGEMENT RESEARCH**

As mentioned before, culture became a common term in management studies in general, and accordingly is also well represented in public management literature. The vast majority of publication, though, uses a functionalist view of culture which does not deepen our understanding of the interplay between



societal culture and public management arrangements. Others like [Kelman \(2005b\)](#) focus their research on change in public administration, but do not even use the term “culture”. In this section, we will explore the explicit application of the culture concept in public management literature in reference to the overview of approaches given above. We will thereby focus on two classics of the current public management debate that can be considered as prominent and influential contributions which explicitly address the topic of culture and public management: [Hood’s \(1998\) \*The art of the state\*](#), and [Pollitt and Bouckaert’s \(2004\) \*Public Management Reform – A comparative analysis\*](#).

In *The art of the state*, Hood applies the grid-group cultural theory of anthropologist [Douglas \(1982\)](#) to public management research, often referring to [Thompson, Ellis, and Wildavsky \(1990\)](#). By using this basic methodology and analytical framework, he uncovers what he views as basic recurring patterns that form the wide variety of crazy-quilt recipes now apparent in government organizations and management literature. He derives four fundamental world-views (“ways of life”): the hierarchist, the individualist, the egalitarian, and the fatalist way. Hood concludes that cultural theory can help to advance further than conventional analysis of rhetoric by differentiating the major rhetorical families, especially relating to issues of managerial modernization and global convergence. Reflecting on the application of this theoretical framework he argues that intellectual analysis and arguments point more in favor of divergence and diversity than advocates of modernization and globalization like to believe. The cultural theory approach is seen to be helpful as framing approach for thinking creatively about available forms of organization and in exploring a variety of what-to-do ideas that surround public services and government ([Hood, 1998](#)), or in Hood’s terms:

Cultural theory helps us to understand why there is no generally agreed answer to the question ‘who should manage whom and how’ in government ... cultural theory can provide a basis for analysing the variety of ways that control can work in, over and by public service organization. And it can help us to explore the variety of rhetorics – persuasive stories and analogies linked with ‘recipes’ – which are applicable to public management, by identifying the sorts of stories and metaphors that go with each organizational world-view. (p. 223)

Thus, Hood’s definition of culture is not clearly focused either on societal or on organizational culture. Implicitly, Hood seems to follow a concept of organizational culture as he analyzes “organizational world-view”. In many parts of his book, however, he refers to history and collective storytelling in different countries which have an impact on the cultural bias in public

management. Sociocultural theories seem to have had some relevance for Hood's thinking, and it could also be argued that he is walking in the path of historical and sociological institutionalism. As he mentions in his book:

... the understanding of cultural and organizational variety, within an historical perspective deserves a central place in the analysis of public management. (p. 225)

Although there is a smart way to look at culture through the lens of cultural analysis such as proposed by Hood, it remains widely unclear how exactly the move "down-grid/down-group" should happen, and what public managers can do to make this step with their organizations. Insofar, Hood's book does not take the reader further than his article that used cultural theory to explain criticisms against NPM (Dunleavy & Hood, 1994).

Pollitt and Bouckaert's (2004) comparative analysis in *Public Management Reform* develops explicit models and taxonomies which classify and explain specific patterns and trends. The authors draw attention to cross-national variation in reform processes. Reforms in different countries are discussed at the background of a taxonomy of regime types by a fivefold classification for elements of politico-administrative regimes including form of state and government, majoritarian versus consensus type executive governments, relationships between ministers and top-level bureaucrats, administrative culture, and channels of policy advice. Those structures of the political and administrative systems are depicted to enclose and surround the more specific and dynamic processes of reforms. The authors describe their theoretical approach as "[...] probably closer to a mildly constructivist historical institutionalism than to either rational choice or the more strongly constructivist sociological institutionalism" (Pollitt & Bouckaert, 2004). Barzelay and Gallego (2006a, 2006b) have also located Pollitt and Bouckaert's study well within historical institutionalism.

In this study, culture comes into play, first, in their taxonomy of politico-administrative regimes, one dimension which is charting the administrative culture, whereby administrative culture of *Rechtsstaat* and *public interest* are defining the continuum. By this continuum, administrative culture represents patterns of behavior and value systems. *Rechtsstaat* cultures – based on Roman Law traditions – are characterized by legality, conformity with rules as well as a distinct identity of public servants as representatives of the state as sovereign, even superior, authority. On the contrary, in public interest cultures with common law traditions, public servants are considered to serve the government and get the legitimacy of their existence in a more functionalist way. Secondly, the authors describe their "picture" of the interrelation of public management reforms and the cultural environment

using the framework of levels of governance by Lynn and colleagues (Lynn, Heinrich, & Hill, 2001). “At the ‘top’ is the global and national cultural environment. This tends to form a set of pervasive influences rather than being an explicit target of reform” (Pollitt & Bouckaert, 2004) .

Typically for a historical institutionalist approach, culture is treated as (one among others) context variable having influence on the beliefs, attitudes, and actions of individuals. As context variable it has substantial influence on the organizational processes and explains varying reform outcomes. Turning to the definition and conceptualization of culture, the explanations are rather short, often implicit, and where explicit, rely on a two-folded continuum. Even though this study became a very prominent reference for cultural aspects in public management reforms, it must be noted that – as many historical institutional analyses – it actually uses a very simple and limited definition of culture – which, however, is at anytime clear to the reader and is adequate for the line of argument.

## IMPLICATIONS FOR FUTURE RESEARCH

During the past several years, public management reform literature has increasingly become culture-aware. While early contributions on NPM reforms often focused on the ideological, doctrinal, and instrumental aspects and sought to learn from best-practice abroad (Hood, 1991; Osborne & Gaebler, 1992; Naschold, 1996), the role of culture and its impact on reform agendas as well as outcomes is increasingly being considered. To stress sensibility to contextual and cultural factors, Reichard (1998) warns against “naïve concept transfers” when concepts from one country are sought to be copied in another country without considering the specific circumstances. To date, discussion and literature on public management includes cultural aspects in various dimensions and stemming from different theoretical approaches. In general, the historical institutionalist stance, sociocultural approaches, and corporate culture accounts appear most common and describe the underlying assumptions in much of the discussion.

Considering the overview of theoretical approaches given in this article, some ideas for the further development of the discussion can be derived. Following Smircich’s (1983) argument that the thematic interest or topic is linked to the conceptualization of organization and culture, it could be concluded that the wider dissemination of certain approaches is corresponding to a thematic focus on cross-country, comparative studies and change

management issues of the current debate. For the future, this points to a wider consideration of other thematic fields which are covered by approaches less prominent so far in public management research. So, the exploration of cognitive and symbolic systems and the development of “deciphering codes” could be one example of such a field of interest. Related to this, this could lead to an exploration of such cultural elements as language or religion and their influence and meaning for the sense-making and patterns of organizations in societies.

As the overview of theoretical approaches showed, cultural arguments are used to argue for various aspects and are drawn onto explain different, sometimes opposed behavior and varying developments. Therefore, it is important to be transparent and aware of the approach that is applied, because the approach chosen influences the consequences that culture is claimed to have.

The concept of “culture” aims at grouping actors in societies and organizations according to mutual values, beliefs, cognitive and epistemic processes, and ultimately similar behavior. By labeling these groups, researchers try to get access to the informal and subjective world of organizations. For public management research, creating more knowledge about the way to approach culture as a social phenomenon is fundamental, especially for an international scholarship. Consequently, future research could and should put more emphasis on the cultural context and its detailed understanding – preferably in a heuristic process – rather than the formalized institutions.

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## CHAPTER 2

# CULTURAL CHARACTERISTICS FROM PUBLIC MANAGEMENT REFORMS WORLDWIDE

Geert Bouckaert

Culture and public management reforms are closely linked, and from different points of view.

A summarizing 2005 OECD publication on “Modernizing Government: The Way Forward” contributes a key chapter to enhancing public sector performance: “Governments have become much more performance focused. The performance movement has increased formalized planning, reporting and control across many governments” (OECD, 2005, p. 11). At the same time there is a qualification to this statement: “Governments should, however, be wary of overrating the potential of performance-oriented approaches to change *behavior and culture*, and of underestimating the limitations of performance-based systems” (*ibid.*, my emphasis).

In discussing the issue of cultural characteristics of public management reforms, it is obvious to look at culture from an analytical point of view, then to the interactions with public management in general and reforms in particular, from a theoretical, but also from a practical point of view. In this contribution, we will look at the relevant components of culture for public management reforms at the macro, meso, and micro level.

Culture is a broad umbrella term which needs to be conceptually confined and operationalized.



## 1. DEFINITIONS OF CULTURE

From an anthropological point of view there are four fundamental ways of living on earth, which can be related to “four basic cultural types: hunting and gathering, herding livestock, village farming, and modern civilization (...). Culture can be defined as the relationship of a society to the primordial nature or law of the earth” (Lawlor, 1991, p. 142).

According to Kluckhohn and Strodtbeck in Trompenaars, five categories of problems should be solved.

- What is the relationship of individuals to others? (relational orientation)
- What is the temporal focus of human life? (time orientation)
- What is the modality of human activity? (activity orientation)
- What is a human being’s relation to nature? (man–nature orientation)
- What is the character of innate human nature? (human nature orientation) (Trompenaars & Hampden-Turner, 1993).

Answers to these questions are culturally determined, and ultimately become part of the cultural identity of a society or even a civilization.

According to Adler, culture is “that complex whole which includes knowledge, belief, art, law, morals, customs, and any capabilities and habits acquired by a man as a member of society”, or “a way of life of a group of people, the configuration of all of the more or less stereotyped patterns of learned behavior, which are handed down from one generation to the next through the means of language and imitation” (Adler, 1993, p. 29).

One of the most comprehensive and generally accepted definitions is provided by Kroeber and Kluckhohn:

“Culture consists of patterns, explicit and implicit of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of future action” (Kroeber & Kluckhohn in Adler, 1993, p. 29; see also Kluckhohn & Strodtbeck, 1961).

There could be a focus-defined definition of culture as a mental product (almost as a collectively programmed human mind (Hofstede, 2001)) that is underlying values, beliefs, and principles, resulting in shared understandings, with some legitimizing function.

There could also be a locus-defined definition applying culture to the political field or to administrations, to, e.g. civic culture, as “attitudes towards

the political system and its various parts, and attitudes towards the role of the self in the system” (Almond & Verba, 1963, p. 13).

In this contribution a layered vision of culture will be used. There is a macro, a meso, and a micro approach of culture in a perspective of reforms in general and public sector reform in particular (Table 1).

Macro culture refers to very fundamental elements and mechanisms which produce societies. There is a need to study macro culture to understand administrations and management in that culture. Anthropology and histories of administrations may be helpful, but also sociology, ethnology, and even social psychology (Keraudren, 1996).

At the macro level concepts of time, place, and the functioning of basic structures are key elements. Shifts from pre-modern to modern, and from modern to so-called post-modern societies and cultures (Inglehart, Basàñez, Diez-Medrano, Halman, & Luijckx, 2004) refer to the need to include histories of paradigms to understand perspectives of reform of the public sector. Pre-colonial or colonial influences may help to understand current reforms.

Place is a second element of this macro culture. It also connects with religion and language. This implies that linguistic and theological elements should be part of a cultural approach also to public sector reform.

A third element is the functioning of structures within an institutional setting. Whether a culture of structures is determining functions or vice versa is a derived discussion within cultures of countries, states, and policies.

**Table 1.** A Macro-Meso-Micro-Nano Perspective on Culture from a Public Administration Point of View.

Macro Culture: Civilization	<div style="border: 1px dashed black; padding: 10px;"> <p>Meso Culture</p> <p>14. Professional Culture</p> <p>15. Administrative Culture</p> <hr style="border-top: 1px dashed black;"/> <p>Micro culture</p> <p>16. Organizational Culture</p> <hr style="border-top: 1px dashed black;"/> <p>Nano Culture</p> </div>
1. Culture versus time: Pre-modern, modern, post-modern	
2. Culture versus place: Western versus non-Western	
3. Culture versus structure: Nation-states and policies	

At the meso level, two elements belong to culture in our study: administrations and professionals. Professionals have their own culture (police, doctors, teachers, social workers, auditors). Sometimes this coincides with organizations, but not always.

It is useful to consider organizational culture as a key micro component. Increasingly, single organizations are being used to study their cultures. Sometimes other, related but different labels are used such as climate.

Finally, nano culture is also important. The units of observations may be offices within organizations, or particular job clusters such as inspectors, or grassroot field workers.

From a bottom-up point of view, this allows to have mixes of cultures, which could be harmonious or conflictual.

“Culture” has not always been part of a public management reform analysis (Jann, 2000). Major comparative studies or textbooks have not referred to it. Assuming that indexes of serious books are solid, one can quickly scan these to conclude that culture has been ignored. According to Pollitt, “there seem to be more sermons urging reformers to take account of existing cultures, and prescriptions setting out menus for new cultures, than there are detailed studies of present public-service cultures” (Pollitt, 1990, p. 165).

To break through, bureaucracies obviously has a cultural component, but this has been ignored or is only covered implicitly.

This was the case for public management reform books in general, but for new public management-based (NPM) books in particular. One major reason is that these books were written by and for a very homogeneous group. There was no reason to differentiate between different cultures. The strength of the so-called NPM was also its weakness: its cultural homogeneity.

This results in a first research implication because of linking culture and reform explicitly.

*Research implication 1:* There is a research need to focus at one level of culture, but each choice of a level should be put into its layered context.

## **2. STUDY OF CULTURE TO UNDERSTAND PUBLIC MANAGEMENT AND ITS REFORM**

Whether one focuses on macro, meso, micro, or nano perspectives there is an analytical need to define the positioning of both concepts, culture and public management reform to one another.

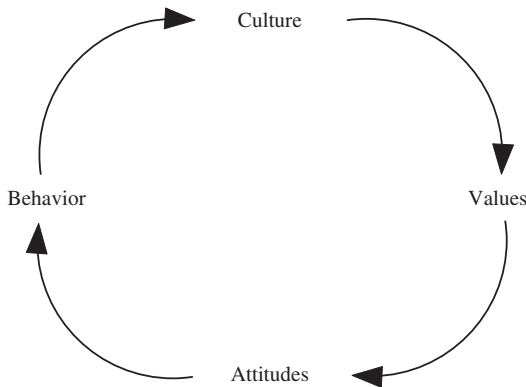
From a theoretical point of view, it seems that culture is sometimes defined as “attitudes” in the “Attitudinal School of Culture”. According to [Keraudren \(1996\)](#), this results in some advantages. First, culture as a mental product becomes an independent variable; second, this facilitates some methodological issues; third, it allows to compare cultures; and fourth, there seems to be a possibility to control organizational cultures. There are, however, also some new problems. First, it takes values as given; second, it may become over-deterministic; third, there is a focus on functional explanations of culture; and fourth, units of analysis cause methodological problems.

For these reasons the choice in this article is for a sequence of four key concepts and three models. Three models are possible based on a sequence of culture–values–attitudes–behavior (see [Fig. 1](#)).

According to the first model, culture determines values. A value is “that which is explicitly or implicitly desirable to an individual or a group, and which influences the selection from available modes, means, and ends to action”. Values determine attitudes. An attitude “is a construct that expresses values and disposes a person to act or react in a certain way toward something”. Attitudes determine behavior. Behavior “is any form of human action” ([Adler, 1993, pp. 30–31](#)), resulting in social practices.

Another way of representing interactions of key components is to use an onion model of culture with “basic implicit assumptions” which are surrounded by “norms and values”, which then are surrounded by “artifacts and products” of culture ([Trompenaars & Hampden-Turner, 1993, pp. 20–21](#)).

Culture and values are obviously linked to ethical imperatives through a vision of the common good ([Gawthrop, 1998](#)). Values are criteria to



*Fig. 1.* The Influence of Culture on Behavior ([Adler, 1993, p. 30](#)).

choose solutions for problems, to prioritize preferences, to select between alternatives in matters of public sector reform. Values are expressed in reward systems, in emphasizing more individuals or groups, in ways of solving conflicts (of interest).

Attitudes are driving behavior and are expressions of how people think and feel also in matters of reforming systems (more or less public sector, more or less general interest, more or less market mechanisms, more or less modernization). Attitudes are linked to the assessment of desirability and feasibility of reform itself.

Behavior is visible action and the substance of public sector reform and its implementation (or non-implementation). It is the rhetoric and the measures taken, resulting in changing structures and institutions.

According to Model 1 Fig. 2, all management reform projects are culturally determined. By definition, management is contextual and the relevant context is culturally defined.

Values are determining attitudes and behavior is also influencing culture, but the culture/values set includes the attitudes–behavior set.

If one looks at Citizen Charters, e.g. the French and the British one, attitudes and behavior look obviously the same. There is an attitude to care for citizens as customers, and there is a related behavior to respond through charters. However, the culture and the values determining these attitudes and this behavior are totally different. The UK Citizen’s Charter is put in the context of a market state, where quasi-market mechanisms are supposed

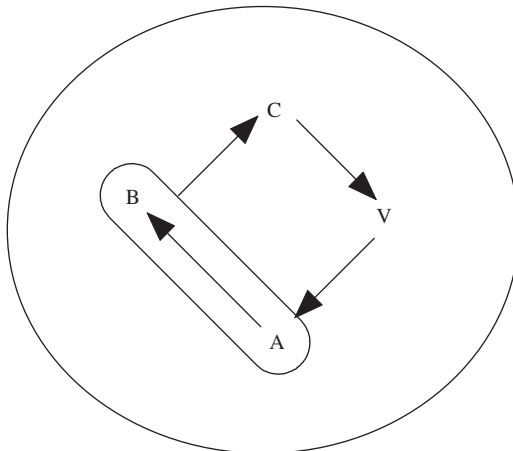


Fig. 2. Model 1: Inclusive Positioning of “Management by Culture”.

to empower the citizen as a customer. The culture of the market state results in a dominant value of competition. This market state culture and its competing values will determine the attitudes and the behavior of all actors involved.

The French Citizen’s Charter is based on the culture of the State of Law, which refers to the values of the French revolution (Liberté, Egalité, Fraternité) (especially Article 15 of the Déclaration des Droits de l’Homme et du Citoyen), the French State, and the latest French Republic. Attitudes and behavior to guarantee customer-related citizen’s rights are derived from this culture and these values.

A charter is not a charter. The French and the British differ because of the difference in culture and the related values (Bouckaert, 1995).

As a bottom line question one could ask “Can culture change the world?”. This is a very idealistic (Hegelian) or perhaps even romantic vision of reality. Ideas have ultimately the capacity to change infrastructures. This idealistic philosophy is not obvious. Even if strategic plans, mission statements, or codes of conduct are important, they may not be sufficient to change structures and functions of institutions. Fig. 3 translates this inclusive model of “managing by culture” into a model of management as ultimately determined by culture (even if culture also may have some spillover influence on management). Culture is the independent variable, and management is the dependent one.

In Laurent’s (1983) overview of the cultural diversity of Western conceptions of management, based on a statistical analysis, he generated four dimensions: organizations as political systems, as authority systems, as role-formalization systems, and as hierarchical-relationship systems. One of his

### Model 1

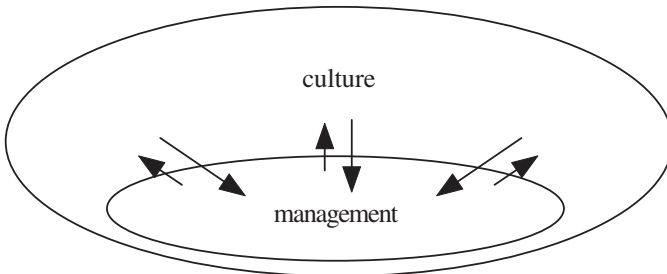


Fig. 3. Management as Determined by Culture.

conclusions is that “matrix-type organizational arrangements might have better prospects in Sweden than in Italy” (Laurent, 1983, p. 87).

The importance of a particular culture for using specific management tools is also supported by Jaeger in analyzing the fit between national cultures and the applicability outside the US of techniques of organizational development (OD), “especially because OD’s espoused general values hardly match those of its ‘birthplace’, the United States” (Jaeger, 1986, p. 185). Management by objectives (MBO) is supposed to be successful in circumstances of not-too-large power distance, weak uncertainty avoidance, and high masculinity (Hofstede, 1980, p. 58). In Germany, there seems to be a bit higher uncertainty avoidance. “MBO has become management by joint goal setting, mitigating some of the risk and emphasizing the team approach, which is in line also with the lower individualism present in the German culture” (Jaeger, 1986, p. 185). In France, MBO has generally run into problems. “The original DPO (Direction par Objectifs) became DPPO (Direction Participative par Objectifs)” (*ibid.*).

A third model (the second is in between) is the opposite of the first. Culture and values are determined by attitudes and behavior (Fig. 4). This results in an inclusive position of culture by management.

Management is generic, but some management reform projects could be “cultural” projects. In general management reform is so generic that it is totally de-contextualized from its cultural environment (at the meso level, from time, space, country, or policy).

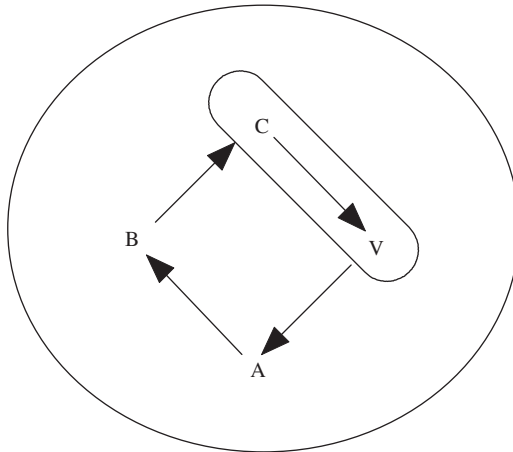


Fig. 4. Model 3: Inclusive Positioning of “Culture by Management”.

Nowadays, when, e.g., the Asian Development Bank sells a loan to Mongolia to import the New Zealand financial reforms legislation and its implementation, there is an assumption of a generic managerial space which allows to influence administrative and political cultures and values.

Even if some authors clearly state “Why most developing countries should not try New Zealand reforms” (Schick, 1998), it is observable that the generic model is very dominant and tempting.

A materialistic point of view is dominant in this model. The attitudes and behaviors are shaping the infrastructure which is molding culture and values.

Sometimes this version is even expanded to its institutional variations. This implies a very pronounced level of determinism. “If institutional determinism is taken to mean simply that a society’s institutions are among the factors that help shape its culture, the claim is undoubtedly correct. But institutional determinism is often pushed to a much more extreme claim than this: it is taken to mean that institutions alone determine a society’s cultural values, so one needn’t really take cultural factors into account: if one changes the institutions, the culture automatically changes accordingly. If one examines the evidence more closely, it is clear that this position is untenable” (Inglehart et al., 2004, p. 17).

Fig. 5 clearly translates the model of an inclusive positioning of culture by management into a model of management, ultimately determining culture. Here, management is the independent variable and culture is the dependent one.

Model 2 is in between Models 1 and 3, but is also beyond both. Culture as well as management have something *sui generis*, sufficient to keep some autonomy and independence. However, there is also an overlap which guarantees a mutual adjustment: culture by management and management by culture. This could be a dynamic perspective in the long term. Fig. 6 expresses this partly exclusive positioning of culture and management.

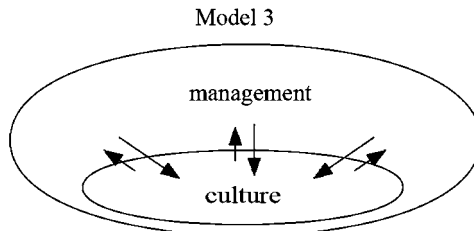
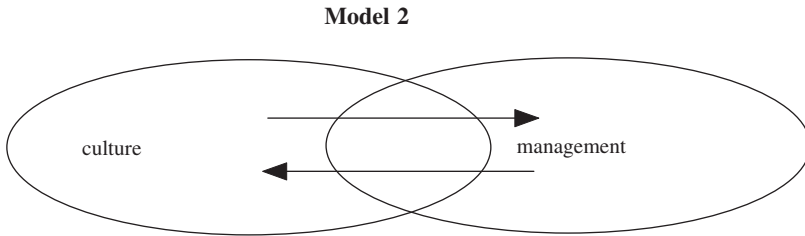


Fig. 5. Culture as Determined by Management.





*Fig. 6.* Exclusive Positioning of Culture and Management.

From the cultural perspective it could imply a “push and a pull” vis-à-vis management.

Cultural “push” or “pull” means using culture as a driver for public management reform (Wallerath, 2000) or as an inhibitor. In the field of culture of measurement “push” could mean installing performance measurement systems, and “pull” refers to its dysfunctions. In the field of a culture of professionals “push” could mean a synergy of policy professionals and management professionals, and “pull” could refer to a split politics and administration.

Within a culture of transparency “push” could mean new laws on freedom of information, which are voted unanimously, and “pull” is the frustration of non-use or abuse of this information. In a culture of ex post results and accountability “push” could mean establishing contracts and performance audits, and “pull” refers to new red tape and a remaining focus on inputs and compliance.

One could think of history and cultural sociology for the study of performing societies and the cultural variables that have been significant in the rise and decline of cultures, even if there is cultural inertia which is clear in the case of bureaucracies (Suleiman, 2003; Fukuyama, 2004; Diamond, 1999). This multidisciplinary approach would support a macro focus on culture.

Hood is linking culture, rhetoric, and public management to suggest that using cultural theory helps to describe, understand and even explain typologies of public management (Hood, 1998). Douglas’ anthropological approach (Douglas, 1982) is used in this study and refers to a macro level of culture (see also Keraudren, 1996). There is a focus on two major dimensions. Rules are offering a grid for societies and could be dominant or loose. The second major variable has to do with group cohesion, which could be low or high. This results in four pure types. One could say that there are two obvious categories. There is an individualist cluster (low group, loose grid) which is more “individualistic” and allows to “let managers manage”. On the other

side of the spectrum, there is a more “hierarchical” model (tight grid, high cohesion) which is more of a type to “make administrators administrate”. The two mixed categories are more surreal cultures which are labeled “fatalist” (high grid, low group) and “egalitarian” (low grid and high cohesion) and are not very stable. Thompson, Ellis, and Wildawski (1990) have been working in the same direction.

Of course Max Weber already used the concepts of “hierarchy” and “rules” to describe the structuring and functioning of organizations in general and bureaucracies in particular. He then added the typologies of authority, including bureaucratic authority, to describe the link between an individual and a group. Rules were used to disconnect individuals from groups, in order to put bureaucracies in between them and to link individuals to state structures. Many others within organizational sociology have followed this rationale to describe cultural differences in the structuring and functioning of systems.

Hofstede has been using organizational theory and psychology to describe his models and dimensions for his survey. This is more culture at a meso level with a reference to the macro level.

In conclusion, to understand the interaction between culture and public sector reform there is a need to go beyond culture theory and a necessity to take a multi-disciplinary approach. This results in the following research implications.

*Research Implication 2: Culture is the chicken and the egg of reform; nevertheless, research designs are possible choosing a one-step causality with culture as the independent or as the dependent variable, depending on the time perspective.* The question on whether to change culture first and then reform, or first reform and then to change culture demonstrates that culture is ultimately and simultaneously an independent and a dependent variable.

*Research Implication 3: Studying culture and public sector reform is multidisciplinary.*

### **3. CULTURE, TIME, AND PUBLIC MANAGEMENT REFORM**

There was a time, when time was not money.

Probably the most explicit expression of this was in Australia of the Aborigines. The “potency of an earthly location is wedded to the memory

of its origin. The Aborigines called this potency the ‘Dreaming’ of a place” and this results in “Dreamtime” determined by places rather than time designations (Lawlor, 1991, pp. 1, 239).

The Chinese have a long-term perspective in their administrative attitudes and behaviors. Contracting out Macau or Hong Kong for about 500 years is not problematic, just as Taiwan is ultimately moving back into the “one country, different systems” model. On the other hand, the rituals that accompany these shifts are essential to govern these reforms, before and after the Cultural Revolution.

In the West, we have an increasingly myopic point of view of reform which is institutionalized in our political election cycles and administrative mandated terms which are shortened from a life-long career to contracts limited in time. From Keynes’ “in the long term we are all death” we are shifting to “in the short term we are all death”. We are shifting from “must wait and see” to “can’t wait and must see”.

There are two aspects on the time issue: what are the time horizons and are past/present/future related? Both have an impact on administrating and managing policies and organizations.

From Table 2 it appears that Anglo-Saxon countries are clustered on the shorter time horizon side of the range, whereas the Scandinavian set is more on the longer term horizon side, just as the Germanic continental European set of countries. Latin countries seem to cover the whole range of horizons.

Japanese long-term visions seem to contrast with American quarterly thinking: when the Japanese were trying to buy the operations of Yosemite National Park in California, the “first thing they submitted was a 250-year business plan”, with a reaction of the Californian authorities stating that this represented a 1000 quarterly reports (Trompenaars & Hampden-Turner, 1993, p. 128).

A second element is about the relationships between past, present, and future. There are several possible interactions which range between a more sequential and a more synchronic type. Again, there are significant variations in reality. Table 3 demonstrates four typologies of relationships.





Obviously, time orientation has an impact on management issues. Elements of strategy, goals, objectives, risk assessment, and planning are obvious elements which are subject to time orientation. But it also seems that sequential time cultures consider relationships as more instrumental, whereas synchronical cultures have a higher level of communitarianism.

To understand the implications of the interdependence of public sector reform and culture, a long-term perspective, or a macro time frame is needed.

**Table 2.** Long-Term versus Short-Termism: Time Horizons (Based on the Duration Inventory of Past, Present and Future, in Trompenaars & Hampden-Turner, 1993, pp. 127-128).

Country	Time Horizon	Anglo-Saxon	Scandinavian	Germanic-Continental	Latin
Australia	4.11	X			
USA	4.30	X			
Belgium	4.35				X
Canada	4.38	X			
New Zealand	4.41	X			
Spain	4.42				X
Italy	4.44				X
UK	4.50	X			
Norway	4.56		X		
Netherlands	4.63		X	X	
Germany	4.69			X	
Switzerland	4.88			X	
France	4.89				X
Finland	5.11		X		
Denmark	5.22		X		
Sweden	5.23		X		
Austria	5.45			X	
Portugal	5.62				X

**Table 3.** Models of Past, Present, and Future (Based on Cottle in Trompenaars & Hampden-Turner, 1993, p.127).

Model of Past/Present/Future	Model	Countries
1. Absence of zone relatedness		Russia
2. Temporal integration		Japan
3. Partial overlap		Germany
4. Touching but not overlapping		India

Economists needed century-long time series to detect Kondratieff cycles. Public administration also needs these time spans to understand dialectic shifts in administrative history.

Shifting from pre-performance-based systems to performance administration, to managements of performances, to performance management, and ultimately to performance governance (Bouckaert & Halligan, 2006) needs an overview beyond a century and assumptions on long-term evolutions of administrative systems (Bouckaert, 2006).

Even within the Western world, public management reform is dynamic. NPM is also evolving from an initial ideologically based normative program, over an awareness of diverging practices within the West, to a moderation of its own premises (Hood & Peters, 2004). Part of the reason why this NPM was not obvious for most Western countries is cultural. Even within the West, there are differences between the USA and Europe. According to Kickert and Stillman (1996) this “is not to suggest that both Europeans and Americans are enduring the same transition – nor are they necessarily converging in their cultural patterns of change” (p. 66).

According to cultural theory, there are not too many ways to conceive organizational life. “The possibilities are limited because the only viable ways of life tend to be those which cluster in the corners of the conceptual space created by the two dimensions of ‘grid’ and ‘group’” (Hood, 1998, p. 10). To the extent that cultures for that reason are stable and dominant (Model 1), there is a possibility of having single loop patterns of learning, which will be within the cultural frameworks. Behavior is adjusted in order to narrow the gap between the present and the culturally set standard. This will result in stable paths where the previous step will determine the next one, and where the subsequent step is predominantly influenced by the previous one, within a stable cultural and value setting.

To the extent that attitudes and behaviors have a capacity to influence culture and values, there is a possibility to move to double-loop learning (Model 3). Double-loop learning could include punctuations which may lead to bifurcations because of a change in culture and values. This change in a cultural pattern and a value will or may affect attitudes and subsequently, behaviors. Once this has happened, or after this process, because punctuations may be stretched and bifurcations may be first meandering toward a different direction, Model 1 may re-emerge.

Finally, it could be possible to move to a culture of change which is about learning how to learn (deutero-learning). This will affect the status of a path itself, including the time dimension of it. This is about a strategy of having

a strategy for a functional sequence of models 1-3-1-3 etc, which results in using Model 2.

This results in the following research implications:

*Research Implication 4:* Studying public management reform in general and its link with culture in particular requires at least a 50 years' time span.

*Research Implication 5:* Studying PMR requires looking at trajectories as learning cycles over a long-term perspective. Stability or changes in time are referring to the dynamics of systems. Cultures are affecting these dynamics for two reasons. Time is part of the cultural context of change, and learning takes time and is also for this reason, cultural. For that reason it may be difficult or impossible to reduce reform time by taking short cuts.

*Research Implication 6:* Different systems may be at different "time zones". Studying public sector reform should take "time culture" into account; otherwise, reform may encounter "time lags" and result in mismatches.

#### **4. CULTURE, PLACE, AND PUBLIC MANAGEMENT REFORMS: WESTERN AND NON-WESTERN APPROACHES**

A generic assumption behind a reform model implies a converging trajectory for reforms. It assumes a Pangaeon continental landmass which is very homogeneous. On the other hand, a contextual and contingent assumption will allow and even prefer diverging paths because a reduction of organizational (bio)diversity is in itself unnecessary, undesirable, and culturally unfeasible.

In looking on how different empirical studies have clustered countries, Ronen and Shenkar (1985) have stated that the "use of national units for clustering is logical because national boundaries delineate the legal, political, and social environments within which organizations and workers operate. Yet, to understand why certain countries cluster, one should look across national boundaries for the dimensions underlying the clusters" (Ronen & Shenkar, 1985, p. 444). These dimensions are geography, language, and religion, even if they are not independent. There could be discussion to what extent technology or per capita GDP is also a determining cluster variable for cultural classifications. In that, assumption levels of development (technologically or materially) will affect (the capacity for) management attitudes and behavior.

#### *4.1. Geography*

To look at the geographical dominance a meta-study of country clusters may suggest a tautological reasoning. Countries belong to the same cluster because they are adjacent to one another. This is the case for Ronen and Shenkar's meta-clusters of Near-Eastern, Arab, Far-Eastern, Latin-American, Latin-European, Nordic, and Germanic countries. There are, however, two exceptions. The Anglo cluster is geographically not coherent. It includes, next to the UK, Ireland, New Zealand, Australia, and Canada, also South Africa and the USA. A second cluster is miscellaneous and *sui generis* consisting of Brazil, Japan, India, and Israel. They also admit that clusters describing the Far East and Arab countries are ill-defined, as well as the independent cluster countries Japan and Israel.

Surprisingly, one of their conclusions is also that "American theories work very well for the Western nations" (Ronen & Shenkar, 1985, p. 452). Laurent (1983), to the contrary, concluded that there are "nationally bounded collective mental maps about organizations that seem to resist convergence effects from increased professionalization of management and intensity of international business" (p. 95). And Hofstede asks rhetorically "Do American Theories Apply Abroad?" (Hofstede, 1980) obviously suggesting a negative answer.

But even within the Western world there are significant cultural differences between Anglo-Saxon, Scandinavian, Germanic, and Latin countries. Schröter (2000) asked whether the difference between the British and the German public sector reform is cultural. He compares the British "entrepreneurial" managerial culture with the German "bureaucratic" managerial culture. He also amends this with differences in political culture, such as the degree of trust, political efficacy, and citizen involvement.

#### *4.2. Language*

Language remains an important element for reform and culture, but also for research on it. Schneider and De Meyer (1991, p. 316) refer to concerns of having a survey in English for a non-English audience. Laurent (1983) refers to the methodological issue of having a survey in two languages and emphasizes that in a particular research project "the questionnaire was developed in both English and French simultaneously rather than formally translated from one language into the other" (p. 76). It is clear in some

OECD reports that they first were written in English and then translated into French.

If language is part of a culture, public management reform should be expressible in that very language to make the bridge between culture and management. However, in many languages there are problems in linking “significant” (acoustic image) and “signifié” (concept) (de Saussure, 1916 (1972)). In several languages there is no different word for “policy” and “politics”, or the difference between “efficiency” and “effectiveness” is unclear, or particular words do not exist and can only be described, such as “accountability” or “governance”, or the same acoustic image (e.g. “administration”, “agency”) has a different “signifié”. Gertrude Stein could say “a rose is a rose is a rose ...”. However, an “agency” is not an “agency” (“agentur”, “agence”, “agentschap”, etc.).

The use of English words in non-English language has created functional and dysfunctional effects for communicating and transferring practices.

### *4.3. Religion*

There are several indications that religion, which is beyond culture, but also has significant cultural aspects, has an impact for the economy in general, but also for private sector management and for administration. There is a relevant literature on Muslim economy (Kuran, 1986) and ecclesiastic administrative structures have been influential in all cultures.

Religion is crucial in this matter since in many cases it influences values.

Inglehardt et al. (2004) emphasize the importance of religion in many societies although at “the peak of modernity, rational science has almost the same absolute authority as religion in premodernity. Postmodernity erodes the absoluteness of all kinds of external authority, whether religious or secular” (p. 7). Nevertheless, “historically Catholic societies still manifest cultural values that are relatively similar to each other in global perspective – as do the historically Protestant societies” (Inglehart et al., 2004, p. 17).

Evidence of the importance of taking religion into account is available. Confucian values are still influential for a so-called “bureaucratic culture” in East Asia (Frederickson, 2006). And according to Brown and Humphreys (1995), surveying and comparing British and Egyptian technical education managers, it “is tempting to speculate that the sense of doing one’s duty, which is very strong in Egypt, has a religious (Islamic) basis, for Egypt is a society where codes of conduct are quite strictly governed by the Koran” (p. 9).



This results in the following research implications:

*Research Implication 7:* International comparative research on public management reform should include an analysis of the language in which the reform has occurred, and not just of the “reform language” used.

*Research Implication 8:* In many non-Western societies religion is a relevant variable to study public sector reform.

## **5. CULTURE, STRUCTURE, AND PUBLIC MANAGEMENT REFORMS: NATION-STATE CULTURE AND POLICY FIELD CULTURE**

According to [Hartigan \(1975\)](#), clustering, in general, has different functions. It helps to label or name, to display, to summarize, to predict, and it requires explanation.

Obviously, country clustering could lead to stereotyping which then may have an ethical dimension ([Weinschall, 1993, p. 9](#)).

A subsequent question is what units of analysis should be clusters. In general, it could be countries, but policy fields could also be useful for comparative research. It is not clear what is a dominant pattern: country features dominating policy fields, or vice versa. Choosing coherent dependent and independent variables will be affected by this positioning.

In this context, the key question is whether policy field-specific cultural features, e.g. professional cultures or output features, or policy field organization-specific features at the micro level, are influencing countrywide specific features (meso), or vice versa.

*Research Implication 9:* To guarantee a full range of cultural variations in international comparative public sector reform research programs, three designs are needed: first, compare countries in and between country clusters in a generic or policy field-specific design; second, compare the same policy fields across countries; third, combine one and two.

[Trompenaars and Hampden-Turner \(1993\)](#) have used dimensions of egalitarian/hierarchical and person/task orientation (p. 179).

[Hofstede's \(1984\)](#) work on *Culture's Consequences* has used country clusters based on first four, then five dimensions. Even if there has been criticism and constraints mentioned on all elements of the research (dimensions as the artifacts, the data set, the survey methodology) the study

has often been replicated and has influenced the literature. From a literature review based on the Hofstede-school, Sondergaard concludes: “There are remarkably few non-confirmations” (Sondergaard, 1994, p. 452). Within public administration his influence has been less pronounced.

### *5.1. Five Dimensions*

According to the research of Hofstede, based on his IBM data from around the 1970s, initially four, then five dimensions are relevant: power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and time span.

#### *5.1.1. Power Distance*

The extent to which less powerful members of organizations in a country expect and accept that power is unequally distributed is expressed as power distance. High power distance countries accept greater inequalities, expressed as salary gaps, privileges, and status symbols. There is also more centralization of power. This is a very hierarchical society.

To the contrary, low power distance countries tend to more equal societies with more decentralization and less divergence of material expressions of power. This is a more egalitarian society.

#### *5.1.2. Individualism/Collectivism*

To the extent that there is more individualism and less collectivism, there are loose ties between individuals, less social cohesion, and a higher responsibility to take care of yourself. In more collectivist societies, there is strong cohesion and loyalty to the group with a strong integration.

#### *5.1.3. Masculinity/Femininity*

In “masculine” countries there is a focus on performance, with a hard negotiated position. Conflicts possibly are being polarized and resolved through force. In “feminine” societies there is more focus on solidarity, with a soft negotiation based on consensus. Conflicts are weakened and solved through talks and constructive proposals.

#### *5.1.4. Uncertainty Avoidance*

High uncertainty avoidance societies result in low risk taking, focusing on due process, and standardization. There is uneasiness with ambiguity and unknown situations.

Low certainty avoidance results in high risk taking, focusing on results even if that includes taking calculated risks. There is no uneasiness with exceptional situations, and ambiguity is considered to create degrees of freedom, which are taken. A culture of risk is part of this (Douglas & Wildawsky, 1982).

#### 5.1.5. Time Perspective

This fifth dimension was only added after Hofstede was more exposed to the Asian societies. This is about the length of a country's time orientation: short- or long-term.

Hofstede operationalized this using a Value Survey Module (VSM). The scores of four dimensions are in Table 4.

#### 5.2. How Could These Five Cultural Dimensions "Work" Within Public Management Reform?

A high power distance refrains a direct confrontation between persons belonging to different hierarchical levels. It also leads to more centralization,

**Table 4.** Four Cultural Dimensions (Hofstede, 1984, pp. 77, 122, 158, 189).

	Power Distance Index	Uncertainty Avoidance Index	Individualism Index	Masculinity Index
Austria (A)	11	70	55	79
Denmark (D)	18	23	74	16
New Zealand (NZ)	22	49	79	58
Sweden (S)	31	29	71	5
Norway (N)	31	50	69	8
Finland (Fi)	33	59	63	26
Switzerland (Sw)	34	58	68	70
Great Britain (GB)	35	35	89	66
Germany (Ge)	35	65	67	66
Australia (Au)	36	51	90	61
Netherlands (NI)	38	53	80	14
Canada (C)	39	48	80	52
USA (US)	40	46	91	62
Italy (I)	50	75	76	70
Spain (Sp)	57	86	51	42
Greece (Gr)	60	112	35	57
Portugal (P)	63	104	27	31
Belgium (B)	65	94	75	54
France (Fr)	68	86	71	43

less participation, and more formal hierarchy. In parallel with Newman and Nollen (1996, p. 156), one could hypothesize that in low power distance countries more participative work units will be more inclined to favor change and reform than less participative work units. In high power distance countries, less participative work units will be more in favor of stability and status quo than more participative work units.

Applied to the NPM context it could suggest that the lower power distance of these countries will allow for more active participation to reforms creating a dynamic ownership within the reform village. More Weberian type of countries have a higher power distance and will prefer stability and status quo.

A culture of high uncertainty avoidance may result in a reluctance to undertake any procedure whose outcome appears to be unpredictable (Jaeger, 1986, p. 186).

One could assume that in high uncertainty avoidance countries, work units in which rules and directions are well-defined will be higher performing and will be more reluctant to change. In low uncertainty avoidance countries, work units in which rules and directions are not well-defined will be higher performing since they take opportunities and are open to further reforms.

If one combines power distance and uncertainty avoidance, two dimensions which describe the structural and functional relationships between actors in a system (Hofstede, 1985). Both have to be low to make a change possible. Low power distance combined with low uncertainty avoidance create opportunities to change and to improve.

Fig. 7 shows that there is a low–low group consisting of Austria, Australia, Canada, Denmark, Finland, Germany, the Netherlands, New Zealand, Norway, Sweden, Switzerland, UK, and USA.

There is a high–high group which consists of Belgium, France, Greece, Portugal, Spain, with Italy in between the two clusters.

It seems from these data on structural and functional relations of actors in a system combine a low power distance and a low uncertainty avoidance which is necessary but not sufficient to move to NPM.

The Scandinavian countries, e.g. have not moved into that direction. So some other features should be relevant.

The dimensions of individualism/collectivism combined with masculinity/femininity define the relationship between individuals and communities, between “I” and “we” (Hofstede, 1985).

Since individualism is connected to autonomy, individual responsibility for results, and related rewards systems, it could be assumed that in

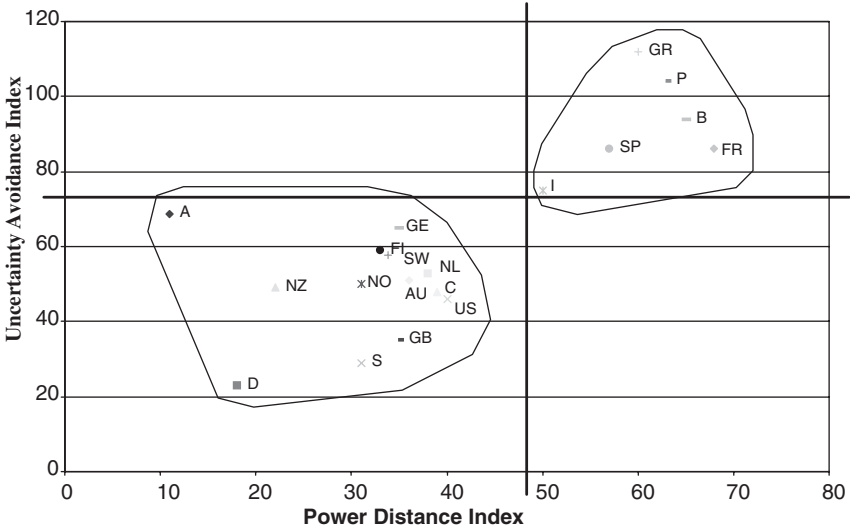


Fig. 7. Power Distance and Uncertainty Avoidance (Derived from Table 4).

individualistic countries, work units in which individual responsibility for reform is emphasized will be higher performing than work units in which individual responsibility is not emphasized.

In collectivist countries, work units in which individual responsibility for reform is not emphasized will be higher performing than work units in which individual responsibility is emphasized.

Within masculine cultures the fight for success, in a competitive way, is dominant. This is predominantly reflected in merit-based reward systems. Feminine systems value the quality of interpersonal relations, and the consensual focus on quality of working life.

In masculine countries, work units with more merit-based reform reward practices will be more effective than work units with less merit-based incentives for reform.

In feminine countries, work units with less merit-based reform reward practices will be more effective than work units with more merit-based reform reward practices.

The previous cluster of low power distance and low uncertainty avoidance resulted in a mixed cluster of Anglo-Saxon countries, including the so-called NPM countries (at least at the end of the last century), and Germanic and Scandinavian countries.

In Fig. 8 this cluster disintegrates in three clusters.

There is a group with an average individualism combined with a low masculinity consisting of Finland, Norway, Sweden, Denmark, and the Netherlands.

There is a cluster with a lower to average individualism combined with very high masculinity consisting of the Germanic speaking continental European countries (Austria, Germany, and Switzerland).

There is a third cluster with high individualism and high masculinity consisting of Canada, New Zealand, Australia, UK, and USA.

The Latin cluster is very stretched with low to average individualism combined with average masculinity (Portugal, Greece, Spain, France, and Belgium) with Italy again in an in-between outlier position.

From these two combined figures it seems that low power distance and low uncertainty avoidance creates opportunities which are taken by some countries. However, only countries which have a high individualism and high masculinity seem to have been able to push to NPM.

Time is ambiguous in terms of change. If there is a focus on “quick wins” there may be a trade off with longer term results which may be more sustainable.

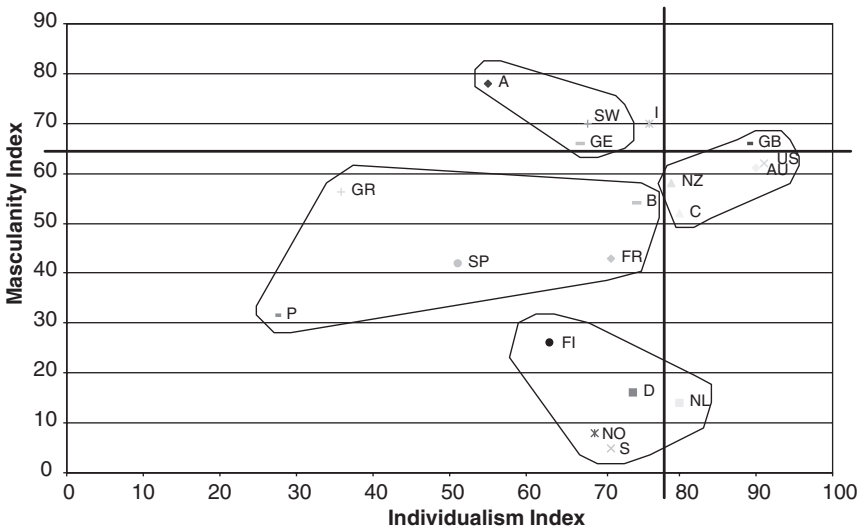


Fig. 8. Individualism/masculinity (Derived from Table 4).

In conclusion one could say:

In order to culturally understand NPM:

1. *Low power distance and low uncertainty avoidance are necessary but not sufficient;*
2. *High masculinity is necessary but not sufficient;*
3. *High individualism is necessary and perhaps largely sufficient.*

### *5.3. Chicken-and-Egg Culture*

One crucial difficulty is still to know whether culture is a driver or a result of public management reform. This chicken-and-egg causality makes culture difficult from a theoretical and from a practical point of view. This simultaneous causality creates a special challenge for public management reform itself.

A culture of collectivity and team spirit could be a condition (larger ownership, cross-fertilization, complementarity between members) or a result (more effectiveness, sustainability, continuous self-development).

An egalitarian culture of contradictory debates could be a cultural prerequisite (possibility to participate in debates across hierarchies, tap all human resources), or a cultural result (participatory procedures, richer, and co-owned solutions).

A focus on performance and solidarity could be a cultural condition (variable interactions with a mix of support and incentives) or a cultural result (responsibility and accountability).

Risk tolerance could be a requisite (pilots, experiments, bottom-up initiatives) or a result (rank and file is really participating, general acceptance of a large trajectory of change that may change).

Internationally, many countries have taken initiatives to change the cultural environment using this culture.

In Canada, the networking among civil servants has been used (Leadership Network) and in France, the culture of the “salons” triggered les “Les Vendredis du Renouveau”.

In Finland, solidarity between administration and politics, and between the current and next generation resulted in Junior Ministers that sponsored major reform projects with the support of senior ministers. In Sweden, agency-based horizontal support mechanisms were crucial for sharing and implementing change.

In Australia, the culture of professional advice resulted in its Management Improvement Advisory Board/Council.

Finally in the UK, a more competition-based charter mark allowed to increase social pressure by presenting best practices.

#### *5.4. Is There a “Best” Culture for Public Sector Reform?*

NPM is only a very limited type of public management reform, which was restricted in time and place (Chevalier et al., 1995).

Other public management reform initiatives also fit their cultural context.

It is clear that there is no “best” culture for public sector reform. However, one needs to make the best of the country’s culture to make a successful public management reform within each cluster.

To the extent that cultures may be linked to clusters, two types of research questions may be generated. There could be research within a cluster, which then is culturally homogeneous. This fits a standardization pattern of research design. This assumes that the way the cultural and value environment is framing the attitudes and behaviors for that cluster is not a differentiating independent variable. It also should be a coherent framework for some benchmarking research.

A more complex research design is to compare cultures and therefore clusters or countries belonging to different clusters. In comparing Germany and the UK, reference has been made (Knill, 1999) to the more German collectivist and “etatist” or the UK individualistic and “non-etatist” culture of societies (Dyson, 1980). Sartori (1969) refers to the more German “rationalist” and “deductive”, Roman law based cultures versus the more Anglo-Saxon “pragmatic”, common law based cultures like the UK. Schröter (2000) confirms this in his comparison of Germany and the UK.

#### *5.5. Should there be Separate Cultural Projects to Change Culture?*

In general, even with a voluntaristic approach it is difficult to think of separate culture reform initiatives (Christoph, 1992). Depending on the level of the definition projects could be developed. Probably a more feasible approach is to make sure that for each management reform project cultural issues are taken into account and explicitly mentioned.

Depending on the starting positions, it could be useful to shift the proportion of individualism/collectivism. It seems that both extremes could have some disadvantages and that some equilibrium is fruitful. Emphasis on individual responsibility and management teams could be necessary.



Too hierarchical or too egalitarian probably also could be dysfunctional. Again, depending on the starting position one could have new instruments (e.g. contracts) that emphasize more hierarchy (objectives are not negotiated), or more based on egalitarian negotiations and common understanding.

Too masculine or too feminine organizations also could be potentially challenging. More or less performance-based or more or less solidarity-based organizations could be encouraged using more individual or more group-based bonuses.

Risk avoidance could be too low or too high. Allowing for pilots that may fail or making people more directly accountable for results may affect the risk culture.

Finally, time frames may be affected using multi-annual planning tools.

In all these cases, the cultural component and how it may affect an instrument is taken into account.

## **6. CULTURE, PROFESSIONALS, AND PUBLIC MANAGEMENT REFORMS**

At the micro level of culture there are two relevant entities to take into account, organizational culture and professional culture.

Cultures of professionals are part of their identity and are an element of a socialization program which is organized through teaching, access requirements, and the rules of the profession. Sometimes uniforms are even strengthening the identity and the cultural distinctiveness of professionals.

It is clear that public sector reform has caused tensions between types of professionals: “managers” (Haire, Ghiselli, & Porter, 1963), “accountants and auditors” versus doctors, teachers, policemen, judges, etc.

In this context, [Gowler and Legge \(1983\)](#) make an interesting distinction between the meaning of management and the management of meaning. Management, and therefore also public management, is seen as “that segment of the semantic order (subculture) of contemporary English-speaking societies which is characterized by the language of efficiency and control ... . Such verbal activity frequently involves the use of rhetoric, that is, the use of a ‘form of word-delivery’ which is lavish in symbolism and, as such, involves several layers of textures of meaning” (pp. 197–198). Measures and measurements become elements of a bureaucratic control system that is related to technocratic speech: “The rhetoric of bureaucratic control conflates

management as a moral order with management as a technical-scientific order, whilst submerging the former . . . . Through the management of meaning, the rhetoric of bureaucratic control contributes to management as a political activity concerned with the creation, maintenance, and manipulation of power and exchange of relations in formal work organizations” (p. 198). The management of meaning becomes indispensable for accountability, since it provides a basis for the right to manage. The management of meaning legitimizes the right to manage.

The crucial question is who is managing the meanings? It results in a cultural clash between the management professionals and the content professionals to acquire or maintain the power and the authority to define management in general, and good management in particular.

It is clear that public management reform has resulted in a significant increase in the numbers of auditors, consultants, and managers. This has given them a well-paying status derived from their power to define management.

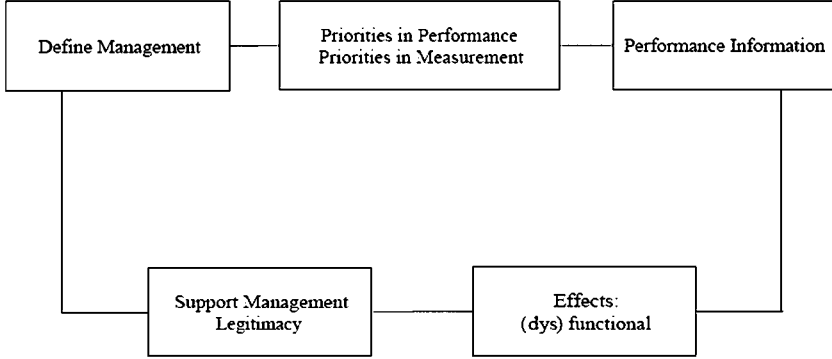
If the meaning of management is considered to be about remedying a lack of efficiency, the management of meaning is concerned with the legitimacy of public management. A crucial question is whether one group of professionals is able to perform both roles. In other words, are doctors, teachers, professors, policemen, and judges ultimately more able to run hospitals, schools, universities, police forces, and courts, respectively, than professional managers?

More specifically, it is concerned with how performance standards are set and whether the way they are set leads to commitment within the management process.

Defining the meaning of management determines what kind of information is needed. This will influence and determine the measurement policy and thus the meanings derived from these measures. This use will legitimize management itself. Being able to legitimize management results in having the power to define the meaning of management. The meaning of management and the management of meaning interact. This means that there is an interaction and interrelatedness of management (control) and politics (power), of professional technocratic language and rhetoric (Fig. 9).

*Research Implication 10:* To fully understand public management reform it is necessary to study the profession of managers (*sensu strictu*), consultants and auditors (format-based professions), to study the (changing) policy content-based profession (substance-based professions), and to study their interactions.

**Interaction of the "Meaning of Management" and the  
"Management of Meaning" of Measures in a context  
of Supporting Management's Legitimacy**



*Fig. 9.* The Cultural Interaction between Professionals on the “Meaning of Management” and the “Management of Meaning” (Derived from Gowler & Legge, 1983).

## 7. CULTURE, ORGANIZATIONS, AND PUBLIC MANAGEMENT REFORMS

There is an abundant literature on organizational culture in general, and on the impact of national cultures on organizational performance in particular. Most of this research is within the business sector in general, and has been driven by multinational company issues in particular. In general, the research question always is how can people from different countries and with different cultural backgrounds work more effectively together in the organizational context of a multinational organization. The general assumption for this research type is that culture does make a difference and that the knowledge of this is beneficial for organizations in general and firms in particular. The general conclusion is “(t)hat the cultures of organizations have an important influence on effectiveness” (Denison & Mishra, 1995, p. 220).

### *7.1. Organizational Culture and Effectiveness*

Organizational effectiveness and culture has been modeled and studied substantially. There is Cameron and Quinn’s (1999) Competing Values Framework, Hofstede’s Institute for Research on Intercultural Cooperation

(IRIC) model, Quinn Rohrbaugh's FOCUS-model, and many others. This becomes clear in the following, non-exhaustive, selection of studies.

### *7.1.1. Individualism Versus Collectivism: The Issue of Training*

Earley (1994) researched the cultural effects of training on self-efficacy and performance, looking at managers in Hong Kong, the People's Republic of China (high on collectivism), and the USA (high on individualism). In general, his conclusion was that "individualists performed best when exposed to training focused at an individual level, whereas collectivists performed best when exposed to training focused at a group level" (Earley, 1994, p. 112). Earley considers his most important finding "that individualism-collectivism is relevant in understanding how training influences self-efficacy" (Earley, 1994, p. 112).

In a similar context, Brown and Humphreys (1995) looked at British and Egyptian technical education managers. On individualism/collectivism, the UK scored very high (high individualism) and Egypt extremely low. On uncertainty avoidance, the UK was very low and Egypt very high. These combined diverging positions resulted in the conclusion that an appraisal system which encouraged change and development would appear out of place because performance appraisal, but also MBO, and BPR which have been developed in the Western world would not be motivating and challenging.

According to Morris, Davis, and Allene (1994), who have researched managers within USA, South Africa, and Portugal, individualism/collectivism is an important factor in understanding entrepreneurial behavior in the firm. However, they seem to conclude that the key is to balance the need for individual initiative with the spirit of cooperation and group ownership of innovation.

Johansen and McLean (2006) have collected a range of worldviews on adult learning in the workplace varying between the worlds of Hindu, Buddhist, Confucian, Islamic, Jewish, Russian Orthodox, Mormons, Ojibwe American, Maori and Pakeha, and Ubuntu. They conclude that "(a)ttempts to find isomorphism between various views is non-sensical due to the variations in the underlying beliefs and structures of the various worldviews. Yet, each has its own consistent internal logic" (Johansen & McLean, 2006, p. 326).

### *7.1.2. Power Relations and Performance Cultures*

According to Jaeger in "the more 'masculine' United States, jobs are 'masculinized', allowing for individual performance. In the more 'feminine' Scandinavian countries, jobs are 'feminized', allowing for the development of interpersonal relationships" (Jaeger, 1986, p. 185).

### 7.1.3. *Time Perceptions and Risk Sensitivity*

Denison and Mishra (1995, p. 216) work with four cultural traits in their organizational effectiveness model. External orientation or internal integration is combined with a cultural preference for change and flexibility or stability and direction. This results in four combinations that are labeled as adaptability, involvement, mission, and consistency. Obviously, dimensions of internal or external focus, or stability and change have a broader cultural connotation and embeddedness.

Schneider and De Meyer (1991) have studied the impact of national cultures on the interpretation and response to strategic issues, also in a context of crises and threads. According to their study, “(p)erhaps uncertainty avoidance is not important per se, but how that uncertainty is managed is important” (Schneider & De Meyer, 1991, p. 316). Whereas the Japanese seem to manage uncertainty by matching it, the reactive behaviors on the part of the North American and Anglo cultures found in this study may reflect the effort to manage uncertainty by reducing it or minimizing its importance. Their most important finding was the influence of culture in interpreting crisis. “Cultural differences in terms of time perspectives will affect the sense of urgency” (*ibid.*).

If it is assumed that crises may affect the perception by a country’s elite of the desirability and feasibility of public management reform (Pollitt & Bouckaert, 2004), then the cultural impact on perceiving crises and threads and the culturally determined response capacity is important.

In some cases some of these features are combined and have an additional pressure on choosing appropriate management tools. Jaeger (1986) asks himself: “Are there any existing OD interventions that could be utilized if a high uncertainty avoidance, a high power distance, and a high masculinity exist? This is the combination radically different from basic OD values and one found in several Latin and Asian countries” (p. 187).

## 8. REMAINING DISCUSSIONS

### 8.1. *Mono Versus Multiculturalism; Harmonious Versus Conflicting Cultures*

A first and increasingly important challenge is that we are moving from a monocultural to a multicultural society. Again, the degree of multiculturalism is very different in the Western world.

It is still unclear what the impacts will be on harmony or conflict levels of an increased multitude of cultures in one society, especially on very homogeneous societies, like the Finnish. This also applies to organizations at the micro and nano level (Christoph, 1993; Priebe, 2000).

### *8.2. Generic Versus Culturally Contingent Management*

Apart from the challenge of finding the cultural determinants of organizational performance two other elements are pending in the scientific debate.

There is still a remaining discussion on how dominant macro culture is for meso, and meso for micro, and micro for nano culture. Or phrased differently, to what extent can an organizational culture be specific and divergent from a broader cultural environment since “not only the national preference influences the values within an organization but the values of its founders and important leaders of its sector are also influential” (van Muijen & Koopman, 1994, p. 367).

Ultimately, this debate is about generic versus contingent management and three positions are observed.

First, there is a more generic point of view. Perhaps a more generic point of view, even if an anthropological methodology was used, is Wilkins and Ouchi (1983) stating that “(c)ontrary to the currently popular notion of organizational culture, we claim that the existence of local organizational cultures that are distinct from more generally shared background cultures occurs relatively infrequently at the level of the whole organization” (p. 468). Books comparing very different countries like Japan and Germany (Muramatsu & Naschold, 1997), or Hungary and Queensland (Hajnal, 2004), or Canada and South Korea (Dastmalchian, Sangho, & Ng, 2000) may suggest a belief in commonality, but seem less so unless at a high level of the system.

Second, there is a mixed point of view. According to Morris et al. (1994) “when examining corporate entrepreneurship, the influence of national culture may be moderated by the influence of organizational culture. While organizational culture might be expected to reflect national culture, it may also have its own distinct characteristics” (pp. 65–66). But by stating that deeper insights regarding the relationship between individualism–collectivism at the societal and organizational levels are needed, they take a mixed position.

Third, there is the contingent point of view. Within the contingency cluster of theories and models, the pending discussion is still how macro, meso, and micro are affected and interacting.

Negatively formulated, Laurent (1983) concludes his study casting “serious doubt on the universality of management and organizational knowledge and praxis” (p. 95).

According to Earley (1994), a cultural contingency approach is needed for subsequent research on self-efficacy, but also that “to understand managing in an intercultural context requires a depth of understanding at both the cultural and individual levels” (p. 115). This was also confirmed by Brown and Humphreys (1995) that management instruments developed in the Western world may need to be modified and adapted in order to fit the cultural beliefs, values, and expectations of developing nations (p. 10). Newman and Nollen (1996) said that “management practices should be adapted to the local culture to be most effective” (p. 764). It means, e.g., that employee participation will enhance performance in the US, but in countries with high power distance such as Latin America and East Asia, it is likely to worsen it.

A major consequence of this cultural contingency approach is that management reforms should be congruent and matching the cultural features, otherwise it will be difficult for reforms to be functional or they simply will become ineffective (Hofstede, 1993).

A derived conclusion is in many cases that one size (of management) does not fit all (cultural) purposes. A derived strategy or tactic is then to choose these management methods and techniques which fit the culture, based on the knowledge of these cultures. Jaeger even developed a five-step action plan to make the matching choices (Jaeger, 1986, p. 189):

1. Evaluate the rankings of the dimensions of culture in the given situation.
2. Make a judgment as to which values are the most deeply held and unlikely to change.
3. Evaluate the ‘problem-appropriate’ interventions’ rankings on the dimensions of culture.
4. Choose the intervention that would clash least with the most rigidly held values.
5. Incorporate process modifications in the proposed intervention to fit the given cultural situation.

### *8.3. Relevance of Private Management Culture for Public Management Culture: What is Specific About Administrative Culture?*

Obviously, a third relevant question is to what extent this private sector comparative literature (entrepreneurial culture) is relevant for the public

sector (administrative culture) (Fisch, 2000; Wallerath, 2000) in a context of political culture. The reverse of the question is what is there specific about administrative culture (Keraudren, 1996).

A tentative hypothesis would be that cultural mechanisms that seem to work and apply to the private sector even more apply to the public sector because of the higher level of exposure of the public sector to the countries institutional, societal, and cultural environment.

The bottom line question is: *Do we need a managerial culture to perform well?*

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## CHAPTER 3

# THE POETICS OF MANAGEMENT, AND THE POLITICS OF ORGANIZATIONAL CULTURES. A SOCIOLOGICAL VIEW ON NPM-REFORMS IN SWITZERLAND

Christoph Maeder

### ABSTRACT

*New Public Management (NPM) was widely welcomed in the early 1990s of the last century in Switzerland. In accordance with different diagnoses of insufficiency against the public bureaucracies, several NPM programs on all three levels of the Swiss state were launched. But interestingly, most of them did not succeed: they were abandoned, voted down by the electorate, and where they were completed, not much has really changed. So the question from a sociological point of view is, how and why did this happen? To find preliminary answers, NPM is described as a particular professional orthodoxy and confronted with the findings of two ethnographic case studies. What clearly becomes visible is how organizational and professional cultures were neglected by the technical approach of the NPM. This gave way to phenomena like free riding on a reform within the organizations, and in one case to a “fordization” of work resulting in a decrease in workplace quality. If public management*

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*seeks an impact in the future, it has to account for the culture within organizations more thoroughly and should seek to use context-sensitive language.*

## INTRODUCTION

In the last 15 years different voices have addressed the need for reform in the public sector in Switzerland. It started with the neo-liberal argument mainly provided by economists pointing to the dangers of steadily growing governmental expenditure, growing tax rates, and the supposed loss of the ability to compete in a global economy due to these factors (Borner, Brunetti, & Straubhaar, 1990). The political sciences on the other hand diagnosed a lack of coherence between political structures and public tasks and the dangers induced hereby, namely the loss of legitimation of policy in general because of the reduced problem solving capacity by the state (Kriesi, 1992). These voices are well-known and broadly distributed through the science and media as well. But only one of them was broadly perceived by the mainstream policy: the economic argument. Hence we have seen widespread cost cutting programs in the public sector for years now on all governmental levels and different kinds of tax cuts as well. On the other hand, it was obviously more or less impossible to reform political, and mainly public service structures in this country basically and essentially. This squeeze between restrictions in public spending and the reluctance to political and administrative reform gave way to a third powerful voice concerning possible action, which intervened at an intermediate organizational level. It was the voice of the management, more precisely the rhetoric of the New Public Management (NPM). By applying concepts stemming from the management of profit organizations to bureaucratic state-run structures, this elocution promised an increase in the efficiency and effectiveness of public spending and administration in general, and was dangling a solution to the above sketched dilemmas (Hablützel & Schedler, 1995; Mastronardi, Schedler, & Brühlmeier, 1998).

Beginning in the second half of the 1990s a growing wave of NPM programs found its way into all levels of governmental spheres under the labels of stylish acronyms like Wirkungsorientierte Verwaltung (WOV or WIF), public management (PUMA), reforms in the canton of grisons (GRIFORMA), and the like. The idea of an increased effectiveness of governmental action and the promise of “de-bureaucratization” was promising and the outlook of this endeavor was widely received and accepted

mainly in the media (e.g. Tages, 1996). Only a few sociologists were openly skeptic (Maeder, 2001; Pelizzari, 2001) and challenged the therapy as too technical on one side (Betz & Nagel, 1999), and too ideologically impregnated on the other (Pelizzari, 2001). Today the picture is different. Some of the NPM programs were voted down by the electorate (e.g. cantons of Zurich and Basel), some even never made it to the ballot (e.g. cantons of St. Gallen and Zug). And only a few cities, cantons, and some sectors of the federal administration still adhere to such strategies in public. And nowhere the reforms could demonstrably reduce public spending due to efficiency gains. Even more interesting: The term NPM itself has become a problematic word within large proportion of the administrators on all political levels, and the credibility of the concept has remarkably declined. This can be demonstrated by the use of the term “NPM” itself. Today, it is hardly in use anymore by its promoters, and it has been replaced by the more neutral expression of “Public Management”, nothing “new” anymore! So what has happened? Why did the NPM strategies and interventions not really succeed in Switzerland, although the country seemed so willing and ready in the beginning? This is a question of crucial interest not only to me as a sociologist doing research mainly on public organizations like hospitals (Maeder, 2000), prisons (Maeder, 2002), welfare administrations (Maeder & Nadai, 2004a, 2004b), and unemployment programs (Maeder & Nadai, 2006), but also to all the proponents of managerial strategies in the public sector in this country.

In order to understand this process of a decline in credibility, I will ask what kind of shared beliefs are underlying the concepts in use by the NPM managers and what kind of culture did the NPM professionals produce themselves. The emerging cultural model then informs us about what I name here “the poetics of management”. In these poetics of management, as we will see, is one central and absolutely crucial idea concerning the topic of organization hardly existing, namely the idea of *organizational and professional culture*. I will argue that the disregard of the politics of existing organizational cultures has led with a high probability to the widespread failure of the well-meant interventions of NPM. And this should be seen as one of the main reasons why NPM in Switzerland did not have the success it was looking for on the organizational level.<sup>1</sup> To illustrate these politics of organizational culture, I will draw on empirical material of one of my own studies on the administration of poverty (Maeder & Nadai, 2004a, 2004b) and the work of a colleague (Bühlmann, 2005), who did research on the effects of NPM in a cantonal administration. In my final considerations, I will center on the question how the new “Public Management” can perform better than the old “NPM” did.

## THE POETICS OF MANAGEMENT

Every discipline disposes of a specialized language which serves different and interlinked purposes. First, the language helps to identify the members of the discipline through its competent use. In order to become a member of a certain discipline, we all had to go through different stages of language socialization, namely in our higher education. And although this process never ends, it is clear that by additional social structures like passing tests and receiving diplomas, we finally became members of an academic discipline like management, sociology, economics, and so on. During this process the language created our framework of interpretations, shared by the members of our professional communities. Seen this way, disciplinary and/or professional language can be regarded as an encompassing, complex cultural lexicon of categories, which is a learned and shared resource that structures the perception and creation of reality by its users. And although spoken and written language may not grasp all of what we call culture, it taps a huge portion of it (Keating, 2001). For this reason, it makes sense to take a closer look at the core categories of a certain practice in order to find out, how the central webs of meaning within this practice are woven. These webs of meaning (Geertz, 1973) form the underlying taken for granted infrastructure of the knowledge of a discipline and its corresponding practice and are called the “doxa” or “taken-for-granted truths” of its members. In order to understand such “doxa” of the new public managers in the 1990s in Switzerland, means we have to describe, decipher, and analyze the central categories and concepts used as a managerial orthodoxy of thinking. Basically, this orthodoxy is composed of a cluster of concepts well-known to those, who do or deal with management. Just some of the concepts are: efficiency, effectiveness, customers, products, inputs, outputs, outcomes, strategic and operational tasks or levels, reengineering, outsourcing, performance measuring, performance pay, evaluation, intrapreneurship, and the like. The cultural model<sup>2</sup> which emerges by the use of these terms as a taken-for-granted reality by the managers can be attributed to features as: (a) being very technical and de-contextualized; (b) descending from thinking around the for-profit organizations; (c) aiming at markets rather than bureaucracies; (d) widely ignoring of, and not fitting to local political contexts and finally following some ideological thinking of a wider context. One of the basic pillars of this model is the “entrepreneurial self”, like it has been analyzed in the “Governmentality Studies” (Burchell, Gordon, & Miller, 1991). This self is always flexible, disposable, well educated, void of social obligations beyond the job, and willing to take risks

in order to gain his or her chances. It is perfectly adapted to a situation which has been characterized as the now prevailing regime of “The New Spirit of Capitalism” (Boltanski & Chiapello, 2001). In a nutshell, we can thus say *the poetics of management* provide us with a worldview that assumes a lot of will to improve, to compete, to change, and to adapt to new situations by nearly all the actors involved (Chiapello & Fairclough, 2002). Whether this interpretation is a fitting image of the “world out there” in Swiss administrative contexts remains an open question at this point. And that is why we take a look at the cultural dimensions in two concrete organizations, which have been researched ethnographically.

## THE POLITICS OF ORGANIZATIONAL CULTURE

More than 20 years ago, the concept of organizational culture appeared for the first time in a special issue of the *Administrative Science Quarterly* (Jelinek, Linda, & Paul, 1983; Smircich, 1983) and became known to a wider non-sociological audience. The idea to look at an organization not only in strictly technical and functional terms by challenging the myth of rationality of organizations has widely influenced organizational research ever since (for a developmental overview, see: Burrell & Morgan, 1979; Jones, Moore, & Snyder, 1988; Gellner & Hirsch, 2001; Weeks, 2004). But unfortunately, the proponents of the NPM programs in Switzerland – like many others – only perceived the concept of organizational culture not as a serious idea to be taken into account, and they subsumed it under a label named “soft factors”. But because the “soft factors” – in a sociological view – are always firmer and far more rigorous than so called “hard facts” of the managerial “doxa”, this labeling could not go without further notice. This neglect or misperception of the culture concept in organizations had most likely very serious consequences for most of the NPM programs in Switzerland. Although the empirical foundation is far from being perfect, because the evaluations done so far are either biased, that is not independently done from the programs interests, or only sporadic and often without the use of qualitative methods, there is some sociological work on NPM reforms available. It can give at least some hints on the probable causes for the loss of momentum of NPM. The arguments will develop around two cases: “The Mapmakers & Clerks – Case” and the “Social Work – Case”. Both case studies used a micro-sociological bottom-up approach, and from within the organization. The key questions were: What does NPM mean for the actors and how did they adapt to a reform, which in all cases came to them



top-down and used a language that hitherto has not been used within these public sector organizations. For reasons of space, in this text, we will only sketch out the important arguments of these studies and not fully elaborate them here.

“The Mapmakers & Clerks – Case”. In his inspiring study on NPM reforms in a cantonal administration, the author was able to show how the degree of professionalism in an organization influences the outcome of a reform (Bühlmann, 2005). While the highly technical tasks of mapmaking, which require an academic training, were nearly not tangible to reform, the clerk’s work in the booths exposed to the public was. The mapmakers’ reaction to the reform was very simple and straightforward: they complicated matters for the NPM proponents for so long, until the quest for redefining the work according to the managerial logic was mostly withdrawn. This process of “making things complicated” was pure micro-politics of course. But the mapmakers’ knowledge was so highly specialized and needed by the administration that in the end the reform only brought them very slight redefinitions of their work environment, but no substantial change. Here we have a case, where a professional culture had about the same definition power as the reform oriented managerial one. But the latter was functionally not of the same importance. In the end those who “really knew” prevailed, and the reform became mere window dressing in terms of renaming things. A completely different story happened to the clerks with public contacts in the motor vehicle department in the same cantonal administration. They could not rely on superior professional knowledge, or on exclusive capacities really important for their employer. So their workplaces got redefined completely by the managerial logic, and in the end the jobs lost a lot of their workplace quality. Before the reform, the only criterion important for the clerks when handling the public was not to provoke legal cases against the administration by unsatisfied citizens. After the reform they found themselves squeezed in a grid of performance measures and procedural regulations, which cannot be described but as a “fordization” of service work. And of course, their task to avoid legal cases remained. These two cases show us the importance of looking at reforms selectively “bottom-up” and not in a “catch all” and “big bang top-down” way. Depending on the level of professional skills involved, reform processes must be setup accordingly, and we should always be aware of unintentional side effects. If not, a reform can severely impact the work quality without necessarily touching the initial goal of improving the service for the public. In such a case the employees like our clerks will obviously not support the reform anymore and distribute their assessment to others. Taken together,

the reform will not be accepted as an improvement, but be seen as a chicanery of the workforce or an idling circle within the bureaucracy. In sociological terms: the process will lose its legitimation and can only be accomplished by the use of power.

“The Social Work – Case.” While doing fieldwork on the administration of poverty (Maeder & Nadai, 2004a, 2004b), we did research in five very different organizations all of which had the same purpose: to provide an entitled population with welfare benefits. In one of the organizations, just recently an NPM program had been introduced under the premises to “de-bureaucratize” the whole welfare apparatus of a canton. The program made sense perfectly to the highest ranks in the organization because they felt that they did not have true control over what was going on “on the ground”, and they also were under political pressure to prove that the money they used was distributed efficiently and in an effective way. So what was needed most were input/outcome ratios for the welfare system, namely in the field of poverty. This is not as trivial as it looks, because social work in the welfare administration is a fairly complex and partly a professional activity, in which it is not always easy to define inputs and outcomes (see Maeder & Nadai, 2004a, 2004b). But how were these ratios constructed? After some negotiations between the social workers and the staff of the NPM program, the latter decided that what the social workers proposed was not usable for them, because all these professional categories that the social workers wanted to measure were too complicated to design and the proper data collection to get these information was not possible. So the decision was made that the social workers only should use three categories as input tokens: “counseling”, “providing material and financial help”, and “other necessary work”. Of course the social workers were able to categorize their work accordingly, but this did not make much sense for them. The data produced was considered “useless for us, but satisfying the boss”. The same happened to the outcome indicators: while the social workers wanted to use a complex socio-psychological model of well-being and social integration, the NPM program leaders decided to opt for a very simple criterion: how many welfare clients leave the system per unit of time (measured in months). Since the social workers conceived of poverty being a social phenomenon, which only can be partially attributed to their work, they were obviously not satisfied with the indicators they got. The overall consequences of the program were not surprising at all: first the managerial staff was extended, because someone had to take care of all the new, but within the professional sections of organization useless data of the whole canton, and the social workers went back to “normal”. And not astonishing anymore: they also

asked for some percents in employment increase due to new the “data stuff”. Finally, the only real change which had taken place was the fact that the administration and the social workers used more resources than before, but the resources were not used in the core business of the welfare organization, but in its administration. When we confronted the chief of the whole operation with this diagnosis, he agreed. But he also said, that for him the new data did make sense for two reasons: first, he had something, which he could hand out, when political inquiry set in, and second, he judged the gain in employment of his branch within the larger context of the reform as a success itself. This short example is a good illustration to see the power of organizational culture. The social workers and the program designers had completely different frames of reference: while the social workers expected help for their professional needs, the managers wanted data for legitimation purposes for the top. In the end, we do have a small “clash of cultures” between the rhetoric management and the power of a professional culture. The results cannot be convincing, since the organizational regime and the professional cultures coin the process and the outcomes of the NPM reform. The instrumental logic of coordination of NPM is bypassed by micro-political strategies (Thomas & Davies, 2005); the promises of a de-bureaucratization are only selectively, if at all, realized.

## CONCLUSIONS

In Europe, we find many different competing traditions of running a political structure like the French traditions of administration in the ENA (Ecole Nationale d' Administration), the German tradition of the “Staatsverwaltung” like the Prussian model, or the concepts from monarchical Austria, and last but not least, the Swiss model of an extraordinarily fine-grained federalism, just to mention a few. They all address different political and cultural contexts like monarchies, centralized versus non-centralized modes of regulation, direct or indirect democratic rule, and so on. Sociologically, they are homologous insofar as they all develop the particular form of authority or regime called “bureaucracy” according to Max Weber (1972). The term bureaucracy here refers to a particular set of rules in use under such a form of governance, like for instance the principles of law-based decision making, the need for written documentation, the limitation of competency to certain aspects of administrative rule, the way someone comes into office by fair selection, and so on. All these principles hold true for every large

organizational structure that is governments' and businesses' as well. Taken together they form what Weber called the "iron cage dependence" in the modern world which is thoroughly impregnated with bureaucratic rules by the fact that large organizational structures compose a good part of it. And even though bureaucratic regimes are not sexy at all, they are the most stable and sustainable regimes we know. And that is why this cage cannot be left anymore for functional reasons, no matter what managerial technology becomes engaged. In this sense, the rhetoric of NPM in Switzerland was misleading. It first caused public attention and media support, but as soon as the reforms hit the so-called "soft factors" – sociologically organizational and professional cultures – it got stuck and could not achieve. The negligence of these stocks of knowledge (professional cultures, local knowledge, hierarchy seen from two sides) caused a trivialization of the reforms. The strictly instrumental regime of the NPM was bypassed by micro-political strategies within organizations, and it ran partially aground on professional cultures. The promises of a de-bureaucratization were only partially realized, and the effects in regard to control are questionable and thin. The bureaucratic rules were replaced with new forms of control and regulation, and particularly at the lower levels of hierarchy lead to a decrease in workplace quality.

Now that we know some of the shortcomings of administrative reform in Switzerland, what can be done? Of course there is no simple answer to all the questions I addressed in this chapter. But as a general guideline I propose: first, public management should take the concept of "organizational and professional cultures" into account stronger than it has done up to now (see [Henriksson, Wrede, & Burau, 2006](#)). Only if the concepts of the members of the organizations are taken into account too, we can expect legitimation for the reform processes. Secondly, reformers should never underestimate local knowledge within organizations, even when this knowledge does not get expressed in a managerial language (see [Drechsler, 2004](#)). This makes it difficult to design good indicators, for instance, because they have to be developed through a long negotiation process. Thirdly, public management should leave the rhetoric of de-bureaucratization aside because every form of management must rely on regulation and hierarchy (see [James, 2005](#)). It would be rather helpful to put more emphasis on serving the citizen in an efficient way than to denigrate public administration. Fourth, "Big bang" promises of reform ([McNulty & Ferlie, 2004](#)) should be replaced by more serious bottom-up working in the field. Maybe this way the new Public Management can become what the old NPM never achieved, but demanded from the others: efficient, effective, and citizen-oriented management.

## NOTES

1. In this paper, I skip the political discussions around NPM, which was of course important too, and restrict my argument to the organizational level. I allow myself just one remark in this footnote: NPM has sometimes been attacked as being a “neoliberal” approach. This argument holds true, if it aims at the remodeling of political structures, which did not happen in Switzerland. But as long as NPM is applied to the state bureaucracy only on an organizational level, it has been regarded as a more technical than a political approach. So it does not come by surprise that some of the most fervent promoters to introduce NPM on the organizational level were social democrats.

2. “Cultural models are presupposed, taken-for-granted models of the world that are widely shared (although not necessarily to the exclusion of other, alternative models) by the members of a society and that play an enormous role in their understanding of that world and their behavior in it” (Holland & Quinn, 1987, p. 4). This definition can be easily transferred to professions and organizations if we replace the term “society” and scale down on the range a little.

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# CHAPTER 4

## REFORMS OF CENTRAL GOVERNMENT COORDINATION IN OECD-COUNTRIES: CULTURE AS COUNTERFORCE FOR CROSS-NATIONAL UNIFYING PROCESSES? ☆

Eva Beuselinck, Koen Verhoest and Geert Bouckaert

### ABSTRACT

*A well-coordinated public sector is often considered to be of major importance, but at the same time it appears to be a huge challenge. Public sector reforms struggling with the coordination conundrum are numerous and countries display a certain dynamic in their adoption of coordination instruments throughout time. On the one hand, it is sensible to presume that – to a certain extent – countries are stimulated to adopt similar coordination instruments, because of isomorphic processes induced by factors such as the spread of the new public management line of thought or the multiplication of exchanges of good practices at an international*

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*level. On the other hand, culture-linked elements might have an important role to play in explaining idiosyncrasies. By examining the conceptual link between coordination and culture through an empirical analysis for four counties (UK, New Zealand, France, and Sweden), it is the aim of this chapter to explore the relevance of culture for understanding coordination trajectories of individual countries.*

## INTRODUCTION

Coordination is one of the oldest preoccupations of public administration (Pollitt, 2003; Hood, 2005) and independently of the precise definition of the concept, several authors underline its growing complexity (6, 2004; Egeberg, 2003; Peters, 1998) because of elements, such as processes of fragmentation within the public sector and the increased complexity of policy issues. As illustrated by Verhoest and Bouckaert (2004), the actual coordination scenery of individual countries (at the level of central government) changes considerably throughout time. Comparing the inter-organizational coordination between ministers, ministries/departments, and agencies in seven OECD-countries over a period of 25 years, Bouckaert, Peters, and Verhoest (2008) conclude that a number of shared patterns are discernable among these countries. However, for those countries where a clear shared tendency is observable (UK, New Zealand, Sweden, and the Netherlands), there are still substantial divergences; and for other countries such as France, Belgium, and the USA, these shared patterns appear to be applicable only to a limited extent. The issue of culture is one of the possible mechanisms that can have considerable explanatory power with respect to the observed idiosyncrasies for certain countries. The aim of this chapter is therefore to explore how culture may play a role in the design of a coordination trajectory for a country through time.

In the next section, an analytical framework for analyzing the role of culture with respect to shifting coordination instruments is developed. After a brief outline of the broader research setting, we proceed by introducing the concept of coordination and a typology of coordination instruments. Subsequently, the issue of culture is brought in, by referring to aspects of a country's politico-administrative system on the one hand and cultural values and practices on the other hand (Hofstede, 2001; House, Hanges, Javidan, Dorfman, & Gupta, 2004). In conclusion, the concepts of coordination and culture are linked in order to define the analytical framework.

Having dealt with the conceptual issues, a synthesis of applied coordination instruments over time (1980–2005) for the four countries included in this study (UK, New Zealand, France, and Sweden) is presented. Based on the longitudinal, descriptive analysis we dispose of (Bouckaert et al., 2008), the applied coordination instruments are analyzed in order to investigate the extent to which a certain type of coordination mechanisms and/or instruments prevails for a given country and how the coordination strategies of individual countries are characterized throughout time.

The subsequent section analyzes the issue of culture for the countries under study. For this purpose, the main features of the politico-administrative system of the different countries are examined, completed by an analysis of the ratings for the included countries on a number of cultural values and practices as defined by Hofstede (2001) and House et al. (2004).

The core issue at stake, the possible link between a country's coordination policy and its cultural values, practices, and politico-administrative specificities, is tackled in the final section. For this purpose, we do not only focus on the type of coordination instruments applied by countries over time, but also on their broader coordination strategy. This allows us to evaluate, in conclusion, the value of taking into account the role of culture for the study of shifting coordination instruments and to assess the extent to which it is valuable for further research to focus on complementary explanatory elements.

## **ANALYTICAL FRAMEWORK**

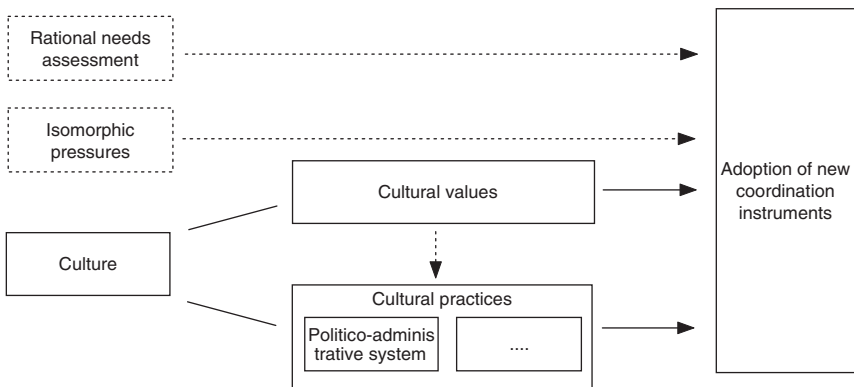
### *Research Setting*

The analysis of the link between culture and coordination fits in a broader research setting that aims to explore the underlying causes of shifting coordination initiatives within the public sector of OECD-countries at the level of central government (Bouckaert et al., 2008). After having focused on a descriptive analysis of these shifts in applied coordination instruments, the next step is to reflect upon the determinants of actual shifts and the way these determinants interact. In order to do so, a conceptual framework has been developed (Beuselinck & Verhoest, 2005) that encompasses elements of historical, rational choice, and sociological

neo-institutional theories, which resulted in a research agenda that is situated at a macro, meso, and micro level of analysis (see [Annex 1](#)).

In this chapter, we solely focus on explanatory elements situated at the macro level and more specifically, on the relevance of culture. As shown in [Fig. 1](#), there are, to our understanding, three main elements that guide the adoption of new coordination instruments at the macro level.<sup>1</sup> A first element regards a rational needs assessment: (the government of) a country may adopt new coordination instruments because there is a match between a particular problem that needs to be tackled and a given coordination instrument. Next to this, countries may adopt new coordination instruments because they “import” these instruments from elsewhere, based on either voluntary or coercive transfer ([Dolowitz & Marsh, 1996](#)). Thirdly, a country can be driven towards certain coordination instruments because of its familiarity with a “family” of coordination instruments, provoking learning effects, network externalities, etc. Culture – operationalized here as the politico-administrative system as being part of the cultural practices of a country and broader societal cultural values and practices – could fulfill an important function in the last case. The culture-related components do not necessarily imply a complete lock-in situation or the unfeasibility of change,<sup>2</sup> but rather, they are supposed to orient coordination initiatives in a certain direction. Schematically, the threefold explanation at the macro level can be represented in [Fig. 1](#).

Although all three of these elements can shed some light on the reasons why countries adopt particular coordination instruments at particular



*Fig. 1.* Analytical Framework: Underlying Mechanisms at Macro Level for the Adoption of New Coordination Instruments.<sup>11</sup>

moments in time, the argument to focus here on the aspect of culture is supported by at least three reasons. First of all, it can hardly be claimed that the adoption of coordination instruments is solely, or even predominantly, guided by a rational arguments. The analytical process that takes place between the observation of a coordination need and the adoption of a new coordination instrument can be extremely complex, as one has to deal with the availability and appropriateness of different coordination mechanisms (Thompson, Frances, Levacic, & Mitchell, 1991), coordination instruments (Verhoest, Legrain, & Bouckaert, 2003), coordination resources (Jennings & Krane, 1994; Peters, 1998), and coordination barriers (Jennings & Krane, 1994; Peters, 1998; Pollitt, 2003). It is self-evident that a complete, purely rational analysis of all these components is next to impossible. In such case, culture-related considerations (values, habits, etc.) might facilitate and guide the decision-making process. Secondly, although it is highly probable that under the influence of processes of internationalization certain isomorphic pressures play a role in the adoption of new coordination instruments, the literature on policy transfer provides a number of reasons indicating that the selection and adoption of coordination instruments may only to a limited extend be influenced by convergence (Bennet, 1991) or diffusion (Rogers, 1995) processes. Dolowitz and Marsh (1996), referring to Rose (1993), list amongst others the following factors that – generally speaking – restrict the likelihood of transfer: the complexity of the problem, the presence of multi-purpose goals, and a difficult prediction of actual outcomes. These elements are considered to be specifically applicable to the case of coordination issues. Finally, the focus on culture is considered to be particularly relevant, as it might illuminate the underlying causes of observed peculiarities at country level in the descriptive analysis of coordination patterns.

In conclusion, we can say that our approach is based on an analytical perspective that considers the logic of choice (rational analysis) to be complementary with the logic of appropriateness (either through isomorphic or culture-related processes). For the purpose of this study, the relevance of the logic of appropriateness is empirically investigated through a focus on the institution of culture.

### *Coordination*

Intuitively, coordination is related to the interdependence of actors: as stated by Malone and Crowston (1994, p. 90) “if there is no interdependence, there is nothing to coordinate”. However, framing coordination

accurately is a complicated issue: it can be done in multiple ways, possibly having different anchor points depending on the context and the purpose of this framing process. This complexity results in a broad variety of definitions of the concept, emphasizing different aspects of coordination. The following definition is used as a point of reference: “coordination implies the bringing into relationship of otherwise disparate activities or events and the enhancement of compatibility of tasks and efforts, in order to achieve something which otherwise would not be” (Verhoest & Bouckaert, 2004, p. 95).

In order to make the concept of coordination more tangible, it is relevant to investigate the design of actual coordination instruments and their underlying mechanisms. A recurrent typology of coordination mechanisms is based on a threefold structure (Thompson et al., 1991) distinguishing between hierarchies, market, and networks, or, as stated by Alexander (1995), the mechanisms of authority, price, and trust.<sup>3</sup> Powell (1991, p. 269) provides a useful list with the main characteristics of the three categories of this typology, for which we regroup those characteristics that are most relevant for our further analysis (Table 1).

The three categories of hierarchy, market, and network can be used to classify coordination instruments. For this research project, a list of coordination instruments has been developed previously (Verhoest & Bouckaert, 2004) that distinguishes between management instruments on the one hand and structural measures on the other hand (Table 2).

Each of these instruments can furthermore be classified along their predominant underlying mechanism (hierarchy-, market-, or network-based).

**Table 1.** Overview Main Characteristics of Coordination Mechanisms<sup>a</sup>.

Key Features	Market	Hierarchy	Network
Means of communication	Prices	Routines	Relational
Methods of conflict resolution	Haggling (courts)	Administrative fiat (supervision)	Norm of reciprocity (reputational concerns)
Degree of flexibility	High	Low	Medium
Amount of commitment among the parties	Low	Medium to high	Medium to high
Tone or climate	Precision and/or suspicion	Formal, bureaucratic	Open-ended, mutual benefits
Actor preferences of choices	Independent	Dependent	Interdependent

<sup>a</sup>Powell (1991, p. 269).

**Table 2.** Overview Coordination Instruments.

Management Instruments	Structural Instruments
1. Strategic management	1. Reshuffling of competencies (including organizational mergers or splits)
a. Bottom-up and interactive	2. (Reshuffling of) lines of control
b. Top-down and unilateral	3. Coordinating functions
2. Financial management	4. Regulated markets
a. Traditional input-oriented	5. Systems for information exchange
b. Result-oriented focused on incentives	6. Negotiation bodies and advisory bodies
c. Result-oriented focused on information exchange	7. Entities for collective decision making
3. Inter-organizational culture and knowledge management	8. Common organizations (partnership organization)
4. Mandated consultation or review system	9. Chain management structures

[Annex 2](#) provides a more detailed list of these instruments together with an indication of their underlying mechanisms. The analyses presented in the empirical section are based on a categorization of coordination instruments along the distinction among hierarchy-, market-, and network-based instruments.

### *Culture*

As indicated by [Peters \(2001\)](#), different types of culture are discernable for a society. We limit ourselves to the analysis of two types of culture: the societal culture (through cultural values and practices) and the politico-administrative culture (through a politico-administrative system). With respect to the role these cultural aspects can play, reference is made to the position advocated by scholars such as [Swidler \(1986\)](#) who define culture as the building blocks that are used for developing strategic action. As such, the cultural aspects discussed here are considered to be principles guiding and ordering action and cultural values are completed with other culture-related phenomena (in this case the politico-administrative system) to gain further insight into the coordination trajectories of countries.

Regarding the issue of politico-administrative system, which shapes the politico-administrative culture in which coordination takes place, we refer to [Pollitt and Bouckaert \(2004\)](#) who developed a classification of countries based on five dimensions of their politico-administrative system. These five

dimensions include the state structure, the type of executive government, the minister/mandarin relations, the administrative culture, and the diversity of policy advice.

For the analysis of cultural values and practices, we refer to the studies of Hofstede (2001)<sup>4</sup> and House et al. (2004). Hofstede provides a study of cultural values, focusing on five dimensions of national culture, being power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity, and long-term versus short-term orientation (Annex 3a provides a definition of each of these dimensions). House continues in the same line as the Hofstede study, aiming towards a replication and an extension of the Hofstede study (House et al., 2004, p. xxv) and adding three additional dimensions, namely performance orientation, humane orientation, and future orientation (Annex 3b provides a definition of each dimension). Moreover, the study of House et al. differentiates between cultural values (psychological attributes) on the one hand and cultural practices (observed and reported practices) on the other hand.

### *Linking Coordination with Culture*

This section elaborates upon the way the previously specified cultural dimensions may influence the choices a country makes with respect to the coordination instruments it applies and the “coordination trajectory” it follows through time. For this purpose, the following issues are analyzed:

- to what extent can cultural aspects provide insight regarding the coordination strategy of a country (degree of radicalness and comprehensiveness, degree of formalization, openness for change, ...) and
- to what extent can cultural aspects provide insight regarding a marked preference of a country for a specific type of coordination instruments (being hierarchy-type, market-type, or network-type based instruments)?

As such, we envisage an exploration of the relevance of culture and its link with changing coordination initiatives, rather than an exhaustive test of culture-related hypotheses, which would be too ambitious taking into account our available empirical data.

### *Politico-Administrative System*

The politico-administrative system of a country has an important role to play in the design of management change (Pollitt & Bouckaert, 2004). The relatively stable aspects of a politico-administrative system can be classified

based on their structural, cultural, and functional features (Pollitt & Bouckaert, 2004, pp. 40–58).

- State structure (structural)
  - o federal constitution–centralized unitary state–decentralized unitary state
  - o fragmented–coordinated
- Nature of executive government (structural and functional)
  - o single party/minimal winning/bare majority–minimal winning coalitions–minority
  - o cabinets–oversized executives/grand coalitions
- Relationship political executives and top servants (functional and cultural)
  - o integrated–separated
  - o degree of politicization
- Dominant administrative culture (cultural)
  - o Rechtsstaat–public interest
  - o cultural climate (values and norms)<sup>5</sup>
- Sources of policy advice (cultural and functional)
  - o degree of diversity (and legitimacy)

Together, these five elements shape the politico-administrative system and culture within which coordination efforts take place. For a further elaboration of these elements, we refer to Pollitt and Bouckaert (2004). Here, we limit ourselves to a brief description of the relevance of each of these dimensions for the analysis of shifting coordination instruments (Table 3). Two preliminary remarks have to be made. Firstly, the dimension of “sources of policy advice” is excluded from further analysis, as there is – to our opinion – no explicit conceptual link with the coordination trajectory of a country. Secondly, for the second sub-dimension of the state structure, the “fragmented–coordinated” dimension is adapted as “degree of specialization/fragmentation within central government”: otherwise our dependent variable would figure in the analytical framework. Table 3 provides an overview of the different (sub-) dimensions of the politico-administrative system, together with a short statement on their potential relevance with respect to the issue of coordination (mainly focusing on the global coordination strategy through time) and some further explanation.

#### *Cultural Values and Practices*

Next to the politico-administrative system, the cultural dimensions as defined by Hofstede (2001) and House et al. (2004) provide a number of



**Table 3.** Dimensions of the Politico-Administrative Culture.

Dimension	Sub-Dimension	Potential Relevance	Explanation
State structure	Federal constitution – centralized unitary state – decentralized unitary state	Highly centralized states are likely to develop a more comprehensive and more uniform coordination strategy	Pollitt and Bouckaert (p. 43) indicate that reforms in highly decentralized states are likely to be less broad in scope and less uniform in practice than in centralized states
	Specialization/ Fragmentation within the level of central government <sup>a</sup>	Countries with a high degree of fragmentation are more likely to experience the explicit need for coordination and therefore, may be more urged to launch coordination initiatives	Fragmentation requires increased levels of coordination (6, 2004)
Nature of executive government	Single party/minimal winning/bare majority – minimal winning coalitions – minority cabinets – oversized executives/grand coalitions	Consensual regimes are less likely to introduce completely new, radical coordination strategies than majoritarian regimes	Pollitt and Bouckaert (p. 47) underline that consensual regimes are less inclined to/capable of radical reforms (and majoritarian regimes are more likely to introduce disruptive policy reversals)
Minister/Mandarin relations	Integrated-separated Degree of politicization	Integrated relationships are likely to facilitate more informal types of coordination and to smoothen the overall coordination strategy as compared to separated relations	Pollitt and Bouckaert (p. 51) refer to the fact that the minister/mandarin relation influences the aspect of legitimacy of the involved parties
Dominant administrative culture	Rechtsstaat-public interest	A Rechtsstaat-type of country is likely to change its coordination	Pollitt and Bouckaert (p. 53) state that Rechtsstaat-type countries are expected

**Table 3.** (Continued)

Dimension	Sub-Dimension	Potential Relevance	Explanation
		instruments/strategy more slowly and in a more legalistic way than a country with a 'public interest' administrative culture	to reform more slowly, because of the necessity to change law
	Cultural climate (values and norms)	See next section on cultural values and practices	See next section on cultural values and practices

<sup>a</sup>Specialization and/or fragmentation through the number of organizations on the one hand (e.g. number of agencies) and the diversity of organizations on the other hand (e.g. number of different types of agencies).

interesting starting points to explore the link between culture-related elements and the coordination strategies of a country, in particular the prevalence of a certain type of coordination instruments (hierarchy-, market-, or network-based). Hofstede and House et al. respectively define five and nine cultural dimensions.<sup>6</sup> Two of these dimensions are identical for both authors: "power distance" and "uncertainty avoidance". Two dimensions of Hofstede have each been subdivided by House et al.: the dimension representing "individualism and collectivism" of Hofstede has been split up by House et al. into "institutional collectivism" and "in-group collectivism"; the dimension of "masculinity and femininity" has been split up into "gender egalitarianism" and "assertiveness". For one dimension, there is only a marginal conceptual overlap between the two authors (House et al., 2004, p. 13): the dimension labeled "long- versus short-term orientation" by Hofstede and "future orientation" by House et al. and finally, House et al. add the dimensions of "performance orientation" and "humane orientation".

The empirical data of House et al. (2004) will be used as a starting point for discussing the cultural values and practices for the countries included in our study. For the purpose of our research (and the relevance vis-à-vis the hierarchy-market-network classification), the following dimensions of House et al. have been left out as they are considered to have no clear link with our object of study: "gender egalitarianism" and "in-group collectivism".<sup>7</sup> For the remaining dimensions, Table 4 provides an overview

**Table 4.** Cultural Dimensions and Coordination.

	Dimension	Potential Relevance	Explanation <sup>a</sup>
1	Uncertainty avoidance	A high level of uncertainty avoidance will likely orient a country towards a preference for a hierarchical form of coordination	A hierarchical setting provides formal rules, high predictability and is based on routines (as opposed to a market setting or a network setting, which are less based on strict rules and predictability, inducing more uncertainty)
2	Power distance	A high degree of power distance will likely orient a country towards a preference for a hierarchical form of coordination	Supervision and formal, bureaucratic relations are key features for a hierarchical setting; as opposed to a market setting and – even more explicitly – a network setting, which are much more based on negotiation and/or interdependence
3	Collectivism I: institutional collectivism	A high score for institutional collectivism will likely orient a country towards a preference for network-type based coordination	A network-type approach is much more closely related to the idea of collective action (key feature of a high degree of institutional collectivism) than a hierarchy-type of market-type approach
4	Assertiveness	A high score for assertiveness will likely orient a country towards a preference for market-type based coordination	A market-type approach is much more congruent with a confrontational approach (characteristic for a high degree of assertiveness) than a hierarchy- or network-type approach
5	Future orientation	A high score for future orientation will likely orient a country towards a preference for a network-type based coordination	Investing in the future and delaying individual or collective gratification is much more closely related to a network-type approach (based on interdependence and oriented towards mutual benefits) than to a market- or hierarchy-type approach

**Table 4. (Continued)**

	Dimension	Potential Relevance	Explanation <sup>a</sup>
6	Performance orientation	A high score for performance orientation will likely orient a country towards a preference for market-type based coordination	A focus on individual performance and excellence is much more closely related to a market-type approach (underlining the independence of actors and the low commitment among parties) than to a hierarchy- or network-type approach
7	Humane orientation	A high score for humane orientation will likely orient a country towards a preference for network-type based coordination	The encouragement of altruistic and caring behavior (characteristic for a high degree of humane orientation) is much more closely related to a network-type approach emphasizing interdependence and reciprocity than a market- or hierarchy-type approach

<sup>a</sup>The explanation provided here refers to the main characteristics of the coordination mechanisms of hierarchy, market, and network as defined by [Thompson et al. \(1991\)](#) and the definitions of the cultural dimensions as defined by Hofstede and House et al. (see [Annex 3](#)).

of each cultural dimension, its relevance at country level with respect to the hierarchy/market/network classification, and a short explanation.

## **COORDINATION TENDENCIES FOR THE UK, NEW ZEALAND, SWEDEN, AND FRANCE**

The coordination tendencies for our four countries under study have been extensively described in [Bouckaert et al. \(2008\)](#), here we limit ourselves to a synthetic representation of the data. [Table 5](#) provides an overview for each country, focusing on the analysis of major tendencies over time (1980–2005) with respect to the coordination strategy and use of a particular type of coordination instruments. As regard to the coordination strategy, a number of dimensions are discussed, such as the comprehensiveness of the strategy, the political explicitness, and the principal change agents. For the

**Table 5.** Coordination Tendencies New Zealand, UK, Sweden, and France.

Features	New Zealand	United Kingdom	Sweden	France
<b>A. Coordination strategy</b>				
<ul style="list-style-type: none"> <li>• Political explicit initiative/ implicit</li> <li>• De jure or de facto implementation</li> <li>• Comprehensive or fragmented</li> <li>• Principal change agents</li> <li>• Top-down or bottom-up (extent of involvement of agencies in development of the coordination strategies)</li> <li>• Sequence of specialization/ proliferation and coordination (Verhoest &amp; Bouckaert, 2004)</li> <li>• Start of major coordination initiatives in time (within period 1980–2005)</li> </ul>	<ul style="list-style-type: none"> <li>• Political explicit to a high extent</li> <li>• Most important reforms based on laws, others without law</li> <li>• Comprehensive overall program with several initiatives</li> <li>• Main actor is State Service Commission but power struggle, centralized to some extent</li> <li>• Rather top-down</li> <li>• Coordination emphasized after major increase in specialization/ proliferation</li> <li>• Mid-1990s</li> </ul>	<ul style="list-style-type: none"> <li>• Political explicit to a very high extent</li> <li>• De facto implementation (codes, guidelines, executive decisions)</li> <li>• Rather fragmented initiatives within overall coordination program</li> <li>• Main actor is prime minister and cabinet office, very centralized</li> <li>• Rather top-down</li> <li>• Coordination emphasized after major increase in specialization/ proliferation</li> <li>• End 1990s</li> </ul>	<ul style="list-style-type: none"> <li>• Political explicit to a limited extent (on specific elements)</li> <li>• Some overarching laws, most decisions without legal change</li> <li>• Rather fragmented initiatives (egov, EU, no overall coordination program)</li> <li>• Main actor depends on issue (several central agencies involved in coordination); some centralization after 2000</li> <li>• Rather bottom-up or at least joint development by departments and agencies</li> <li>• Coordination emphasized within context of historical specialization/proliferation</li> <li>• Mid-1990s</li> </ul>	<ul style="list-style-type: none"> <li>• Political explicit to some extent (interministériabilité)</li> <li>• Mainly de jure implementation (except for modernization networks)</li> <li>• Comprehensive when addressing the deconcentration; completed by other initiatives</li> <li>• Main actors are president, prime minister, and interministerial committees; some changes over time</li> <li>• Rather top-down</li> <li>• Gradual increase of coordination, simultaneously with increase in level of specialization/ proliferation</li> <li>• Early 1990s (inter-ministerialité)</li> </ul>
<b>B. Use of coordination instruments<sup>a</sup></b>				
<i>B0. Main approach/main instruments</i>	<ul style="list-style-type: none"> <li>• Approach is rather rationalistic-instrumental because strong emphasis on planning, incentives and other managerial instruments for cooperation</li> <li>• Strategic management cycle and information are central (late 1990s cultural coordination more important)</li> </ul>	<ul style="list-style-type: none"> <li>• Approach is rather rationalistic-instrumental because strong emphasis on planning and incentives for cooperation</li> <li>• Performance indicators, planning documents, and reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Approach is oriented on involvement and joint efforts (less rationalistic-instrumental)</li> <li>• Joint ownerships, collegial steering bodies and negotiation bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Approach is rather mixed, relying on organizational forms of coordination, cultural coordination, and some managerial instruments</li> <li>• Cultural coordination, organizational reforms, and coordinating functions are crucial; lately more emphasis on strategic and financial management reforms</li> </ul>

*B1. Use of hierarchy-based instruments*

- |  |   |   |  |   |
|--|---|---|--|---|
| <ul style="list-style-type: none"> <li>• Extent</li> </ul>                         | <ul style="list-style-type: none"> <li>• Initially HTM not so strong from PM to departments but strong central agencies and strong HTM within departments; HTM (both within and outside departments) seriously weakened in the 1980s, and only from 1995 moderately and after 2000 strongly reinforced</li> </ul> | <ul style="list-style-type: none"> <li>• Remains strong throughout the period 1980–2005, with respect to HTM by prime minister and cabinet office towards rest of government. HTM within ministries is reduced and only strengthened to some extent at the end of the period</li> </ul> | <ul style="list-style-type: none"> <li>• HTM traditionally quite weak (except for input control)</li> </ul>  | <ul style="list-style-type: none"> <li>• Traditionally HTM in the form of input control and political control quite strong</li> </ul>                                       |
| <ul style="list-style-type: none"> <li>• Kind/vehicle</li> </ul>                   | <ul style="list-style-type: none"> <li>• Mainly mergers, re-integration, more direct control of agencies and stronger central agencies; strategic planning mid-1990s to some extent HTM</li> </ul>  | <ul style="list-style-type: none"> <li>• Coordinating functions and entities are crucial (e.g. ministers without portfolio, coordinating entities within Cabinet Office)</li> </ul>   | <ul style="list-style-type: none"> <li>• Traditionally input control (result control of agencies remains problematic); since 2000 by more “hands on” approach towards agencies and some centralization</li> </ul>  | <ul style="list-style-type: none"> <li>• Traditionally input control and political control; traditional coordinating functions strengthened</li> </ul>                      |
| <ul style="list-style-type: none"> <li>• Timing and corrective measures</li> </ul> | <ul style="list-style-type: none"> <li>• After 2000 strongly reinforced with respect to departments and agencies (before 2000 with strategic planning some strengthening of coordination capacity over ministries)</li> </ul>   | <ul style="list-style-type: none"> <li>• HTM by the prime minister/ cabinet office remain important and become increasingly stronger; HTM by departments only re-strengthened to some extent after 2000</li> </ul>  | <ul style="list-style-type: none"> <li>• Some HTM in first half of 1990s because of restructuring of agencies and savings; HTM becomes stronger after 2000, but remains “implicit”, “hidden”, and “consensual”</li> <li>• Some correction after 2000 because difficult coordination of agencies and in first half of 1990s because of savings</li> </ul> | <ul style="list-style-type: none"> <li>• During 1980–2005: traditional input control decreases and re-strengthened traditional coordinating functions (“préfet”)</li> </ul> |

*B2. Use of market-based instruments*

- |  |  |  |  |  |
|--|--|--|--|--|
| <ul style="list-style-type: none"> <li>• Extent</li> </ul>                         | <ul style="list-style-type: none"> <li>• To a very high extent from mid-1980s onwards</li> </ul>   | <ul style="list-style-type: none"> <li>• To a very high extent from half 1980s onwards</li> </ul>  | <ul style="list-style-type: none"> <li>• To a moderate extent mainly during early 1990s</li> </ul> | <ul style="list-style-type: none"> <li>• To some extent from mid-1980s (privatization) to mid-1990s</li> </ul> |
| <ul style="list-style-type: none"> <li>• Kind</li> </ul>                           | <ul style="list-style-type: none"> <li>• Privatization, competition between state bodies, quasi-markets, purchaser–provider, MTM also strongly reflected in use of incentives for organizations and individuals</li> </ul> | <ul style="list-style-type: none"> <li>• Privatization, compulsory competitive tendering, market testing, quasi-markets, MTM also strongly reflected in use of incentives for organizations and individuals</li> </ul> | <ul style="list-style-type: none"> <li>• Privatization, deregulation, quasi-markets</li> </ul>     | <ul style="list-style-type: none"> <li>• Privatizations</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Timing and corrective measures</li> </ul> | <ul style="list-style-type: none"> <li>• MTM less emphasized after 1995 and rolled back to some extent after 2000 (however, incentives for organizations and individuals remain important)</li> </ul>                      | <ul style="list-style-type: none"> <li>• MTM less emphasized after mid-1990s, but not really rolled back</li> </ul>  | <ul style="list-style-type: none"> <li>• Less emphasized after 1995</li> </ul>                     | <ul style="list-style-type: none"> <li>• No emphasis after 1995</li> </ul>                                     |

*Table 5. (Continued)*

Features	New Zealand	United Kingdom	Sweden	France
<i>B3. Use of network-based instruments</i>				
• Extent	<ul style="list-style-type: none"> <li>Initially some informal NTM (Wellington culture) and elaborated committee structure</li> <li>Weakened after mid-1980s (SES failed), but strongly emphasized since mid-1990s</li> </ul>	<ul style="list-style-type: none"> <li>Initially some informal NTM (Oxbridge culture) and a committee structure</li> <li>Weakened in the 1980s and early 1990s</li> <li>Cultural coordination by codes since early nineties</li> <li>Since late 1990s strong emphasis on instrumental forms of NTM</li> </ul>	<ul style="list-style-type: none"> <li>Initially rather strong informal NTM (partially because of political party dominance)</li> <li>After decrease early 1990s, NTM by joint ownership and forums strongly emphasized after mid-1990s</li> </ul>	<ul style="list-style-type: none"> <li>Initially strong informal NTM (ENA and Grand Corps) and committee structure</li> <li>Increasing emphasis on “colleges” and platforms for exchange</li> </ul>
• Kind	<ul style="list-style-type: none"> <li>Emphasis mainly on formal NTM by strategic planning, committees and cooperation, information systems, with cooperation fostered by incentives (rather instrumental and rationalistic)</li> </ul>	<ul style="list-style-type: none"> <li>NTM emphasized by creation of task forces, JUG structures, financial management reforms stressing joint initiatives, joint information systems (rather instrumental and rationalistic)</li> </ul>	<ul style="list-style-type: none"> <li>A lot of informal, ad hoc negotiation and concertation</li> <li>No formal structure of cabinet committees</li> <li>Strong emphasis on involvement and joint efforts through joint ownership, collegial steering bodies, negotiation bodies, and forums for reforms</li> </ul>	<ul style="list-style-type: none"> <li>Initially: formal (e.g. committee structure) and informal (e.g. “Grand Corps”) NTM – remain important throughout period</li> <li>Networks mainly used as forums to stimulate reforms and negotiation bodies</li> </ul>
• Timing and corrective measures	<ul style="list-style-type: none"> <li>Strongly emphasized since mid-1990s</li> <li>Since half/end of 1990s again emphasis on joint civil service culture</li> </ul>	<ul style="list-style-type: none"> <li>Strongly emphasized since late 1990s</li> <li>Since early 1990s again emphasis on cultural coordination (managerialism and civil service culture)</li> </ul>	<ul style="list-style-type: none"> <li>Strongly emphasized since mid-1990s</li> <li>Since half 1990s more coordinated leadership policy</li> </ul>	<ul style="list-style-type: none"> <li>From early 1990s increasing emphasis on platforms, forums besides cultural coordination</li> </ul>

<sup>a</sup>HTM, hierarchy-type mechanisms; MTM, market-type mechanisms; NTM, network-type mechanisms.

coordination instruments, the previously introduced distinction between hierarchy-, market-, and network-based instruments is used, mainly focusing on the extensiveness of the use of a particular type instruments, the used vehicles, and the timing.

## **CULTURAL FEATURES FOR THE UK, NEW ZEALAND, SWEDEN, AND FRANCE**

As stated in the outline of our analytical framework, we consider both the politico-administrative system of a country and a country's cultural values and practices to shape the "cultural setting" in which coordination activities within the central government take place. Before tackling the possible interaction between culture on the one hand and coordination initiatives on the other hand, we give a brief overview of the main characteristics of the four countries we will further analyze, related to their politico-administrative system and their cultural values and practices.

### *Politico-Administrative System*

Pollitt and Bouckaert (2004, p. 42) classify a large number of OECD-countries along the previously enumerated features of their politico-administrative system. In Table 6, we give an overview of these dimensions, completed with a statement on the dimension of "specialization/fragmentation" for each country (based on a descriptive analysis that has been performed previously, see Verhoest & Bouckaert, 2004).

### *Cultural Values and Practices*

Table 7 provides an overview of the societal values and practices (based on House et al., 2004) for the four countries included in our study. For each cultural dimension, a score is given for the cultural practices (SP = societal practices) and the cultural values (SV = societal values),<sup>8</sup> completed with the mean and the standard deviation for each dimension based on all 62 societies included in the study. Next to the actual score, reference is also made to the "band" (category) to which each country belongs: this calculation is based on a "procedure grouping tests scores into bands in



**Table 6.** Politico-Administrative Features New Zealand, UK, Sweden, and France<sup>a</sup>.

Politico-Administrative System		Country			
Dimension	Sub-dimension	New Zealand	UK	Sweden	France
State structure	Federal constitution–centralized unitary state–decentralized unitary state	Unitary centralized	Unitary centralized	Unitary decentralized	Unitary formerly centralized
	Specialization/ Fragmentation within the level of central government	High (and increasing over time)	High (and increasing over time)	High (slightly decreasing over time)	Moderate (but increasing over time)
Nature of executive government	Single party/minimal winning/bare majority–minimal winning coalitions–minority cabinets–oversized executives/grand coalitions	Majoritarian (until 1996)	Majoritarian	Intermediate	Intermediate
Minister/ Mandarin relations	Integrated–separated	Separate	Separate	Separate	Integrated
	Degree of politicization	Not politicized	Not politicized	Increasingly politicized	Fairly politicized
Dominant administrative culture	Rechtsstaat–public interest	Public interest	Public interest	Originally legalistic, changed to corporatist	Predominantly Rechtsstaat
	Cultural climate (values and norms)	See Table 7	See Table 7	See Table 7	See Table 7

<sup>a</sup>Adapted from Pollitt and Bouckaert (2004, p. 42).

which scores within a particular band are considered as being not meaningfully different” (House et al., 2004, p. 220).

## COORDINATION AND CULTURE: INDICATIONS FOR AN EMPIRICAL LINK?

This section aims to look into the possible relationship between coordination and culture, based on the empirical material presented previously. The first part discusses the issue of culture and the broad coordination strategy for the countries under study as summarized in the preceding section. Afterwards, the prevalence of certain types of coordination instruments are analyzed, taking into account the scores of the different countries on a number of cultural dimensions.

**Table 7.** Cultural Values and Practices New Zealand, UK, Sweden, and France<sup>a</sup>.

Dimension		New Zealand	United Kingdom	Sweden	France	Mean	SD
Uncertainty avoidance	SP-score	4.75	4.65	5.32	4.43	4.16	0.60
	SP-band (A–D) <sup>b</sup>	A	B	A	B		
	SV-score	4.10	4.11	3.6	4.26	4.62	0.61
Power distance	SV-band (A–E)	C	C	D	C		
	SP-score	4.89	5.15	4.85	5.28	5.17	0.41
	SP-band (A–D)	B	B	B	A		
Institutional collectivism	SV-score	3.53	2.80	2.70	2.76	2.75	0.35
	SV-band (A–E)	A	C	C	C		
	SP-score	4.81	4.27	5.22	3.93	4.25	0.42
Assertiveness	SP-band (A–D)	A	B	A	B		
	SV-score	4.20	4.31	3.94	4.86	4.72	0.49
	SV-band (A–D)	C	C	C	B		
Future orientation	SP-score	3.42	4.15	3.38	4.13	4.14	0.37
	SP-band (A–C)	C	A	C	B		
	SV-score	3.54	3.70	3.61	3.38	3.82	0.63
Performance orientation	SV-band (A–C)	B	B	B	B		
	SP-score	3.47	4.28	4.39	3.48	3.85	0.46
	SP-band (A–D)	C	B	B	C		
Humane orientation	SV-score	5.54	5.06	4.89	4.96	5.48	0.41
	SV-band (A–D)	B	C	C	C		
	SP-score	4.72	4.08	3.72	4.11	4.10	0.41
Performance orientation	SP-band (A–C)	A	B	B	B		
	SV-score	5.90	5.90	5.80	5.65	5.94	0.34
	SV-band (A–E)	B	B	C	C		
Humane orientation	SP-score	4.32	3.72	4.1	3.4	4.09	0.47
	SP-band (A–D)	B	C	C	D		
	SV-score	4.49	5.43	5.65	5.67	5.42	0.25
	SV-band (A–E)	E	B	B	B		

<sup>a</sup>Based on House, Hanges, Javidan, Dorfman, and Gupta (2004). A higher score indicates a more explicit presence of the dimension under study in a society. The mean and SD are calculated on the basis of the scores of the 62 societies included in the study.

<sup>b</sup>The number of bands (categories) differs from 3 (A–C) to 5 (A–E) for the different dimensions.

### Coordination Strategy

As stated in our introduction, the coordination strategies of the individual countries have been the subject of a descriptive study focusing on the period between 1980 and 2005, for which a synthesis has been provided in the first part of Table 5 (previous section). In the following paragraph the potential relevance of culture, and more specifically the role of the politico-administrative system, will be considered for better understanding the

choices individual countries have made with respect to their coordination strategy throughout time.

### *Coordination Strategy and a Country's State Structure*

The first element of a country's state structure that possibly affects its coordination strategy, regards its degree of vertical dispersion of authority (federal state, centralized unitary, ...). The three countries included in this study with a low (initial) degree of vertical dispersion (New Zealand, United Kingdom, and France) seem to confirm the idea that this type of countries is more capable of developing a comprehensive coordination strategy. New Zealand and the UK appear to have the most politically explicit, top-down coordination strategy, combined with strong central actors taking the lead for the development and implementation of this strategy (the State Service Commission for New Zealand and the Prime Minister and the Cabinet Office for the UK). However, it should be noted that, overall, the initiatives in the UK are less comprehensive than in New Zealand. France can be considered to be a special case as compared to the other two, as it evolved from a unitary and highly centralized state in the early 1980s to a decentralized, or deconcentrated, state over the next decade. This initially highly centralized structure at the beginning of the 1980s may have produced the foundation for the country's capacity to launch a relatively comprehensive, mainly top-down coordination strategy, with a specific focus on tackling the emerging coordination needs related to the "déconcentration" process. For the case of Sweden, a unitary decentralized state, the degree of political explicitness appears to be lower as compared to New Zealand or the UK. Moreover, the initiatives seem to be more fragmented and there is no dominant actor throughout the period under study (especially before 2000). These features refer to a more bottom-up driven coordination strategy.

A second element to take into consideration is the degree of specialization and fragmentation within the central government. For all four countries, there appears to be a link between the extent of their coordination initiatives and the degree of specialization and/or fragmentation they face within their central government. At different moments in time, all four countries appear to link their coordination efforts with the emergence of specialization/fragmentation: the UK and New Zealand with an unambiguous strive to increase coordination after waves of agencification and privatization, Sweden with relatively stable coordination efforts tackling historical processes of specialization, and France with a gradual increase of

coordination, parallel and simultaneously with a growing proliferation because of “déconcentration”.

The previous paragraphs seem to confirm the relevance and possible impact of a country’s state structure on the design of its coordination strategy.

#### *Coordination Strategy and the Nature of a Country’s Executive Government*

A second element that might be linked to a country’s coordination strategy has been identified as being the nature of a country’s executive government. The sample of countries included in our study encompasses countries with a majoritarian system (New Zealand and the UK) and the so-called intermediate system (Sweden and France). As stated in Table 3, the expectation is that majoritarian systems are more likely to introduce completely new, radical coordination initiatives. This seems to coincide with the observed reality for the different countries: New Zealand and the UK have both been characterized by coordination strategies that appeared to be a radical break-up with previous approaches in the 1990s (e.g. strong emphasis on network-type coordination instruments in the 1990s for both countries, after a long period of intensive market-based coordination). Both Sweden and France show a more continuous, less extreme approach in the design of their coordination strategy with a mix of different types of coordination instruments (hierarchy/market/network-based) throughout the period of 1980–2005.

#### *Coordination Strategy and the Relation between Ministers and Mandarins*

The relation between ministers and mandarins is considered to potentially influence a country’s coordination strategy to the extent that an integrated relation and high degree of politicization may facilitate informal types of coordination. The case of France (with its “Grand Corps” mentality) illustrates the strength of cultural (informal) coordination. Sweden, characterized by an increasing degree of politicization, but a separated minister/mandarin relation, puts relatively much emphasis on the informal, network type of coordination (especially in the beginning of the 1980s, but still strong in the rest of the period), possibly linked to the political party dominance at that time.

Both UK and New Zealand combine separated minister/mandarin relations and relatively low degrees of politicization. In these countries the informal coordination mechanisms, which were initially present to a moderate extent, seem to decrease substantially during the period between 1980 and 2005. The initially (beginning 1980s) relatively strong Oxbridge

culture in the UK seems to have less impact (possibly because of its weakened presence over the last two decades), as the main coordination strategy of the UK shows to be oriented towards a more rationalistic-instrumental approach and relies only to a limited extent on informal coordination initiatives. For New Zealand, also initially characterized by a shared “Wellington Village Culture”, informal coordination seems to be only marginally present during the period of 1980–2005.

#### *Coordination Strategy and the Administrative Culture*

A final element of the politico-administrative system to be tackled regards the interplay between a country’s coordination strategy and its administrative culture. The administrative culture of a country is defined by Pollitt and Bouckaert (2004, pp. 52–57) as the cultural climate on the one hand (referring to cultural values) and the Rechtsstaat model versus the public interest model on the other hand. As mentioned earlier, the cultural climate is addressed under the separate heading of “cultural values and practices”. As concerns the Rechtsstaat versus public interest model, a few observations can be made. From the four countries included in this study, France is the only Rechtsstaat-type country. In line with our expectations, France shows a clear tendency towards a de jure implementation of its coordination initiatives. The UK (public interest model) and Sweden (originally legalistic, changed towards corporatist) appear to be more oriented towards a de facto implementation (this is more explicitly the case for the UK). New Zealand, based on a public interest model, seems to be an exception, as many of its important reforms are anchored in subsequent laws.

#### *Synthesis*

The above-presented overview indicates that it is relevant to take into consideration the politico-administrative system of a country when discussing its coordination strategy. This seems to confirm the broader hypothesis of Pollitt and Bouckaert (2004, p. 39) regarding the link between public management reforms in general and the existing politico-administrative system of a country. With respect to the provided illustrations in the previous paragraphs, at least two remarks can be made.

The sample could have been strengthened by including countries with more variation with respect to the different traits of the politico-administrative system. Although not presented and elaborated here, a country such as Belgium, with a number of very distinctive characteristics as compared to the currently included countries, seems to confirm the line of thought that has been developed throughout this section.<sup>9</sup> For instance,

its politico-administrative features (e.g. being a federal state with mainly grand coalitions most of the time) seem to coincide with a very weak coordination strategy over the last decades.

Secondly, an element that might need further consideration is the possible interaction between different aspects of the politico-administrative system, possible stimulating rather contradictory tendencies for individual countries (e.g. France, where informal forms of coordination seem to be stimulated by the intertwined minister/mandarin relation and a fair degree of politicization, but at the same time informal coordination is refrained because of its characteristic of being a Rechtsstaat, oriented towards de jure implementation of coordination initiatives).

#### *Use of Coordination Instruments (Hierarchy, Market, and Network-Type Based)*

Before discussing the empirical link between culture (as societal cultural values and practices) and the use of certain types coordination instruments, a few preliminary remarks have to be made.

Firstly, the study of House et al. (2004) is used here as a point of reference to discuss the issue of cultural values and practices (see Table 7 providing an overview of the scores on a number of cultural dimensions for the four countries included in this study). To some extent, the observations of House et al. are completed by referring to the work of Hofstede (2001).

A second remark regards the difference that is made by House et al. (2004) between cultural values on the one hand, and cultural practices on the other hand (a distinction that is not operationalized by Hofstede). Practices are measured by responses to questionnaire items focusing on “What” is or “What are” questions, common behaviors, institutional practices, proscriptions, and prescriptions (House et al., 2004, p. 16). These practices are differentiated from values. Values are expressed in responses to questionnaire items concerning judgments of “What should be” questions, which are intended as a measure of the respondents’ values concerning the practices reported by the respondents (House et al., 2004, p. 16). For our analysis, we refer to both practices and values,<sup>10</sup> although we presume a closer relation between the observed use of coordination instruments and the scores on practices (as applied coordination instruments can be considered as a practice themselves) than between applied coordination instruments and values.

The issue of scores brings us to a third remark. As underlined by House et al. (2004, p. 220), one has to be cautious when interpreting the scores obtained for the individual countries: in order to interpret these scores correctly, a “test banding” procedure has been applied in order to distinguish between those scores being meaningfully different only at first sight and the really significantly different scores. In our analysis, we therefore focus on these band scores, rather than on the raw scores (see Table 7).

Finally, as indicated by Table 4 that discusses the relevance of the different cultural dimensions, the conceptual link that is made between cultural dimensions and the occurrence of either hierarchy-, market-, or network-type coordination instruments connects each time a cultural dimension with one of these types of coordination instruments, namely the one that has the most explicit link (to our understanding) with a specific cultural dimension (based on the analysis of the main characteristics of this type of instruments). No distinction is further made between the more or less pronounced link between the cultural dimension under review and the two other types of coordination instruments.

#### *Use of Hierarchy-Based Coordination Instruments*

As elaborated in the section that dealt with the conceptual approach of cultural dimensions (Table 4), two dimensions, namely uncertainty avoidance and power distance are particularly relevant in potentially providing indications on the presence of hierarchy-based instruments. We assume that there can be a relation between a widespread occurrence of hierarchy-based coordination instruments in countries and a high score on uncertainty avoidance and/or power distance for these countries.

For the countries included in our analysis, Table 5 indicates that New Zealand has a rather weak presence of hierarchical coordination instruments between actors and organizations, although significantly strengthened after 2000. The UK is characterized by a strong hierarchical coordination by the prime minister and the Cabinet Office throughout the period of 1980–2005. Besides these crucial hierarchical actors, hierarchical coordination within line departments is generally quite weak, especially in the 1990s. For Sweden, hierarchical coordination is overall relatively weak, except for some limited examples in the early 1990s and after 2000. France shows the most widespread hierarchical coordination of all four countries with traditionally a strong focus on input control and political control and with strengthened coordinating functions.

The scores on uncertainty avoidance and power distance of House et al. (both for values and practices) do not show a clear picture that confirms the observations as summarized in the previous paragraph. The only (band) score that is clearly in line with our observations is the high score of France (social practices: 5.28, category A) on the dimension of power distance. For Sweden (showing the lowest presence of hierarchy-based coordination), no meaningful difference is notable in its band scores as compared to those of the other countries, both for uncertainty avoidance and power distance. The distinct score of France with respect to power distance is confirmed by the Hofstede (2001) study (an overview of scores and rankings is provided in Annex 4), where France ranks 15th–16th, whereas the other countries are positioned between ranks 42 and 50. Also for uncertainty avoidance, France ranks higher (10th–15th), as compared to the other countries (39th–50th position).

In conclusion, we can say that both House et al. and Hofstede provide some support for the idea that hierarchical coordination within a country can be linked to these countries' scores on the dimensions of uncertainty avoidance and power distance. France (being the country most oriented towards hierarchical coordination) scores high on power distance (House et al. and Hofstede) and on uncertainty avoidance (only for Hofstede) as compared to the other countries. For the other countries, the scores on cultural dimensions do not present a clear picture supporting our analysis that hierarchical coordination is stronger in the UK than Sweden or New Zealand.

#### *Use of Market-Based Coordination Instruments*

The use of market-based coordination instruments has been linked in our analytical framework to the cultural dimensions of assertiveness and performance orientation. The confrontational approach (being characteristic for the dimension of assertiveness) and the focus on individual performance and excellence (for the dimension of performance orientation) are assumed to be features for which a high score at societal level go together with an orientation towards market-based coordination instruments in a country.

Taking into consideration the data as summarized in Table 5, both New Zealand and the UK appear to put strong emphasis on market-based coordination, through initiatives of privatization, competitive tendering, and incentive-based management systems. This market-type coordination was particularly strong in the 1980s and early 1990s for both countries, and remained significant for both afterwards. Sweden and France have shown a



much more limited use of market-based coordination; France even to a lesser extent than Sweden.

Analyzing the scores of the four countries on the dimensions of assertiveness and performance orientation as defined and measured by House et al., some support is found for linking these dimensions with a country's orientation towards market-based coordination. The clearest indication is the score of New Zealand on performance orientation (social practices: 4.72, band A) and for the UK on assertiveness (social practices: 4.15, band A). The relatively low score of New Zealand on assertiveness (social practices: 3.42, band C) is somewhat surprising. Further distinctions between the countries are difficult to be made on the basis of House's study. Hofstede (using the dimension of "masculinity/femininity", which is somewhat comparable to House's dimensions of assertiveness and performance orientation) provides scores and rankings that support the idea of a link between the use of market-based coordination and this cultural dimension of masculinity/femininity: the UK and New Zealand rank higher (9th–10th and 17th), as compared to Sweden (53rd) and France (35th–36th), possibly indicating more market orientedness for New Zealand and the UK.

Based on our analysis, one can say that House et al. and Hofstede both offer some support for our thesis of linking market-based coordination with cultural dimensions such as assertiveness, performance orientation, and masculinity/femininity. However, it should be noted that for the dimensions of House et al., those countries that are most oriented towards market-based coordination (the UK and New Zealand) have a high score on only one of the dimensions and they each score high on a different dimension, New Zealand on performance orientation and the UK on assertiveness.

#### *Use of Network-Based Coordination Instruments*

The network-based coordination instruments have been associated in the previous section with the cultural dimensions of institutional collectivism, future orientation, and humane orientation. More concretely, we stated that a high score on these three dimensions at national level is likely to coincide with a marked presence of network-based coordination instruments in such a country.

The overview of coordination tendencies of our four countries (Table 5) first of all indicates a shared tendency for all countries to increase their use of network-based coordination instruments during the 1990s (early 1990s for France, mid-1990s for New Zealand and Sweden, and end 1990s for

the UK). However, taking into account their initial position with respect to the utilization of this type of coordination, some diversity is observable. Especially France and Sweden appear to use a fair amount of network-based coordination in the early 1990s. For Sweden, it is reasonable to consider the role of the political party dominance at that stage as possibly stimulating an informal, network type of coordination, for France it is assumable that this network type of coordination is encouraged because of the shared culture among the main actors (ENA and Grand Corps).

For all three of the related cultural dimensions, the results of the study of House et al. give a rather blurry picture, difficult to link with the actual observed presence of network-type coordination. Only Sweden's score on institutional collectivism (societal practices: 5.22, band A; which is the overall highest score of all countries) seems to confirm the presumed link with the widespread use of network-based coordination for this country. However, it should be noted that there are a number of counterintuitive observations, such as the very low score of France on humane orientation (social practices: 3.4, band D) and on future orientation (social practices: 3.48, band C). For the Hofstede study, there are no major differences discernable on the dimensions of individualism/collectivism and long/short-term orientation as well, although the rankings give some cautious indications that confirm our idea that Sweden and France might be slightly more oriented towards network-based coordination because of the presence of certain cultural indicators. For the dimension of long/short-term, ranks vary from 17 (France) and 20 (Sweden), over 25–26 (New Zealand), to 29 (UK). For the dimension of individualism/collectivism, they fluctuate between 3 (UK), 6 (New Zealand), and 10–11 (Sweden and France), somewhat indicating that it is not unexpected to observe that the UK and New Zealand are more oriented towards individualism (market orientedness) and France and Sweden towards long-term perspectives (network orientedness).

Again, the results of the four countries offer some support, but only to a limited extent, for a potential link between network-based coordination and the cultural dimensions that focus on collective action, altruistic behavior, and delayed gratification. The results of the Hofstede study appear to be slightly more affirmative in this respect than the data provided by House et al. Moreover, it should be noted that the use of network-based coordination apparently has had a general boost in the 1990s for all countries analyzed here, and therefore, alternative explanations have to be sought, independent of a frame of reference focusing on cultural-related dimensions.

*Synthesis*

Similar to the section dealing with the interaction between the politico-administrative system and the coordination strategy, the aspect of culture operationalized as cultural practices and values at societal level appears to be connected to some extent with the application of coordination instruments at national level. However, given the type of data, we can go no further than the observations and conclusions as stated in the previous paragraphs, but a number of reflections can be formulated based on our analysis.

Firstly, as stated in the section addressing the importance of the politico-administrative system, it is possible (and probable) that certain cultural dimensions interact, either reinforcing or counteracting each other. Taking into account the broad, macro-level analysis that we present here, it is impossible to further analyze this issue, but it should be taken into account in case of further research.

Secondly, as compared to the role of the politico-administrative system, the impact of cultural values and practices seems to be less clear and pronounced. It is difficult to say at this stage whether this is related to the fact that their influence is indeed less prominent, or whether it has to do with the operationalization of the different cultural dimensions. As a matter of fact, our analysis indicates that the scores and values for the different dimensions of Hofstede demonstrate a clearer link with the prevalence of certain types of coordination instruments in different countries, as compared to the results of the study of House et al. This indicates the importance and complexity of the operationalization and measurement of cultural values. Moreover, the question can be raised whether studies such as delivered by Hofstede and House et al. provide data that are sufficiently capable of discerning cultural nuances for countries that all belong to the “Western culture”. For instance, taking into consideration the fact that House et al. investigate the cultural practices and values of 62 countries spread around the world, it is remarkable that relatively low standard deviations are observed for the measurements of the different cultural dimensions (see Table 7, SD varying between 0.25 and 0.63, at the aggregated score for particular cultural dimensions, based on questions for which the response score could theoretically vary between 1 and 7). Maybe, this low variance (also implying a limited number of bands or categories to discriminate between countries) results in a tool that is not optimally suited for differentiating among Western countries.

Finally, we consider it a valuable track for further research to investigate to what extent the cultural dimensions as discussed here could play a role not

only in the adoption of certain coordination instruments (hierarchy-, market-, or network-based). It might be useful to examine to what extent the scores of certain cultural dimensions at societal level could also be linked to the development of a certain coordination strategy of a country. For example, the presence of a high-performance orientation might stimulate a country to manifest isomorphic behavior with respect to practices that are internationally considered to be good practices (normative isomorphism). We consider it appropriate to further develop this line of thought at a more micro level of analysis, instead of the aggregated level of analysis presented here.

## CONCLUSION

In this study, the relevance of taking the issue of culture into account when investigating the coordination strategy of countries and the choice they make with respect to the use of hierarchy-, market-, or network-based coordination instruments have been assessed. We conclude that taking into account the politico-administrative system of a country (defined as a type of cultural practices) and the scores of countries on certain cultural values provide some useful insights and added value for the analysis of coordination initiatives. Although a univocal and straightforward link between coordination and culture was not observed (which we did not presume in the first place), major coordination tendencies in a country and some stable, country-specific traits with respect to coordination initiatives seem to be congruent with a number of culture-related elements. However, it is clear that these culture-related elements only tell part of the story. It is highly probable that the choice of coordination strategies and coordination instruments is also influenced by other mechanisms, like normative and mimetic isomorphism. For instance, in the case of the United Kingdom and New Zealand, there seems to be some degree of policy transfer and copying behavior with respect to the use of market-based coordination instruments in the 1980s and early 1990s, as well as with respect to the recent more comprehensive coordination strategies in both countries (New Zealand's Review of the Centre and UK's Joined up Government). Culture and the politico-administrative system might influence the receptiveness of countries for such policy transfer, as well as the translation of transferred ideas to the country-specific context.

In conclusion, we would like to put forward a number of reflections and remarks that can further stimulate the study of culture in the field of public management.

First of all, it appears valuable to us to further reflect on a number of conceptual issues. We specifically think about the distinction (and the practical implications for research) between cultural values on the one hand and cultural practices on the other hand.

Secondly, we think it is valuable to further reflect on the distinction between the concepts of culture and climate. Although not specifically discussed here, we consider this to be a pertinent issue, as this often goes together with different types of research methods (cf. Denison, 1996, referring to the division between culture and climate and its relation with the distinction between qualitative and quantitative research methods). The methodological approach of studying culture either in a quantitative or qualitative way is highly relevant. First of all, culture is a challenging object for defining, operationalizing, and measuring. Secondly, we are not sure whether using broad, large scale comparative studies is the most appropriate way to study culture in a research setting as is the case in our study. Without denying the value of this type of quantitative study, we feel the need and incentive to further analyze the issue of culture with a more micro-level approach.

Thirdly, a major problem we encountered is how we can link a clearly dynamic analysis of coordination strategies and instruments with rather static data on politico-administrative systems and societal cultures. Our analysis stays at a very general level at that point, although it is crucial to understand the relationships between administrative changes and culture.

Finally, with respect to the empirical material presented in this chapter, further efforts need to be made to frame this research project in the broader analytical framework presented in the beginning of this chapter. Focusing on issues such as critical junctures or the micro analysis of the decision-making process leading to the adoption of a given coordination instrument will allow to make progress in the understanding of the determinants of countries' coordination strategies and will provide the opportunity to focus on the dynamic processes underlying these coordination strategies.

## NOTES

1. It is clear that, even if one focuses on broad patterns of changes at the country level, elements situated at a more meso or even micro level of analysis can have their impact; however, in order to preserve the clarity and transparency of the analysis, these elements will not be further dealt with in this chapter.

2. For more information on the debate regarding the aspect of change within a historical neo-institutional framework, see Thelen (1999) or Pierson (2000).

3. Some scholars developed a (slightly) adapted typology, such as Peters (2003) discerning market, networks, collaboration, and hierarchy, or Hood (2005) differentiating among authority, architecture, mutual interaction, and market and price systems.

4. Taking into account our definition of culture as stated in the previous paragraph, our definition is less deterministic as the one applied by Hofstede. However, the analysis of different cultural dimensions is considered to remain valid.

5. Pollitt and Bouckaert (2004, p. 54) refer here to Hofstede's study. We treat cultural values and norms at a broader level, going beyond the purely administrative culture.

6. For a detailed definition of all dimensions, see Annexes 3a and 3b.

7. We limit the analysis of collectivism to the societal level, and do not include organizational or familial level, to which in-group collectivism is referring to.

8. These data were collected among middle managers of the countries belonging to different types of industries. Data were also collected regarding "organisational" values and practices; taking into consideration our focus on the country level of analysis, we solely deal with the societal values and practices here.

9. Although empirical material with respect to coordination tendencies is available for Belgium, it has not been included in this study, as data are lacking regarding the cultural values and practices.

10. The scores on values and practices may vary considerably for an individual country.

11. The dotted lines refer to the elements that are considered to be relevant for further analysis, but that will not be further emphasized here.

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## ANNEX 1. ANALYTICAL FRAMEWORK

		Historical Neo-Institutionalism	Sociological Neo-Institutionalism	Rational Choice Neo-Institutionalism (NIE)	Contingency Theory
Macro level	International level		Spread of ideology and/or best practices Regulations		
	National level	Political-administrative structure	Spread of ideology and/or best practices		
	Societal level	Culture and values (individualism/collectivism, trust, power distance, uncertainty avoidance, ...)			
Meso level	Sectoral level		Spread of ideology and/or best practices Regulations		Political salience of task Budget weight Number of alternative service deliverers Nature of primary task (task uncertainty, task interdependence) Specialization and fragmentation
	Inter-organizational level (interactions between the three actors: minister and cabinet/ ministries and department/agencies)	Power (a)symmetry between strategic actors Path dependence (because of increasing returns, sunk costs, learning effects, network externalities, ...)	Presence of uncertainty	Formal institutional arrangements Information demand and distribution Power play Uncertainty Transparency Asset specificity Social ties (embeddedness)	
Micro level	<i>Organizational level</i>	Path dependence (because of increasing returns, sunk costs, learning effects, network externalities, ...)	Presence of uncertainty	Opportunistic attitude Opportunistic behavior	
	<i>Intra-organizational level</i>	Resourceful actors	Institutional entrepreneurs	Opportunistic attitude Opportunistic behavior	



## ANNEX 2. COORDINATION INSTRUMENTS

Management Instruments	Underlying Mechanism	Extra Information
1. Strategic management (planning and evaluation) – dependent of primary objective and process	NTM – HTM	Aligning activities of public organizations by a system of different and interconnected levels of plans, objectives, and targets
1.1. Bottom-up and interactive strategic management	NTM	The process of planning on the different levels of objectives and targets is a process with heavy input from lower levels and with strong emphasis on negotiation
1.2. Top-down and unilateral strategic management	HTM	The plans on lower levels are derived from the higher level plans, objectives, and targets. Process of planning relies heavily on top-down instructions and the unilateral setting of objectives and targets for lower levels
2. Financial management (budgeting, accounting, and audit) – dependent of objective and focus	HTM – MTM – NTM	The budget process is a strong coordinating instrument for public organizations because of three reasons: (1) it involves all policy sectors; (2) it gives a cyclic opportunity to assess the strategic orientation for the future; and (3) it plays an important role in setting the policy priorities of government
2.1. Traditional input-oriented financial management systems	HTM	The input-oriented budget process defines clearly on what resources should be spent on in great detail. There is not much autonomy for organizations to spend the budget as they see fit
2.2. Result-oriented financial management systems focused on incentives for units	MTM	Focus of the financial management system is on giving incentives to organizational units to increase their performance. Budget is linked to the expected or past performance (p*q) of the organizations and financial sanctions in case of underperformance are possible

**ANNEX 2. (Continued)**

Management Instruments	Underlying Mechanism	Extra Information
2.3. Result-oriented financial management systems oriented on information exchange and consolidation according to policy portfolios	NTM	Focus of the financial management system is on consolidation of financial and performance information across organizations and policy fields. Emphasis is on consolidation and exchange of information in order to foster joined up government and inter-organizational cooperation in order to achieve crosscutting objectives
3. Inter-organizational culture and knowledge management	Predominantly NTM	Enhancing coordination by fostering shared vision, values, norms, and knowledge between organizations by means of common education or common training, management development, mobility of staff between organizations, systems for inter-organizational career management, and competence management
4. Mandated consultation or review system		Mandated consultation or review system and forced points of passage during preparation of policy initiatives
Structural Instruments	Underlying Mechanism	Extra Information
1. Reshuffling of competences: Organizational merger or splits; centralization (decentralization)	Predominantly HTM	Enhancing coordination by bringing related activities together by merging organizations or by separating them from other organizations with totally other activities
2. Reshuffling of lines of control: Establishment of a specific coordinating function or entity; lines of control	Predominantly HTM	Enhancing coordination by establishing crosscutting lines of control, like:

## ANNEX 2. (Continued)

Structural Instruments	Underlying Mechanism	Extra Information
		<ul style="list-style-type: none"> <li>– matrix management or lateral management</li> <li>– specific coordinating function or unit responsible for guidance and monitoring of some plan or objective</li> </ul>
3. Coordinating functions		Persons or units that take on a coordinating function towards other entities or functions, like project ministers or coordinating ministers
4. Regulated markets: Internal markets, quasi-markets, voucher markets and external market, competitive tendering	Predominantly MTM	Enhancing coordination between organizations by bringing them in a market. Coordination of tasks and activities of different organizations is done by the mechanisms of price and competition, offer and demand. Money and incentives are crucial
5. Systems for information exchange	Predominantly NTM	Through new or reoriented flows and systems of information, decision-making organizations are better informed regarding the latest developments and activities by other organizations. This helps them to adjust their activities to those of other organizations
6. Negotiation bodies and advisory bodies	Predominantly NTM	In these bodies representatives of different organizations exchange information in one or both directions. Organizations can mutually adjust their activities based on the exchanged information. Advices are binding to different degrees (legally, morally, or politically)

**ANNEX 2. (Continued)**

Structural Instruments	Underlying Mechanism	Extra Information
7. Entities for collective decision making	Predominantly NTM	In contrast to concertative bodies these entities can take decisions that have a binding effect for the member organizations
8. Common organizations (partnership organization)	Predominantly NTM (HTM)	In this form of coordination, two or more organizations create a common organization to perform joint-tasks that are controlled by or has links to the different mother organizations
9. Chain management structures	Predominantly NTM	A permanent body for concertation is created for a particular policy issue. In this body all main public and private actors that are involved in the different phases of the policy issue are represented. The concertation body monitors the preparation, implementation, and evaluation of the policy. The different actors are involved as "equal" partners

**ANNEX 3A. CULTURAL DIMENSIONS – HOFSTEDE  
(2001, PP. XIX–XX)**

Dimension	Definition
Power distance	The extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally. The basic problem involves the degree of human inequality that underlies the functioning of each particular society

**ANNEX 3A. (Continued)**

Dimension	Definition
Uncertainty avoidance	The extent to which a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, different from usual. The basic problem involved is the degree to which a society tries to control the uncontrollable
Individualism and collectivism	The degree to which individuals are supposed to look after themselves or remain integrated into groups usually around the family
Masculinity and femininity	The distribution of emotional roles between the genders [...]. It opposes “tough” masculinity to “tender” femininity
Long- versus short-term orientation	The extent to which a culture programs its members to accept delayed gratification of their material, social, and emotional needs

**ANNEX 3B. CULTURAL DIMENSIONS – HOUSE  
ET AL. (2004, PP. 11–13)**

Dimension	Definition
Uncertainty avoidance	Extent to which members of an organization or society strive to avoid uncertainty by relying on established social norms, rituals, and bureaucratic practices
Power distance	Degree to which members of an organization or society expect and agree that power should be stratified and concentrated at higher levels of an organization or government
Collectivism I: Institutional collectivism	Degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action
Collectivism II: In-group collectivism	Degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families

**ANNEX 3B. (Continued)**

Dimension	Definition
Gender egalitarianism	Degree to which an organization or a society minimizes gender role differences while promoting gender equality
Assertiveness	Degree to which individuals in organizations or societies are assertive, confrontational, and aggressive in social relationships
Future orientation	Degree to which individuals in organizations or societies engage in future-oriented behaviors such as planning, investing in the future, and delaying individual or collective gratification
Performance orientation	Degree to which an organization or society encourages and rewards group members for performance improvement and excellence
Humane orientation	Degree to which individuals in organizations or societies encourage and reward individuals for being fair, altruistic, friendly, generous, caring, and kind to others

**ANNEX 4. CULTURAL DIMENSIONS AND SCORES OF THE HOFSTEDE STUDY (2001)**

Dimension		New Zealand	United Kingdom	Sweden	France
Uncertainty avoidance	Index	49	35	29	86
	Rank	39–40	47–48	49–50	10–15
Power distance	Index	22	35	31	68
	Rank	50	42–44	47–48	15–16
Individualism/collectivism	Index	79	89	71	71
	Rank	6	3	10–11	10–11
Masculinity/femininity	Index	58	66	5	43
	Rank	17	9–10	53	35–36
Long/short-term orientation	Index	30	25	33	39
	Rank	25–26	28–29	20	17

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**PART II:**  
**ARTEFACTS OF CULTURE**



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## CHAPTER 5

# PUBLIC MANAGERS' RELIGIOSITY: IMPACTS ON WORK ATTITUDES AND PERCEPTIONS OF CO-WORKERS ☆

Barry Bozeman and Alex Murdock

### ABSTRACT

*Do public managers' religious beliefs and behaviors affect their work and their work-related attitudes? There is almost no empirical work on the topic. Questionnaire data (n=765) drawn from the National Administrative Studies Project-III<sup>1</sup> is used to test hypotheses about the impacts of U.S. public managers' religiosity and political activity, on work attitudes. Multiple regression shows that religious public managers tend to have a stronger orientation toward job security. Public managers who are members of political organizations are somewhat less oriented to security and have more negative views about their organization and fellow employees. Controls introduced into the model do not change these findings.*

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## INTRODUCTION

In the United States, religious values now seem more often in conflict with secular values. This social cleavage between more secular and the more religious citizens affects everything from outcomes of Presidential elections to immigration policies, and, especially, policies pertaining to sex, procreation, and human biology. Nor is the United States (U.S.) the only nation challenged by issues of religion. Religious controversy has recently thrust Denmark into the news. The United Kingdom's (U.K.) relatively positive experience with multiculturalism has recently turned much more negative with U.K. citizens bombing buses and subways in the name of religious conviction. There have been reports of citizens emigrating from the Netherlands because of religious strife in that historical cradle of tolerance. Religion-based warfare or threats span the globe, affecting a great many nations, Afghanistan to Zambia.

Here we deal with a smaller, less dramatic issue of religion and the state, but one that is nonetheless important – the role of religion in the values, attitudes, and motivations of public managers. Drawing data from a questionnaire study of more than 700 public managers in the U.S. state governments of Illinois and Georgia, we seek to explain whether those who attend religious services differ from other public managers. Our overall assumption, of course, is that they do. But there is no logical necessity. Indeed, one study of private managers found that religiosity has little effect on work-related attitudes (Chusmir & Koberg, 1988).

With respect to the public sector, one could easily surmise that public managers view themselves as “neutral competence” civil servants and do not bring their religious beliefs and activities to bear on professional and managerial issues. Even if public managers' religious view do affect work attitudes and behaviors, it is possible that these impacts cannot be determined from questionnaire items. A related possibility is that some religious public managers will differ from other public managers, but only at the extremes (i.e. the most faithful, the most observant, or the most fundamental). Finally, it is possible that religion “makes a difference,” but not all religions.

Not much light has thus far been shed on the impacts of public managers' religiosity. It is easy to understand why amongst public managers' this is not a popular topic. There are strong social norms militating against questions pertaining to religion (Worden, 2005). Our approach to resolving that problem is a simple one: do as much as possible with as little as possible. Thus, our only indicator of religion is simply whether respondents routinely attend a church, synagogue, or mosque. However, we feel this is not a bad

start. In the first place, it is not an intrusive approach. In the second place, if our study identifies *any* important effects in this quite conservative approach, the results should be especially noteworthy and should encourage future studies that include indicators of religious denomination, intensity of belief, and other more nuanced variables. Our study is a minimalist test.

In addition to wishing to know the impacts of religious participation, we are also interested in determining how public managers' participation in political organizations affects their work attitudes and behaviors. Our intuition at the beginning of this study was that "religious" public managers would likely be a different group from "political" public managers. However, this is an empirical issue. An alternative hypothesis is that it is external participation itself that is important and that the type of organization (e.g. political or religious) one participates in is of less consequence.

## **RELIGION IN THE U.S.**

Before considering the religiosity of public managers, we might ask about the religiosity of the U.S. general population. A study carried out by Kosmin, Mayer, and Keysar (2001) based on a representative national sample, found that 81% of the respondents identified with one or another religion. Among the self-described religious, 76.5% identified with a Christian faith. A more recent national study conducted by the [Baylor University Institute for Studies of Religion \(2006\)](#) developed data about religious attitudes from a representative U.S. national sample ( $n = 1,721$ ). With an expanded concept of God ("God, a higher power, or a cosmic force") the study found that 91.8% are believers. However, there is a significant and politically relevant split between the 38% of respondents who have an authoritarian view of God (chiefly conservative Christians) and those respondents who have a more benevolent or distant view of God. Among all believers, 45% say that the U.S. federal government "should advocate Christian values." However, 74.5% of those with a more authoritarian view of God endorse such government advocacy.

In sum, the U.S. is by most any standard a strongly religious nation. While there are many nations that are even more religious than the U.S., none of these are Western, industrially developed nations. Consider the recent results, presented in [Table 1](#), from a cross-national survey of religious beliefs ([ICM, 2004](#)).

Given the historical ties between the U.S. and the U.K., it is perhaps especially interesting to highlight results for these two nations. Of the

**Table 1.** Extracts from ICM Survey “What the world thinks of God”.

Question	USA (%)	UK (%)	Israel (%)	India (%)	South Korea (%)	Indonesia (%)	Nigeria (%)
“I have always believed in God”	79	46	71	92	31	97	98
“I have studied religious texts”	78	42	25	26	25	27	51
“I pray regularly”	67	28	41	86	31	90	95
“I regularly attend an organized religious service”	54	21	38	52	31	68	91
“I would die for my God”	71	19	37	46	12	90	95

10 countries featured in the ICM Survey, the U.K. has the lowest scores on strength of religious identity. The U.S. citizens have much stronger views about religion, surpassed only by countries such as India and Indonesia. It is perhaps worthy of note that the U.S. has the highest percentage (78%) of respondents who report studying religious texts. Particularly relevant to the current study, 54% of U.S. respondents report attending religious services regularly, more than twice the percentage of U.K. respondents.

Paul’s research compares U.S. citizens’ religious views and activities with those of citizens in the 17 most prosperous nations (e.g. U.K., Sweden, Australia, Japan, France) (Paul, 2005). The U.S. leads all nations in the percentage responding that they “attend religious services at least several times each month,” that they “absolutely believe in God,” and that they “take the bible literally.” The U.S. respondents have the lowest percentage of the 17 nations’ respondents on the item “accept human evolution.” Paul’s research focuses on the issue of whether religiosity affects development of social welfare and health institutions in the U.S., suggesting that religious fervor may suppress citizens’ support for universal high-quality health care.

The apparent effects of religiosity on support for social services has led some (e.g. Gibelman & Gelman, 2002) to question whether public services should be delivered by religious-based organizations. Fogel (2000) asserts that such problems could be addressed by a greater involvement of people in voluntary work and community activity arising from what he describes as “the fourth revolution.” Fogel sees this as partly arising from a greater

degree of discretionary time and partly from longer life expectancies. However, the religious aspect also is critical.

## **RELIGION AND MANAGERIAL BEHAVIOR: THEORETICAL BACKGROUND**

The association between religious values and managerial (or organizational) behavior can be traced back to the seminal work of Max Weber. Weber posited “value positions” – principles which have the validity of “categorical imperatives.” As such they represent ultimate values (Weber, 1946).

In examining the “religiosity” of public managers, it is apposite to review the nature of values as conceived by Weber and in particular to contrast what Weber describes as value rationality and instrumental rationality. Weber identifies six “value spheres” that are distinguished from each other by his analysis of the “ultimate value” associated with each (Oakes, 2003). The six spheres are: religion, the economy, politics, aesthetics, the erotic, and intellectualism. We focus upon religion and politics.

Religion, Weber regards as linked by an ultimate value associated with a “selfless love for suffering humanity” – something he describes as “*caritas*.” By contrast the ultimate value of politics is described as “the impersonal pragmatics of reasons of state.” Oakes’ critique of Weber draws attention to the possibility of conflicts between the different value spheres (Oakes, 2003). Each sphere is seen in the Weberian analysis as guided by its own particular set of laws and logic. This leads to the question of how conflicts between value spheres are mediated and resolved – is there an implicit reference to some overarching ultimate value? These tensions between values spheres are resolved by Weber through reference to a state of “cultural innocence” where people are oblivious to the conflicts.

Weber distinguishes value rationality from instrumental rationality. He regards the element of calculation of “cost-benefit” as associated with the latter. Religiosity has a natural association with value rationality, which does not consider alternatives but rather proceeds from a priori assumptions. Instrumental rationality has a more utilitarian flavor and is readily associated with a more political and calculative approach to actions (Satow, 1975).

The work of Weber has application to ours. Following Weber, we expect that managers who have strong religious values and identity will be influenced by these in how they perceive their organizations and fellow workers. Behavior will be determined by reference to the value sphere and

not based upon an instrumental calculative approach (see Gorsuch, 1988). Managers who do not possess such religious values will be drawn into the political sphere and likely to engage in more calculative behaviors based upon instrumental rationality (Elkin, 1985).

The empirical literature on public managers' religious beliefs and the impacts of those beliefs is yet to be created. However, there are relevant studies in the more general organization and management literature and sociology of religion (for an overview, see Warner, 1993)

## HYPOTHESES

From our model and from the relatively modest number of relevant studies, we offer for test the following hypotheses:

**Null Hypothesis.** "Religious" public managers will not differ significantly from other public managers with respect to work attitudes and motives and with respect to perceptions of their organization and their co-workers.

**Modified Null Hypothesis.** Controlling for region, race, general civic engagement, and job status, "religious" public managers will not differ significantly from other public managers with respect to work attitudes and motives and with respect to perceptions of their organization and their co-workers.

**H1.** "Religious public managers," all else equal (i.e. including controls) will tend to have significantly more positive attitudes about their co-workers and their organizations.

**H2.** "Religious public managers," all else equal (i.e. including controls) will tend to have stronger motivations for security and for family values and weaker motivations for career advancement.

**H3.** "Religious public managers," all else equal (i.e. including controls) will tend to have significantly stronger public service motivations.

**H4.** "Political public managers," all else equal (i.e. including controls) will tend to exhibit effects exactly opposite of those obtained for "religious public managers."

In general, our hypotheses reflect the idea that those who are religious have more optimistic attitudes and higher levels of trust. The hypotheses suggest

that the religious have less jaded views about human relations, another convergence with the literature. In reviewing the empirical literature on attitudes toward others' and, especially, forgiveness, McCullough and Worthington find consistent relationships between religiosity and propensity for empathy and forgiveness (McCullough & Worthington, 1999).

In a more recent study, Cohen and colleagues reported similar findings about religiosity and forgiveness. Somewhat in contrast, Barnett and colleagues presented findings suggesting that religious members of organizations have more unshakable ideas about moral precepts and are more likely (at least in a laboratory setting) to act as whistleblowers (Cohen, Malka, Rozin, & Cherfas, 2006; Barnett, Bass, & Brown, 2004).

Perhaps even more relevant, the few existing studies (Dormann & Zapf, 2001; Witter, Stock, Okun, & Haring, 1985) of the relationship of religiosity to job satisfaction have generally determined that those who are religious report higher job satisfaction. However, none of the existing studies employed public sector samples. Chusmir and Koberg (1988) present evidence somewhat at odds with the above. They found no relationship between religious affiliation, intensity or denomination, and several work-related attitudes, including job satisfaction and commitment. However, they did find that organizational rank affected these work attitudes and that those of higher rank tended to be more religious.

Recently, the management literature has shown increasing attention to the concept of "workplace spirituality" (Dent, Higgins, & Wharff, 2005; Garcia-Zamor, 2003; Lowery, 2005). One of the few empirical studies (Milliman, Czaplewski, & Jeffery, 2003) relating a spirituality variable to work-related attitudes and outcomes found consistently positive relationships between self-reported spirituality and both job satisfaction and commitment. The relationships between "workplace spirituality" and "religion-in-the-workplace" are not yet clear and await further empirical research and theory.

Finally, the terms "religion" and "family values" have, perhaps, too often been associated, implying either a limited idea of "family values" or, worse, a religious monopoly on them. But we expect that in one sense of family values, religious public managers will score higher – namely, the extent to which family concerns compete with other work and career motivations. However, it is important to control in this hypothesis for having children at home inasmuch as religiosity, number of children, and attitudes about family may be confounded.

Our hypotheses about politically oriented public managers flow in part from research and theory in the public service motivation (PSM) field. First,



we expect that the politically oriented will differ greatly from those that are religious. We expect they will have somewhat more jaded views of their organizations and the colleagues, but, at the same time, we expect they will score higher on career and work motivation (see Dean, Brandes, & Dharwadkar, 1998). This is in accord with the research literature, indicating that those who are politically active differ considerably in outlook and behavior from those who are not (Dalton, 2000).

Research work on PSM is potentially related to religiosity and to our hypotheses above, especially, Hypothesis 3. Researchers, including Lewis and colleagues (Lewis, 1990, 1992; Lewis & Frank, 2002) and Crewson (1997) have sought to identify what factors might be associated with people joining, remaining, and progressing in public service employment. Generally, this work finds PSM related to political motivations and work behaviors (Perry, 1996, 2000; Perry & Wise, 1990). The issue of civic participation and public management has also received some attention. This is seen sometimes in the context of the public servants' committing their "free" time to civic involvement (Brooks, Lewis, & Bardach, 2001). Perry's (1997) work has particular implications in regard to the concept of religion as an antecedent factor for public management behavior. Perry identified and explored a number of factors in PSM; one of these factors being religious socialization. Perry asserts that:

Religious foundational beliefs are related directly to several facets of public service motivation, specifically commitment to the public interest/civic duty and compassion. People who profess the agenic or individual world are anticipated to exhibit lower public service motivation than individuals who espouse a communal world view. (Perry, 1997, p. 190)

Significantly for the hypotheses set out above, Perry also contends that:

public service motivation is likely to be affected by involvement in church activities ... higher levels of involvement in church activities should be associated with higher public service motivation. (Perry, 1997, p. 191)

Perry's work, based on questionnaires ( $n=295$ ), obtained some unexpected results in terms of relationship to PSM. The questionnaire item "closeness to God" did show a significant correlation in the predicted direction. However, the "religious worldview" item did not. Perry described as an "unequivocal anomaly" his finding that church involvement was negatively rather than positively associated with PSM. Perry suggested that this may be because church involvement could be a proxy for several variables not measured. He also suggested that perhaps those with high church commitments may have less time for those of a civic nature. The implication is also that a

“doctrinaire” approach to religion may in fact weigh against espousal of love and compassion for fellow humans. Perry concludes that the linkages between religious socialization and PSM might be more complex than the ones set out by his research hypotheses.

## **A MODEL OF PUBLIC MANAGERS' RELIGIOSITY AND WORK ATTITUDES**

Fig. 1 presents the “Model of Public Managers' Religiosity and Work Attitudes,” the model derived from both our intuition and the studies reviewed above. The model suggests that public managers' religiosity has significant impacts on both their work attitudes and motivations and their views about their organization and their fellow employees. These effects are mediated by a number of factors, including a general tendency for civic engagement (of which religious activity may be a part), regional and cultural factors, position in the organization hierarchy and status (as indicated by number of employees supervised), and race.

## **DATA AND VARIABLES**

Data from this study are from the database of the latest (2005–2006) round of the National Administrative Studies Project. The current project is known as NASP-III. The NASP studies dates back to the mid-1980s at the Maxwell School, Syracuse University. Bozeman and colleagues designed the first NASP questionnaire, a mailed questionnaire sent to functionally matched samples of public and private organizations in New York State. The second administration of NASP-I, also at Syracuse University, focused especially on red tape and administrative procedures and was again sent to public and private managers in New York (for an overview of NASP-I data and procedures see [Bozeman & Kingsley, 1998](#)). More recently (2003–2004), a related NASP project (NASP-II) was undertaken by one of the original project associates, Sanjay Pandey, and was administered at Rutgers University (for an overview of NASP-II data and procedures see [Pandey & Garnett, 2006](#)).

The current NASP is referred to as NASP-III. The current project is the most ambitious of the NASP projects in terms of sample size and, unlike previous projects it is not restricted to one or a few functional areas of

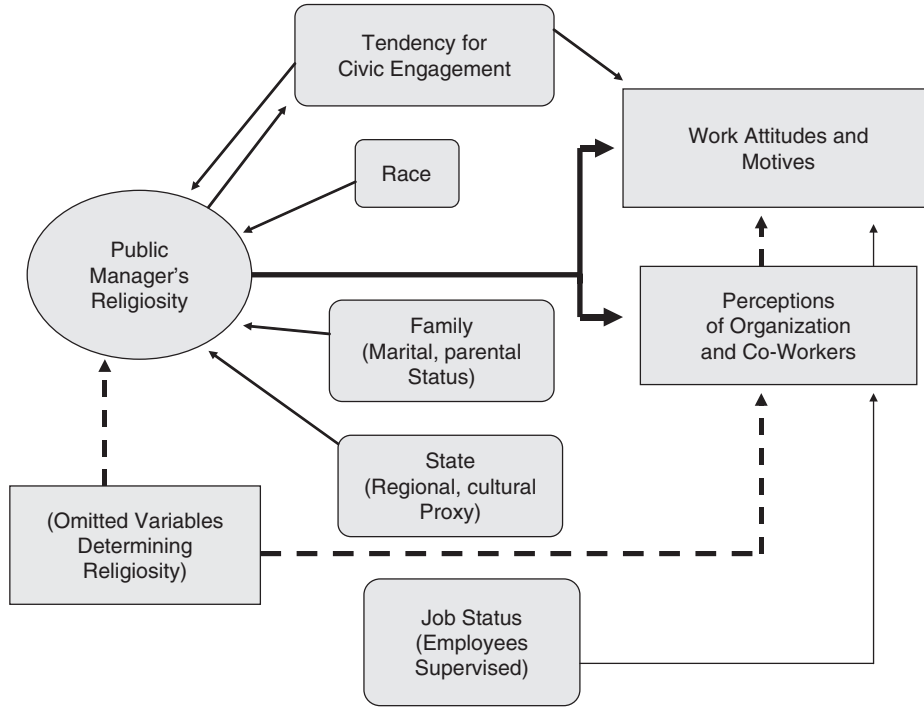


Fig. 1. Model of Public Managers' Religiosity and Work Attitudes.

government. The NASP-III database includes 787 public managers and 375 non-profit managers (only the public managers are included in the current study). The NASP-public sector data are from questionnaires sent to a random sample of public managers in two states, Georgia and Illinois. The 787 responses represent an adjusted (e.g. bad addresses, retirees) response rate of 42.5%. Additional details about the NASP procedures are available in the appendix.

### *Independent Variables*

*Religious.* The most important independent variable for our study is our single indicator of religiosity. In a section of the questionnaire, we instructed respondents as follows:

10. In this section, we ask you about your personal civic activities. Please indicate which of the following organizations you are currently a member, if any. (*Please check all that apply.*)

One of the several items included on this list was: "Church, synagogue, mosque, or religious organization." We refer to this variable as *Religious*. It is a binary variable, 1 = membership in such an organization and 0 = not a member. We are aware, of course, that this is an extremely limited measure of religiosity, having no ability to distinguish type of religion, denominations, intensity, or type and frequency of activity. However, as we note above, the measure errs on the side of conservatism. It is quite possible that the variable is insufficiently sensitive and, thus, will not result in a significant effect. It is less likely that its simplicity will lead to an overemphasis of effect (i.e. Type II error).

According to Kosmin et al. (2001), Georgians differ substantially from Illinois citizens with respect to the demography of religion. In 2001, 66% of Georgians identified with a specific non-Catholic, Christian denomination, with the largest group being Baptists (37% of all respondents). Only 8% of Georgians identified as Catholics, compared to 34% of Illinois citizens. Only 22% of Illinois citizens identified as non-Catholic Christians. In Georgia, 12% indicated "no religion," compared to 15% in Illinois. For the U.S. sample, 19% responded "no religion," suggesting that citizens of both the states examined here more religious than the average for the U.S.

Our questionnaire item is not directly comparable to Kosmin et al. (2001) questions. However, by the minimal test of belonging to a church, mosque, or synagogue, Georgia and Illinois public managers are a religious group, perhaps even more so than the general U.S. population. For the NASP-III sample, 579 (73.6%) reported church membership, 208 (26.4%) did not. There are significant state effects, with nearly 79.5% of Georgia public managers classified as religious, compared to 66% of Illinois public managers ( $\chi^2$  significant  $p < .000$ ).

*Political.* Another item from the same question, the membership of interest here is a “political club or political party committees.” Our respondents are much less likely to be a member of a political organization than a religious one. Only 87 (11.1%) of respondents are members of a political group. Again, there are important state effects. Of that 87, 59 are from Illinois.

#### *Control Variables*

*Total Civic.* This is a measure of all civic activities other than political and religious civic activities. It is simply the addition of all the responses to other membership categories.<sup>2</sup>

*Race.* It is possible to specify this variable in more than one way. However, given the dominance of two groups, African-Americans and Caucasians, we have found in previous studies that a binary variable suffices (0 = White, 1 = Non-white). The questionnaire item was open-ended and self-identifying (“What is your racial identification?”). The initial results were coded as follows: Caucasian (79.1%), African-American (13.4%), Hispanic (2.1%), Biracial (1%), Asian or Asian Pacific Islander (2.2%), Native American (1%), and Other (1.3%).

*State.* This is simply the state government employing the respondent, (Illinois = 0, Georgia = 1).

*Job Status.* All respondents are in job classifications that signify they are managerial and either in the middle of organizational hierarchies or above. In this sense, the job status is relatively homogenous. Thus, to get some variance in the level of responsibility we define job status in terms of the number of employees the respondent supervises in his or her current position.

*Married.* This is a dummy variable (1 = married or domestic partner, 0 = not married and no domestic partner).<sup>3</sup>

*Children.* An interval level variable, this variable is responses to the questionnaire item "How many (if any) dependent children do you have living in your home?"

### *Dependent Variables*

*Work Motivation Variables: Security and Advancement.* The work motivation of respondents was measured in terms of a scale developed from a factor analysis of work motivation variables. The variables *security* motivation and *advancement* motivation were developed from the following questionnaire items, all of which use a four-point scale (4 = Strongly Agree; 3 = Agree Somewhat; 2 = Disagree Somewhat; 1 = Strongly Disagree). In each case, the response to this directive:

We are interested in the factors that motivated you to accept a job at your *current* organization. Please indicate the extent to which the factors below (some personal, some family, some professional) were important in making your decision to take a job at your *current* organization.

The items used here include:

Opportunity for advancement within the organization's hierarchy

The organization's pension or retirement plan

Job security

Desire for increased responsibility

Benefits (medical, insurance)

Few, if any, alternative job offers

To construct indices for motivation, a maximum likelihood factor analysis was performed. The analysis specified an orthogonal solution and Varimax rotation, resulting in an optimized distribution of variance along resultant dimensions. A maximum likelihood approach was employed developing the factors. At one eigenvalue (i.e. the criterion that each extracted factor should explain as much variance as any single variable), two dimensions resulted. These two dimensions, taken together, represented 60.5% of the common variance in the initial correlation matrix. The factor loadings matrix is presented in [Table 2](#).

As is customary, we interpreted the factors in terms of their highest loadings, focusing specifically on those equal to or greater than  $\pm .50$ . From

**Table 2.** Factor Loadings Matrix for “Security Motivation” and “Advancement Motivation”.

Questionnaire Item	Factor Dimensions	
	Security Motivation	Advancement Motivation
Advance in organizational hierarchy	.195	.593
Job security	.608	.120
Pension or retirement plan	.751	.202
Desire increased responsibility	-.040	.723
Benefits (medical, insurance)	.816	.192
Few, if any, alternative job offers	.198	-.053
Eigenvalue	2.34	1.29
Cumulative variance (%)	39.1	21.4

Note: Cronbach alpha for all six variables = .67.

this analysis, we named Factor One *security* and Factor Two *advancement*. Finally, we developed factors scores, relating the respondents to the loadings positions on the factor dimensions, and used these as independent variables.

*Perceptions of the Organization and Fellow Employees.* Perceptions of the respondent’s fellow employees and of the organization in general are measured (with one exception) using Likert scale items (4 = Strongly Agree; 3 = Agree Somewhat; 2 = Disagree Somewhat; 1 = Strongly Disagree). Again, factor analysis was used to develop a variable based on a multivariate index.

The following questionnaire items were selected as representing *organization perceptions*.

I would rate the overall quality of work being done in my organization as very good.

I feel a sense of pride working for this organization.

This organization has high ethical standards.

Innovation is one of the most important values in this organization.

Because of the rules here, promotions are based mainly on performance.

Our clients seem quite satisfied with the performance of this organization.

In addition to these four-point scale items, respondents were asked to assess the level of their organization’s red tape and this variable, too, is included in

the factor analysis. The red tape variable was in response to the following questionnaire item (the scale is also included below):

If red tape is defined as “burdensome administrative rules and procedures that have negative effects on the organization’s effectiveness,” how would you assess the level of red tape in your organization? (Please circle the appropriate response.)

Almost No Red Tape	Great Deal of Red Tape
0 1 2 3 4 5 6 7	8 9 10

The following questionnaire items were selected as representing perceptions of the fellow employees. The items chiefly involve trust and risk-taking. Again, they are measured in terms of the same four-point Likert-type scale.

Employees in this organization are afraid to take risks.

Top management displays a high level of trust in this organization’s employees.

Top management in this organization is afraid to take risks.

Table 3 shows the results for the maximum likelihood factor analysis of the above items. We refer to the resultant dimensions as *organization perceptions* factor. Since we were not confident of the dimensional properties of the above variables, we employed them in the same factor analysis, expecting that the results would perhaps yield two dimensions, one regarding general views about the organization, the other about fellow employees. However, the factor structure was not what we had anticipated. Only one factor dimension was extracted (at the conventional one eigenvalue specification) and, as a result, no rotation was performed. In light of this result, we ran another factor analysis, this time using a principle components specification (more appropriate to a single-factor solution) and calculated factor scores. The results are in Table 3.

In the section below, we estimate ordinary least squares (OLS) regression equations for each of the two dependent variables with each of the two primary independent variables (*religious* and *political*).



**Table 3.** Factor Loadings Matrix for “Organization Perceptions.”

Questionnaire Item	“Organizational Perceptions”
Pride in organization	.735
High ethics in organization	.777
Innovation important in organization	.727
High organizational red tape	-.616
Promotion performance-based	.622
Clients satisfied with organization	.613
Top management trusts employees	.776
Employees risk averse	-.562
Top management risk averse	-.590
Eigenvalue	4.17
Cumulative variance (%)	45.3

Note: Cronbach alpha = .710.

## RESULTS

As a first step, we present the zero-order correlations between our dependent variables, *security* and *organization perception*, and our focal independent variables, *religious* and *political*. Our expectation was that the introduction of control variables in the multiple regression analysis would substantially attenuate these results (but would not render them entirely spurious). We do not show the correlation between our two primary independent variables (the relationship is not statistically significant at  $p < .10$ ). Table 4 presents the correlation results.

In each case, the correlation between the primary independent and primary dependent variable is significant and, interestingly, the *religious* and *political* variables have different signs. Just from the zero-order correlations, it seems that those respondents who are members of religious organizations have a stronger orientation to security motivations and a more positive view about the organization and its employees; results for those who are members of political organizations show the reverse pattern, a lesser orientation to security motivations and a less positive view about the organization and its employees.

Given the relatively small magnitude of the correlations, it seems plausible that the introduction of the controls would reduce the associations, perhaps substantially. For example, if family status, religion, and security all co-vary, it is possible that introduction of family status variables will diminish the apparent relationship between *religious* and *security*.

**Table 4.** Zero-Order Correlation for Independent Variables with Dependent Variables.

Independent Variable		Security Factor	Organization Perception Factor
Religious	Pearson's <i>r</i>	.088*	.172**
	Significant	.015	.000
	<i>N</i>	765	751
Political	Pearson's <i>r</i>	-.074*	-.116**
	Significant	.041	.001
	<i>N</i>	765	751

\*Correlation is significant at the 0.05 level (2-tailed).

\*\*Correlation is significant at the 0.01 level (2-tailed).

**Table 5.** OLS Regression Results for Independent Variables and Security Factor Dimension (Dependent Variable).

Independent Variables	Unstandardized Coefficients			<i>t</i> -Value	<i>p</i> -Value
	B	Std. error	Beta		
(Constant)	-.015	.115		-.128	.898
Religious	.380	.115	.188	3.301	.001
Political	-.101	.121	-.036	-.837	.403
Total civic activities	-.059	.028	-.099	-2.087	.037
Minority	.083	.091	.036	.905	.366
Married or partner	-.026	.089	-.012	-.288	.774
Dependent children	-.024	.033	-.031	-.741	.459
Number of employees supervised	7.372	.000	.007	.177	.859
State	.094	.143	.054	.657	.511
Interaction: State-religion	-.302	.164	-.170	-1.837	.067

$R^2=.030$ , Adj.  $R^2=.016$

The initial regression model is presented in Table 5. These results are for the full model examining the relationship of *religious* and *security factor dimension*, with the controls specified above. (We estimated a model with the *advancement* factor as dependent variables, but the results were so similar, but with opposite signs, to the security variable that we do not report the results. However, these results are available from the authors.)

These results show that the magnitude of the relationship between *religious* and *security* remains relatively small but is not diminished by the introduction

**Table 6.** OLS Regression Results for Independent Variables and Organization Perception Factor Dimension (Dependent Variable).

Independent Variables	Unstandardized Coefficients			t-Value	p-Value
	B	Std. error	Beta		
(Constant)	-.561	.122		-4.597	.000
Religious	.087	.122	.038	.714	.476
Political	-.348	.127	-.111	-2.748	.006
Total civic activities	.018	.030	.026	.589	.556
Minority	.205	.097	.080	2.113	.035
Married or partner	.103	.096	.042	1.080	.281
Dependent children	.014	.035	.016	.403	.687
Number of employees supervised	.002	.001	.141	3.798	.000
State	.416	.152	.208	2.745	.006
Interaction: State-religion	.220	.174	.109	1.264	.207

$R^2=.160$ , Adj.  $R^2=.148$

of the control variables. The beta for *religious* is .188 ( $p < .001$ ), compared to the equivalent zero-order correlation of .088. The fact that the fully specified model elevates the beta beyond the magnitude of the correlation coefficient suggests the possibility of spurious suppression (especially since the marital status and parental status variables are not significant in the equation).<sup>4</sup> Among the controls, only *total civic* is significant at the .05 level or greater. It is important to note the impact of an interaction variable, the interaction of religion and state. The variable is approaching the conventional significance level of .05 and, moreover, its introduction has the effect of providing a modest increase in the beta for *religious*. The interaction suggests that *religious* and *security* are related for the whole population, but that the Georgia (coded "1") sub-group has a stronger association than the Illinois subgroup. Whereas the predictive power of *religious* is elevated in the regression model (compared to the correlation model), the magnitude of *political* is sufficiently diminished (beta = -.036) that it is no longer statistically significant.

The regression results for *religious* and *political* for the dependent variable *organization perception factor dimension* are presented in Table 6.

The results for the variable *organization perception* are subject to some important state effects. In an equation (not shown) identical to the one in Table 6, but without the variable interacting *state* and *religious*, *religious* respondents are somewhat more likely to have positive views about their

organization and their colleagues ( $\beta = .081, p < .049$ ). However, the introduction of the interaction variable has the effect of sharply diminishing that relationship to the point that it is not statistically significant ( $p < .476$ ). Persons who are members of *political* organizations are much more likely to have unfavorable perceptions of their organization and their colleagues ( $\beta = -.111, p < .006$ ).

Unlike the previous model, many of the control variables are significant. Specifically, more favorable attitudes about the organization and colleagues tend to be associated with minority status, number of people supervised, and being a State of Georgia employee.

## DISCUSSION

The chief findings from our study are simple enough. First, public managers who are affiliated with a church or other religious organizations tend to have a somewhat stronger concern about security motivation. Second, public managers who are members of political organizations have less positive views about their organizations and their co-workers. These findings stand up when obvious controls are introduced into multiple regression models.

Regarding the finding that political public managers are less satisfied with their organizations, it is important to note that they are dissatisfied only relative to other respondents. Being dissatisfied is not common among the public managers we study. For the public managers examined here, 85.4% report being satisfied with their jobs. For each of the individual items (trust, client satisfaction, ethical organization, and so forth), a solid majority reports a positive perception. Just to provide some perspective, the [Conference Board \(2003\)](#) reports that only 47.2% of American workers say they are satisfied with their jobs and, even among those earning more than \$50,000, the job satisfaction rate is only 53.2%.

In our study dissatisfaction is quite unusual and disproportionately among the politically affiliated. What does this mean? In the first place, it is not surprising that public managers in our sample are generally happy with their jobs, their co-workers, and their organization. After all, this is a sample of middle-level and above personnel, meaning that their pay and work challenge is in the upper quartile, at least, of U.S. citizens.

Why are the politically affiliated *less* satisfied? We cannot from this data establish the cause of the relative dissatisfaction, but we can speculate from the empirical results. Possibly political activity is an expression of dissatisfaction with the organization or the status quo and, thus, it is the

dissatisfaction that leads to external political activity. Possibly, political activity is related to theoretically important omitted variables such as ideological intensity or some other personal attribute. It is possible that those who are politically active have a “bigger world,” either psychologically or socially, and have better basis for comparing their organization to others. Possibly, people who have an affinity for political organizations are more likely to define the world, including their own organization, in terms of political conflict, bargaining, and negotiation, entailing few absolutes. This may lead to a more nuanced view of the organization.

In considering the findings about religion, it is important to remember that there is not enormous variance. Most people in the sample are members of churches or other religious organizations. Only a little more than a quarter of respondents did *not* report membership in a church or religious organization. Most people in the sample are security-conscious. Even among those who are not members of religious organizations, security motivation remains important (just not quite at the level of their church-going colleagues).

While the findings about religion and security are modest, they are likely valid. Generally, the persons in this sample who report being a member of a religious organization are very much like the ones who report that they are not. They are nearly identical with respect to distributions on such demographic attributes as marriage, children, age, gender, citizenship, and work experience.<sup>5</sup> In short, selection effects, endogenous relationships, and omitted variables provide no obvious answer about the differences between the religious and those who are not. Quite likely there is simply a profound difference among public managers – the religious and the non-religious – on a wide range of attitudes.

One interesting finding is the one pertaining to minorities. It seems plausible that minority public managers might have more positive views about their organization if they also tend to view the public sector as an especially welcoming environment for minorities. Our survey results show that minority public managers do, indeed, have a more favorable view about the public sector as promoting minority opportunities and, as one might expect, receptivity to minorities is an important job motivation. In the case of number of people supervised, those in the upper echelons of the hierarchy (correlated with number supervised) are often more likely to have a positive view of the organization because to some extent they are validating their own performance and entitlement. What is not quite so evident (at least from our data) is why working in Georgia rather than in Illinois would have an effect on organizational perspectives. We found, during the course of our study, that pay and position freezes had been in place in Illinois during the time of

the data gathering and in two preceding years. From open-ended responses we received, it was clear that this had engendered a great deal of bitterness. Quite possibly, this bitterness spilled over into generalized perceptions of working, including one's own organization and one's colleagues.

## CONCLUSIONS

Let us close by noting the major limitations of our study and, related, possibilities for future research. First, it is beyond the purview of this study to determine the relationship between our two major dependent variables and management performance. We do not know that people who have more favorable attitudes about their organization are better workers, nor can we surmise that those who are security-oriented have poorer performance. On both these accounts there is ample literature and the findings are inconclusive. Second, as we mentioned above, our predictor variables are extremely modest ones. Knowing that someone is a member of a church, synagogue, or mosque simply does not tell us enough about his or her religiosity. While it is certainly not easy to develop more extensive indicators for public managers' religiosity, that is nonetheless a vital next step for sorting out these preliminary findings. Similarly and more easily accomplished, it will be useful to examine political behaviors of public managers, not just political memberships. There are several related studies that already do this. Finally, our study is limited by its method-mailed questionnaires. While we feel that a major contribution of our study is simply to develop large sample data about public managers' religiosity, a yawning gap in the literature, it is nonetheless the case that this study's objectives require a multi-method approach, especially the combining of aggregate data analyses of the sort we provide here with in-depth interviews. Many of the puzzles we have set for ourselves in this analysis can likely be elucidated with such a combination of methods.

Thus, our chief prescription for future research is a simple one: develop more and better data than we were able to employ here. This study was based on data originally developed for other purposes and, thus, included only the most minimal information on religion. The fact that even this minimal information about church membership helped predict differences among a set of demographically homogenous public managers, should encourage researchers to develop richer data and deeper studies of the relation of public managers' religious views and activities to their work lives.

## NOTES

1. The data are drawn from the National Administrative Studies Project-III.
2. These include: "Professional societies, trade or business association, or labour union," "Service organizations such as Rotary or Lions," "Youth support groups (e.g. Girl's and Boy's Club, Little League Parents Association)," "Neighbourhood or homeowners associations PTA, PTO, or school support groups," "Groups sports team or club (e.g. softball team, bowling league)," and "Other."
3. It would have been useful to be able to distinguish between "married" and "domestic partner." However, these categories were taken together in the original questionnaire after a pre-test indicated essentially no domestic partners. Unless the sample is completely different from demographic results for the U.S., at least some of the respondents should have had domestic partners. We attributed this failure to identify domestic partners as a socially desirable response artifact and, thus, collapsed to two categories so as to have a 'safe' means of respondents indicating domestic partners.
4. In most instances of possible spurious suppression a next step would involve introducing interaction effects into an otherwise identical question. This is not possible here because religion is a dummy variable and the interaction variable would be interval with real zeroes. Thus, the result for multiplying religion with number of children would be the same for those who are not religious and have no children as for those who are not religious and have 10 children; in both cases the product would be zero.
5. This is according to a differences of means *t*-test, not reported here, but available upon request from the authors.

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## APPENDIX. THE NASP-III STUDY APPROACH

Sampling was from the population of public managers in the states of Georgia and Illinois. The population of managers in Georgia was drawn from the Georgia Department of Audits (DoA) comprehensive list of state employees who were on state agency payrolls during the 2003/2004 fiscal year. We removed employees at technical colleges, commissions, authorities, the office of the governor, and institutions from the judicial or legislative branch. In addition, we removed employees at institutions with less than 20 employees. The population included any job titles coded as "director" "coordinator" "officials or manager" and "professionals" under the pay grade of 017 and all individuals with a pay grade of 017 or higher. The resulting population included 6,164 Georgia managers.

The population of managers in Illinois was developed through a Freedom of Information Act request for a list of all state employees designated as either "senior public service administrators" or "public service administrators." This list included information on 5,461 state employees, including name, agency, and county.

### *Survey Administration*

We selected a sample of 2,000 managers (1,000 from Illinois and 1,000 from Georgia). The survey administration included a pre-contact letter, Wave I survey with letter, follow-up postcard mailing, Wave II mailing, follow-up contacts by phone call and email, and a final Wave III mailing. The survey was closed January 1, 2006.

### *Public Sector Returns*

	Wave I	Wave II	Wave III	Grand Total
First date received	July 20, 2005	September 14, 2005	November 18, 2005	
Last date received	Jan 19, 2006	Feb 20, 2006	Jan 31, 2006	
Total	549	135	111	797
Male	317	69	57	443
Female	229	63	54	346
Georgia	293	74	67	434
Illinois	256	61	44	361

*Response Rates*

Although we began with a sample of 2,000 respondents, our sample was reduced by respondents who were retired (16 cases) and no longer working for the agency (131 cases).

		Responses
<i>N</i>	Total	2,000
	GA <i>N</i>	1,000
	IL <i>N</i>	1,000
Retired not at address	Total	147
	Retired GA	88
	Retired IL	59
Reduced <i>N</i> (RN)	Total	1,853
	GA RN	914
	IL RN	939
Responded	Total	787
	GA responded	431
	IL responded	356
Response rate (RR) (%)	Total	42.47
	GA RR	47
	IL RR	38

# CHAPTER 6

## PUBLIC ADMINISTRATION MODERNIZATION: COMMON REFORM TRENDS OR DIFFERENT PATHS AND NATIONAL UNDERSTANDINGS IN THE EU COUNTRIES

Gerhard Hammerschmid, Renate E. Meyer and  
Christoph Demmke

### ABSTRACT

*In this chapter, we present results from an EU-wide survey on public administration reform. Our analysis shows that the 27 public administrations covered still organize their HR services very differently. Divergent structures, traditions, and paths taken do not seem to give rise to an overall shared new model of a European Administrative Space, yet. Different national traditions have a considerable impact on the modernization paths and the organization of HR decision-making structures and account for similarities between more related public administrations. The clusters based on the administrative traditions and*

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*on the HR systems proved to be helpful in outlining different patterns, but also revealed several directions for refinement.*

## 1. INTRODUCTION

During recent years, the question whether public administration governance is moving towards an increasing homogeneity of administrative structures, systems, and practices – often in connection with universalistic claims of managerialism and a New Public Management that furthers the spread of US or Anglo-Saxon models on a trans-national or global scale – or is continuously characterized by divergence resulting from different national traditions and development paths has become a central topic of discussion both, in academia (e.g. Czarniawska & Sevón, 1996; Brunsson & Sahlin-Andersson, 2000; Christensen & Lægreid, 2001a, 2001b; Osborne, 2001; Pollitt, 2001; Featherstone & Radaelli, 2003; Pollitt & Bouckaert, 2004; Hammerschmid & Meyer, 2005; Kickert, 2005; Mangenot, 2005; Demmke, 2006; Olsen, 2006) as well as the administrative practice (e.g. the Minister Meeting in June 2005). In the European context, this discussion is often linked to ideas of an emerging “European Administrative Space (EAS)” – a concept that is usually understood as the gradual convergence of administrative structures, processes, and values towards a common European model. The idea of such a European-wide convergence is driven by a variety of forces, such as common legislation, a European *acquis communautaire*, ongoing interaction amongst civil servants and politicians at EU level fostering common understandings, as well as international reform trends often promoted by supranational institutions like the OECD.

The notion of an EAS has led to interesting and controversial discussions with regard to convergence and divergence. While (at least for some time) international organizations observed a growing convergence in administrative structures and processes, public administration experts have been more skeptical. They point to the importance of national specificities and of different administrative cultures and traditions (e.g. Sahlin-Andersson, 2001; Pollit & Bouckaert, 2004; Kickert, 2005; Olsen, 2006) that make public administrations a unique, path-dependent product of histories, and local traditions. In a recent article, Kickert (2005) argues that the distinctive historical-institutional backgrounds of European states and administrations do not only affect the form and content of their administrative reforms, but also the style of scientific research into public management. As a

consequence of this distinctiveness, global trends as well as European rules and guidelines are interpreted and “translated” (Sahlin-Andersson, 1996) into and adapted to the national or local contexts. This results in considerably varying paths of public management reforms among Western states despite shared labels and rhetorics. The OECD, which, in the past, has been one of the main witnesses of “universal trends” of public administration modernization, has taken up this thread and, in its most recent publications, has started to underscore diversity and the relevance of context. The 2005 report “Modernising Government – The Way Forward” concluded that “Modernisation is dependent on context” and that “there are no public management cure-alls” (2005, p. 13). In a similar vein, Olsen (2006, p. 13) argues for Europe that “neither have the internal market, common legislation, and intense interaction among the public administrations produced structural convergence (...). Member States continue to organise their administrations differently both at home and in Brussels.”

However, looking at the reform agendas of the European countries, there can be no doubt that, throughout the last two decades, public administration modernization has been characterized by similar reform efforts strongly related to the NPM doctrine and, more recently, to good governance as guiding ideas. Both are multi-faceted phenomena that cover a wide variety of different, sometimes contradictory reform initiatives under one label, which means that quite different actual modernization agendas might be embraced under their umbrella. Despite the differences, one of the almost ubiquitous features of such reforms has been what has been referred to as the “autonomisation of public organizations” (Kickert & Beck Jørgensen, 1995, p. 499): the decentralization of authority/responsibility and the increase of management autonomy – especially through agencification – with the aim to improve performance (e.g. Peters, 2001; Pollitt & Bouckaert, 2004). Highly centralized, hierarchical organizational structures have increasingly been replaced by decentralized management environments, where decisions on resource allocation and service delivery are made closer to the point of delivery. Competencies have been devolved from central government-wide units to individual ministries and managers and organizational units are given greater freedom in operational decisions. Yet, as Bouckaert and Peters (2004, p. 23) note, autonomy is a relational term. Thus, increased autonomy for one actor may result in reduced autonomy of other actors, more autonomy with regard to specific tasks may entail less with regard to others. In addition, decentralization and decision-making autonomy is potentially undermining democratic control and has also led to debates about its impact on accountability of those who govern to elected

bodies (e.g. Deleon, 1998; Christensen & Lægreid, 2001a; Gregory, 2003; Bovens, 2005). Thus, the quid pro quo for additional autonomy seems to be more stringent accountability for performance and enhanced central control, often leading to simultaneous movements of operational decentralization and strategic centralization and resulting in complex trade-offs. The OECD regards the alignment of these main themes of public administration as a core challenge of current public management reform. In the 2005 report, "Modernising Government" it was stressed that the "challenge is to maintain control in systems that are more delegated, with more autonomous agencies and third party providers" (2005, p. 12). Finding the appropriate balance between centralization and decentralization as well as accountability can therefore be considered central concerns of public administration research and practice and as perennial tensions of public governance also being reflected in a fundamental contradiction within the NPM doctrine. As Pollitt and Bouckaert (2004, p. 145) point out, it "holds not only that decentralization is good, and letting/making managers manage is good, but also that political control and accountability need to be strengthened." A key question of public administration, thus, concerns how public administration and governments can find an appropriate balance between the simultaneous demands of decentralizing responsibilities and controlling requirements to secure accountability, avoiding abuse and mismanagement, and not losing coherence of strategy. As a consequence, many countries have put efforts to secure and even strengthen political and administrative control and accountability as well as policy coherence, both core elements of good governance as put forward by the European Commission (White Paper on European Governance adopted in 2001).

Although we observe common overall modernization issues and resulting challenges, this does not necessarily entail that this leads to a convergence of administrative arrangements as they might be translated quite differently into the national contexts. On an empirical level, questions related to a shared EAS remain largely unanswered. There is a shortage of European-wide comparative empirical research regarding the question whether divergent traditions and administrative cultures remain relevant for the reforms and arrangements chosen or whether they are increasingly disappearing along the path of European integration. In our chapter, we will try to address these questions with regard to specific aspects. We are firstly interested in analyzing if the reform agendas, initiatives, and trajectories in the EU countries are characterized by common priorities and patterns, but also in outlining differences between them. Further, we look more closely into the decentralization and accountability issue. Thereby, we focus on the arrangement of HR

decision making, an area in which previous research has observed a trend towards an increasing decentralization (e.g. Yilin, Ingraham, & Bretschneider, 2000; Selden, Ingraham, & Jacobsen, 2001; Shim, 2001; Whittaker & Marchington, 2003; OECD, 2004; Cogburn, 2005; UK Presidency of the EU, 2005). A traditional form of centralization refers to the regulation and management of HR competencies at the level of central government within a central body (e.g. the Ministry of Finance, the State Chancellery, or a Ministry for Public Administration being in charge of the remuneration structure and pay for all civil servants) as opposed to decision-making competencies within the individual line ministries. In more detail, in this chapter we are particularly looking for the degree of distribution of responsibility and decision-making authority between such central government-wide HR bodies on the one hand and ministers or central units within the line ministries on the other. Finally, we will ask how European public administrations are trying to find an appropriate balance between the simultaneous demands of decentralizing responsibilities and satisfying central co-ordination and control requirements. Again, we focus on central HR coordinating units, which can be expected to play an important role both in processes of decentralization and securing political control and accountability. In addition to the results from the individual EU public administrations, for all these aspects, we ask for the extent to which similarities and differences among the countries are rooted in institutional contexts stemming from different historical traditions and administrative cultures as well as from different HR systems.

## **2. EMPIRICAL DESIGN**

The study is based on a recent EU-wide comparative analysis among HR experts at federal/central government level.<sup>1</sup> It encompasses central (federal) public administration in the EU Member States, the Accession States Bulgaria and Romania, as well as the European Commission. A questionnaire was sent to the members of the EPAN Human Resources Working Group with representatives for all these countries. It included 20 (open and closed) questions with the option to comment on all questions and answers verbally. The questionnaire focused on emphases and initiatives in public administration modernization, the decentralization/centralization of public administration, forms, initiatives and trends in accountability, and future perspectives for HRM. We received replies from all 25 EU Member States, the EC, and the two Accession States; several



countries submitted additional material that was also included in the analysis.<sup>2</sup>

In this study, we have not engaged in the discussion on components and characteristic elements of public administration cultures (see e.g. Schedler & Proeller in this book), but have instead drawn on different European public administrative traditions and the overall orientations of the HR system to address the question of diversity versus homogeneity.

The significance of different state and public administrative traditions, such as the classic juxtaposition of continental, state-based systems on the one hand and Anglo-Saxon common law systems on the other, is widely used in comparative administrative research (e.g. Hood & Peters, 1994; Knill, 1998, 2001; Christensen & Læg Reid, 2001b; Pollitt & Bouckaert, 2004; Kickert, 2005). In detail, we clustered the 27 participating EU Member and Accession States as shown in Table 1.

A national public administration culture is being reflected in various orientations, structural features, and practices. The predominant type of the civil service system can be regarded as one central manifestation. As the focus of this study is on HRM, we were also interested in the impact of these orientations on similarities and differences in our results. We followed the OECD (2005) distinction of two main ideal type models of public service employment having impact on a country's public administration culture.

- (a) *Career-based systems* characterized by the dominance of life-long public service careers, specific criteria for initial entry, a strong emphasis on

**Table 1.** Public Administrative Traditions.

Public Administration Tradition	
Anglo-Saxon tradition	Ireland, Malta, UK
Continental European tradition	Austria, Belgium, France, Germany, Luxembourg, the Netherlands
Mediterranean/South European tradition	Cyprus, Greece, Italy, Portugal, Spain
Scandinavian tradition	Denmark, Finland, Sweden
Transition countries	Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia

*Note:* As the EC combines elements from various traditions (especially the Continental European and the Anglo-Saxon tradition), we refrained from adding the EC to one of these clusters.

**Table 2.** HR Systems.

HR System	
Career-based HR system	Austria, Belgium, Bulgaria, Cyprus, Czech Republic, France, Germany, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Portugal, Romania, Slovakia, Spain, EC
Position-based HR system	Denmark, Estonia, Finland, Malta, the Netherlands, Sweden, UK
Different categorization	Italy, Poland, Slovenia

career development with a high relevance of seniority, and a relatively strong differentiation between private and public sector employment; they tend to promote collective values and show a weaker emphasis on individual performance and accountability.

- (b) *Position-based systems* characterized by a focus on selecting the candidates for each position, more open access, and a higher mobility between private and public sector employment; they tend to have weaker cross-government values but stronger links across levels of hierarchy and status as well as a stronger focus on individual performance assessment.

Current reform trends show that pure career or position models do not exist (e.g. Demmke, 2004; OECD, 2005). Rather, as is generally the case with ideal type models, there seems to be a clear trend towards blurring the systems. Thus, instead of clear-cut categories, the clusters used in this article (see Table 2) are to be understood as reflecting stronger characteristics of one of the two systems.

### 3. DIFFERENT NATIONAL PRIORITIES OF PUBLIC ADMINISTRATION MODERNIZATION

A very broad number of public management reform topics have been promoted in the past under different labels whereby especially “new public management” and “good governance” have become highly influential umbrella terms. Of the public management reform topics included in the study, at a first glance, in the EU public administrations, e-government currently seems to be by far the most influential. It is regarded as highly relevant or relevant topic in 19 countries and nearly all respondents report

major e-government initiatives. Besides e-government, efforts to strengthen accountability and customer orientation as well as reforms related to good governance seem to be high on the current public management reform agenda in Europe. The overall picture indicates that good governance (and related topics like open government, accountability, ethics/code of conduct) has complemented, if not superseded, NPM (and related topics, such as market-type mechanisms, private sector involvement, performance management) as most influential orientation for public administration modernization. We find a positive relation between good governance, accountability, private sector involvement, and alignment of public and private sector employment. In contrast to OECD research (e.g. 2005), according to our respondents' assessments, the use of market-type mechanisms, private sector involvement (such as contracting out, public-private partnerships, or privatizations), and the alignment of public and private sector employment seem to be of only minor relevance. With regard to decentralization, all 27 countries plus the European Commission report many initiatives; however, decentralization as such is not a central reform priority. Regarding the different dimensions of decentralizations – we distinguished administrative, political, HR, and budgetary decentralization – with an overall average of 3.3 on a 6-digit scale, HR decentralization is of relatively low relevance compared to other dimensions of decentralization (2.9 for administrative, political, and budgetary decentralization) but especially compared to other reform issues. Only in Sweden, Denmark, Bulgaria, Estonia, France, Greece, Poland, and Spain, the issue of HR decentralization is regarded as highly important, while it is of very low relevance in Belgium, Cyprus, Czech Republic, Luxembourg, Portugal, Slovakia, and the UK. Considering all dimensions of decentralization, the topic seems to be given a high overall relevance in Austria, Bulgaria, Denmark, France, Hungary, and Sweden, and only a low overall relevance in Cyprus, Czech Republic, Luxembourg, Portugal, and Slovenia. Regarding administrative decentralization through the creation of arm's-length bodies separate from ministries with significant autonomy, often referred to as "agencies," according to our survey apart from Cyprus, Czech Republic, Greece, and Spain, agencies have already been introduced in all countries as well as the European Commission. However, in spite of such decentralization initiatives, for the majority of public administrations HR policies are still a highly regulated area.

Fig. 1 shows the average assessment of the relevance of various modernization issues and points to some interesting differences and similarities between the different administrative traditions. As shown, apart from e-government, accountability, and customer orientation that are high

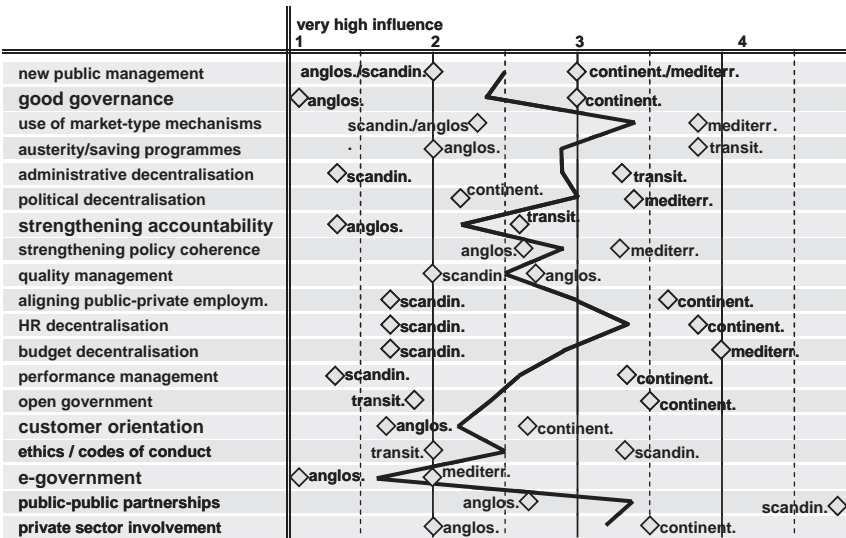


Fig. 1. Different Priorities of Public Management Reform in Europe.

on the agenda in all traditions, the relevance of the other reform topics considerably varies making it difficult to speak of EU-wide “common” trends. Continental European as well as transition countries seem to be more skeptical towards modernization issues, especially towards the alignment of public and private sector employment, HR decentralization, open government, performance management, market-oriented reforms, and new public management in general. However, in these countries political decentralization seems to be of significantly higher relevance. For Mediterranean countries, good governance has a much higher relevance than in the other traditions (except the Anglo-Saxon), while, similar to Continental European countries, new public management, market-oriented reforms as well as budget decentralization are only of little relevance. Scandinavian and Anglo-Saxon countries show considerable similarities regarding the high priority given to topics, such as new public management, good governance, market-type mechanisms, austerity, administrative and budget decentralizations, performance management, and private sector involvement, but show also considerable differences regarding the relevance of HR decentralization and public-public partnerships (in both traditions, considerable HR decentralization efforts have already taken place in the past). For transition countries, open government related reforms are of

top priority whereas decentralization, market-oriented mechanisms, and austerity/savings play a minor role compared to other countries.

Whether a public administration is characterized by a predominantly career- or position-based HR system has also an impact on its modernization agenda. Position-based public administrations seem to assign a higher relevance to most public modernization topics, especially market-type mechanisms, administrative decentralization, HR decentralization, and private sector involvement. In addition, performance management plays a much higher role in these countries. Career-based public administrations seem to be characterized by a considerably higher tendency to stick with the traditional bureaucratic-hierarchical and legal system of public administration. However, ethics/codes of conduct, public-public partnerships, and quality management are reform issues that are of high importance here.

#### **4. CENTRALIZED AND DECENTRALIZED DECISION MAKING IN HUMAN RESOURCE MANAGEMENT**

As we have briefly mentioned in the introduction, decentralization and autonomy are multidimensional phenomena whose various dimensions do not always add up but can be complementary, neutral, or even contradictory to each other (e.g. Bouckaert & Peters, 2004; Pollitt, 2005). The respondents to our study reported a very broad spectrum of HR decentralization initiatives. A closer look on the specific initiatives put forward as HR decentralization reveals quite different reforms being pursued under the same label. We have differentiated three types of HR decentralization currently being followed in European public administrations.

- (1) *Horizontal HR decentralization* in form of devolving HR competencies and decision-making authority from government-wide HR units (e.g. within the Ministry of Finance, the State Chancellery, or a Ministry of Public Administration) to the single ministries and agencies. Such reform initiatives have been reported by Austria, Hungary, Ireland, Malta, Poland, Spain, Sweden, UK, and the EC.
- (2) *Vertical HR decentralization* in form of devolving HR competencies and decision-making authority from higher to lower hierarchical levels and thereby giving an increasing amount of discretion in personnel management to line managers as demanded by the NPM philosophy.

- Reform initiatives belonging to this type were reported by Belgium, Denmark, France, Italy, and Sweden.
- (3) *Regional HR decentralization* in form of re-allocating staff to peripheral regions. Regional reform initiatives were reported by Greece, Ireland, and Sweden.

Decentralization is a concept that is difficult to measure empirically (e.g. Peckham, Exworthy, Powell, & Greener, 2005, or for HR decentralization: Donahue, Jacobson, Robbins, Rubin, & Selden, 2004). Taking into consideration potential different understandings and starting points, we refrained from using the respondents' or our own assessments regarding the countries' status. Instead, in order to gauge the degree of horizontal decentralization, we asked for the involvement (main involvement, minor involvement, no involvement) of central government-wide units, line ministers, and central units within line ministries in typical HR decision-making situations *within* core administration and agencies (15 decision-making situations) and with regard to the steering and control of agencies (six situations; for a list of decision-making situations, see the appendix). In addition, we included the involvement of trade unions and staff representatives.

In this chapter, we focus on the results regarding horizontal HR decentralization and analyze whether these issues are decided by a central HR body and/or a specific unit that is responsible for HR policies government-wide or are delegated to the single ministries – a further tendency in HRM identified by the OECD in its 2004 report on HRM as well as in a report prepared in 2005 under the UK Presidency of the EU.

#### *4.1. The Role of Central Units and Line Ministers*

Not surprisingly, none of the 27 countries and the European Commission has either completely centralized or completely decentralized HR systems. Overall, we find that despite the great number of decentralization initiatives, central units, both government-wide and within line ministries, still play a major role in the HR decision-making issues covered as in many countries a relatively high number of these issues are decided for the whole public administration or whole ministries. However, there is no uniform decentralization model and the solutions chosen to organize HR services are multiple.

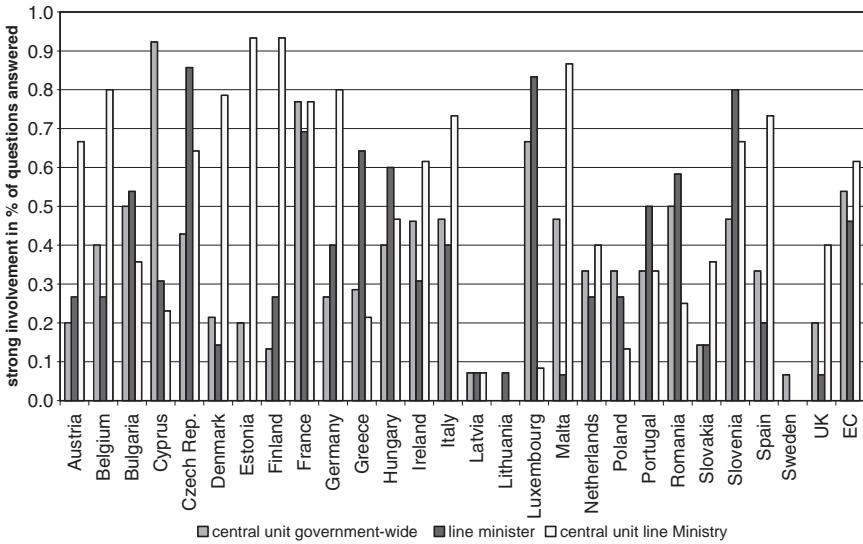


Fig. 2. Involvement of Central Units and Line Ministers in HR Decision Making.

On the country level, the public administrations differ greatly in the extent to which central HR bodies and line ministers are involved (see Fig. 2). In the Swedish model, the responsibilities for the tasks we covered in this study have been mostly transferred to the agency or organizational level. Other countries, for example France, Cyprus, and Luxembourg have a system with a relatively high number of HR issues decided for the whole public administration, while Lithuania, Latvia, Finland, and also Slovakia do not make use of such government-wide bodies to a great extent. Especially Estonia, Finland, Malta, Spain, Belgium, and also Austria, Italy, the Czech Republic, Slovenia, or the EC have central HR coordinating units within the individual ministries with far reaching competences. However, in Greece, Luxembourg, or Poland ministry-wide HR units are not endowed with many responsibilities. Similarly, the involvement of the line ministers varies greatly: They are strongly involved in more than 80% of the issues covered in the Czech Republic or in Luxembourg, while in less than 10% in the UK, Sweden, Latvia, or Malta. Further, it seems important to note that the involvement of the three types of actors do not supplement each other: We find a low involvement of all three, e.g., in Sweden, and high of all three, e.g., in France.

When clustered into the different administrative traditions and HR systems, interesting similarities and differences are shown (see Fig. 3). While Anglo-Saxon and Scandinavian countries share the relatively strong involvement of ministry-wide coordinating bodies and the low involvement of the ministers themselves, they differ with regard to government-wide bodies. It also becomes clear that countries with position-based HR systems are mostly from these two traditions. In addition, when comparing the three Baltic states with the other formerly communist countries, it becomes evident that the cluster “transition states” is to imprecise and obscures more than it reveals: While the Baltic states resemble the Scandinavian countries, the other countries from this cluster show a distinctively different picture that is much closer to the Continental European tradition. Moreover, on comparing Figs. 2 and 3, differences within the traditions become apparent: For instance, Germany, the Netherlands, and Luxembourg all belong to the Continental European tradition, but have quite different arrangements with regard to HR decision making. Similarly, Sweden on the one hand and Finland and Denmark on the other engage the actors in question in our study to very different degrees. Thus, the two figures point to the explanatory strength of the administrative traditions and HR systems, but also to their weaknesses.

Apart from the overall country and cluster results, it is interesting to look into the specific HR issues in question. And again, the individual countries and clusters differ considerably concerning their decision-making structures: For example, working time arrangements and head count reductions are issues in which central government-wide bodies play a relatively important role especially in the Continental and the Anglo-Saxon administrative traditions, while decision on head count reductions is, e.g., in the Baltic countries, but also in several Mediterranean countries (e.g. Italy, Greece, Spain) a responsibility of the individual ministries. However, in the Mediterranean countries issues of pay (basic and – if applicable – performance related) and training/development are subject to a government-wide decision making. Central coordinating units within ministries are particularly involved in decisions regarding new line manager recruitment, training and development, disciplinary procedures, employee dismissal (especially in career-based systems), altering task responsibilities, teleworking, headcount reductions (especially in position-based systems), and the relocation of staff due to structural reorganizations (especially in position-based systems). Continental countries (with the exception of Austria and the Netherlands) involve ministry-wide central HR functions in issues of performance-related pay, performance management, and line manager promotion.



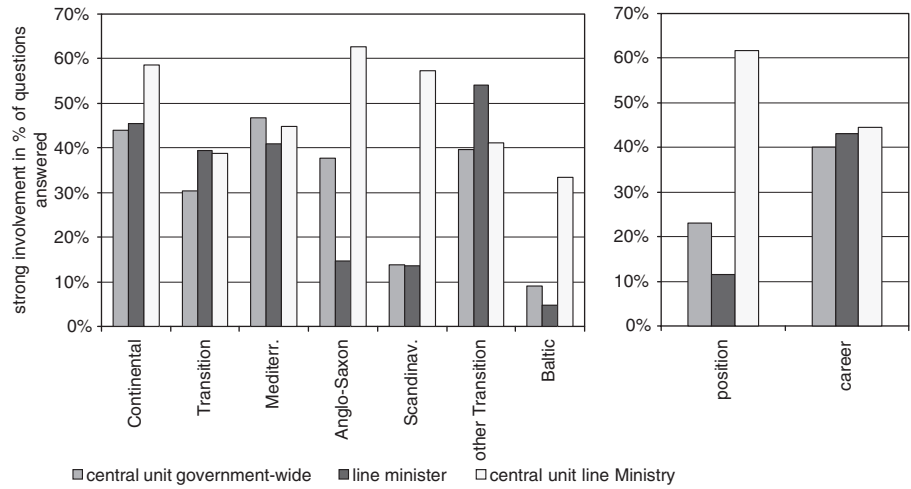


Fig. 3. Involvement of Central Units and Line Ministers – the Importance of Context.

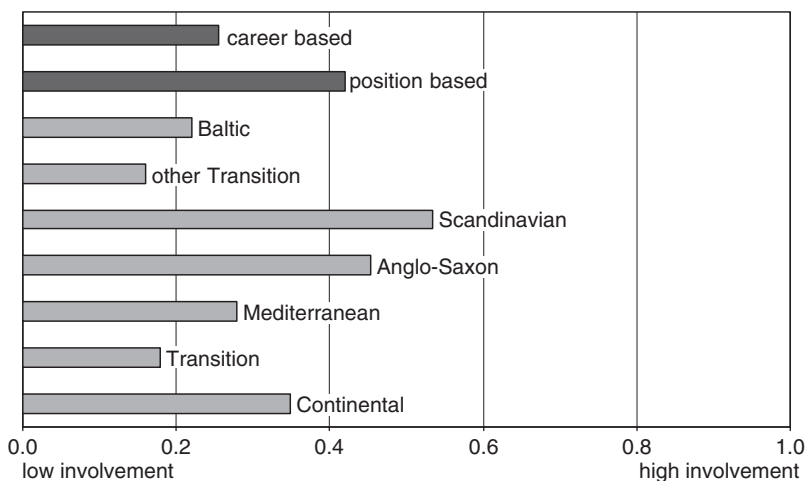


Fig. 4. Involvement of Trade Unions and Staff Representatives in HR Issues.

#### 4.2. The Involvement of Staff Representatives and Trade Unions

Staff and their representative organizations have a varying degree of influence on the formulation and implementation of public management reforms in the EU, both direct and indirect (Farnham, Honddeghem, & Horton, 2005). With regard to the HR decisions covered in this study, generally, Sweden, Belgium, Denmark, Germany, Ireland, or the UK involve the trade unions and/or staff representatives to a higher extent than, e.g., Czech Republic, Greece, Hungary, Latvia, Luxembourg, Poland, and Slovakia. Looking at administrative traditions and HR systems (see Fig. 4), somewhat surprisingly their involvement is higher in Scandinavian and Anglo-Saxon countries and lowest in the transition states. This is also reflected in trade unions and staff representatives having a greater say in decision making in position-based countries than in career-based countries.

#### 4.3. Decentralization of Managing and Controlling Agencies

A central modernization trend in most public administrations has been the creation of arm's-length bodies separate from ministries to deliver central government services. These bodies, mostly referred to as "agencies," are

often granted quite significant degrees of autonomy. There have been many claims about the benefits of organizing and delivering government in this way, but there has been little comparative research into how they are organized in practice. According to our survey, apart from Cyprus, Czech Republic, Greece, and Spain, all EU countries, the accession states and the EC have already made experiences with agencies. Several authors have pointed to the multidimensionality of agency autonomy and to the fact that autonomy may vary with regard to these dimensions (Pollitt, Talbot, Caulfield, & Smullen, 2004; Verhorst, Peters, Bouckaert, & Verschuere, 2004; Bouckaert & Peters, 2004; Christensen & Læg Reid, 2006). Thus, although agencies are often granted considerable autonomy in many operational matters, this might not be the case for more general, strategic, and policy-related issues.

In this chapter, we have been particularly interested in management and decision-making processes not only *within* governmental organizations and agencies, but also with regard to the management and control *of* agencies, particularly with regard to recruitment, gratification, and disciplinary procedures of agency top management. Again, the pathways taken on the level of individual public administrations to organize their agencies are multiple and differ greatly (see Fig. 5). Similarly, previous research (Pollitt et al., 2004) has found considerable evidence for extensive path dependencies regarding the structures and management of agencies in Europe.

In our study, the respondents differ especially in the extent to which either a central unit government-wide or a central unit within the respective line ministry is involved (correlation coefficient of  $-0.489$ ,  $p < 0.05$ ,  $n = 128$

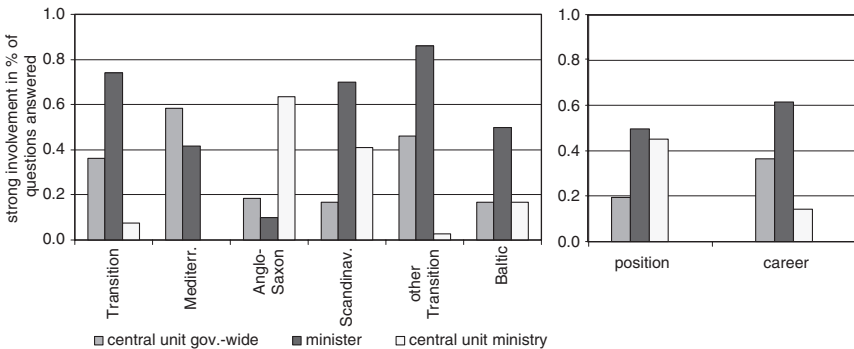


Fig. 5. Involvement of Central Units and Line Ministers.

**Table 3.** Involvement of Government-wide and Ministry-wide Central Units.

Task	Strong Involvement of Government-wide HR Unit	Strong Involvement of Ministry-wide HR Unit
Recruitment of agency management	Bulgaria, Estonia, Hungary, Luxembourg, Portugal, Romania, Slovenia, Sweden, EC	Austria, Estonia, Finland, France, Germany, Sweden, EC
Agency management compensation	Bulgaria, Estonia, Finland, France, Hungary, Italy, Luxembourg, Portugal, Romania, Sweden, EC	Germany, Malta, Sweden
Performance management	Estonia, Hungary, Portugal, Slovenia	Estonia, Finland, Hungary, Malta, Sweden, UK
Sanctioning management misconduct	Bulgaria	Austria, Denmark, Germany, the Netherlands, the UK
Dismissal of management	Bulgaria, Hungary, Luxembourg, Portugal, Romania	Austria, Denmark, Germany, UK

questions answered). With regard to HR systems, we find that career-based systems more strongly rely on a central government-wide unit while position-based systems tend to delegate the HR issues to the line ministries. However, again, our findings reveal considerable differences on the country level and with regard to different issues (see Table 3): For example, Hungary, Italy, Luxembourg, Portugal, Slovenia, the EC as well as Bulgaria and Romania have a relatively high number of issues decided in government-wide central units, while, for example, in Denmark, Malta, or the UK and in the two Continental countries, Austria and Germany, central units within the line ministries play a greater role. Belgium, France, Estonia share or split the responsibilities between the central units.

## 5. DECENTRALIZATION AND ACCOUNTABILITY

Accountability and the necessity to create new means for a democratic governance of more decentralized and autonomized organizations has been a main concern of public administration practice and research for a long time (see e.g. Christensen & Lægreid, 2001a; Peters & Pierre, 2003; Pollitt & Bouckaert, 2004). The OECD (2005) regards the modernization of

accountability and control as one of the “key public management policy levers” (p. 11), which has considerably changed over the past 15 years. Despite its broad reception and high relevance, the concept has been described as notoriously imprecise and a complex and chameleon-like term with varying understandings dependent on public administration history, culture, and political-institutional context (Mulgan, 2000; Thomas, 2003; Bovens, 2005).

Regarding content, addressee, and form of regulation in our study we distinguished among judicial accountability, political accountability, hierarchical accountability of a supervision, external accountability as well as compliance and performance accountability (e.g. Bovens & Massey, 1998; Bovens, 2005; Verschuere, Verhoest, Meyers, & Peters, 2006). *Judicial accountability* of public servants is a shared concept among all European countries and, according to the survey answers, generally comprises accountability under disciplinary law, under penal law, and civil law. *Political accountability* links public administration performance and activities to the legislative, which in turn is accountable to the electorate. It covers the obligation to provide answers and explain personal decisions, to give accounts for activities and performance, enquire into and remedy faults as well as repair deficiencies. Ministerial accountability is the prevailing form in most countries and generally extended so that the minister is politically accountable also on behalf of all public managers and public employees under his responsibility. In general, civil servants and public managers are not politically accountable. However, there are exceptions for top-level civil servants with a stronger political role as in France, Sweden, and Portugal. *Supervision* is the classical mechanism in traditional bureaucratic, career-based systems to secure accountability. The hierarchical concept with supervision (*Dienstaufsicht*) through higher-level administration authorities and binding instructions or directives (*Weisungen*) is an equivalent to political accountability. Related to this form of control and accountability, the development of ethics and codes of conduct (e.g. Denmark, EC, Finland, Ireland, Malta, Poland, Romania, Slovakia, UK) can be observed. They specify and provide a framework of standards of correct behavior that are expected from public officers beyond laws. They mostly cover independence, loyalty, and responsibility as central values of public administration. *External accountability* emphasizes the shift away from an accountability and control concept dominated by an assessment of administrative and internal actors to a concept of transparency towards public and external actors. Especially in decentralized systems, this form of accountability can secure the necessary checks and balances.

Regarding the content of accountability, a common distinction is made between more traditional *compliance accountability* (focus on rules and procedures to be followed) and *performance accountability* (focus on results), the first strongly related to judicial, political, and hierarchical accountability. In case of performance/managerial accountability, public sector employees and managers have to demonstrate and account for performance in the light of agreed performance targets. Contrary to traditional administrative accountability and its concern with monitoring the process by which inputs are transformed, the focus now lies on monitoring primarily outputs or outcomes.

As described in [Section 3](#), efforts to strengthen accountability are currently a main modernization issue in Europe. Fifteen countries, representing all public administration traditions, regard accountability as a reform topic with very high or high influence. Accountability initiatives tend to go along with reforms of performance management, budget decentralization, customer orientation, and good governance. According to the respondents' answers on the future relevance of different types of accountability (6-digit scale from 1 = very relevant to 6 = not relevant at all), the importance of performance and external accountability seems to increase, although the more traditional forms of political, hierarchical, and ministerial accountability are still the dominating forms, albeit with interesting variations between the different administrative traditions: Especially Continental European countries emphasize a shift towards performance accountability, while in the Mediterranean tradition, external accountability is given priority. In the transition states, judicial accountability seems to be the focus of current reform initiatives. With regard to HR systems, as expected, in position-based systems, performance accountability is more important than in career-based systems, the opposite being true for compliance and judicial accountability.

As outlined in the introduction, we were particularly interested in potential trade-offs or tensions between decentralization efforts and accountability and if so, how governments are trying to overcome them. In several open questions, the respondents were asked to assess the possibility of trade-offs, report on their experiences and respective initiatives, and means used to attend to potential problems. The findings reported below give the broad image of the responses.

While the respondents overall confirm the close relationship between decentralization and accountability and several countries (e.g. Estonia, Malta, Latvia and – to some extent – Germany and the Netherlands) explicitly acknowledge that decentralization causes accountability challenges, none reported difficulties and trade-offs that may not be overcome. However,

most countries see the need to secure accountability through specific measures that prevent any form of excessive discretion in HR issues. With regard to the question of how a potential trade-off can be reconciled, we find two different lines of argumentation: The framing as a control or supervision problem that may be overcome through the strengthening of hierarchy and/or control, or, alternatively, the framing as a management problem with the need to introduce adequate managerial structures and instruments. The concrete set of tools, instruments, and measures reported to be available to monitor and control decentralized managerial bodies and to secure policy coherence ranges from regulation, supervision (hierarchical controls, internal and external audits), and performance management instruments to networking and informal control, codes of conduct, and transparency measures.

As regards the actual choice of tools and instruments, we find evidence that career-based countries tend to focus on supervision or regulation, while position-based countries focus on managerial and performance instruments, such as performance agreements, targets, indicators as well as performance related pay. Continental countries seem to emphasize supervision combined with regulation; the Mediterranean countries strongly rely on regulation. The transition countries also focus on regulation, which is also reflected in new laws or amendments on personal policies reported from the Czech Republic, Hungary, Latvia, Poland, Romania, Slovakia, and also from Germany or Ireland. Scandinavian countries, on the contrary, report the establishment of management instruments as well as an emphasis on transparency and external accountability. Transparency initiatives can also be found in Finland, Greece, Ireland, Romania, and the EC. Belgium, Cyprus, Germany, Ireland, Latvia, Poland, or the EC put efforts in creating networks and other soft coordination means to strengthen accountability.

## 6. CONCLUSION

In this chapter, we have presented some results from an EU-wide survey on public administration reform that investigates whether similar or divergent agendas and trajectories characterize the different states. Apart from the individual country's reports, we have drawn on administrative traditions and HR systems to see if these categorizations can account for the heterogeneity found.

The multiple initiatives towards decentralization and accountability illustrate the divergent structures, traditions, and paths taken that do not seem to give rise to an overall shared new model of an EAS. The study

shows that the respondents – the 25 EU Member States, the Accession States Bulgaria and Romania, and the EC – still organize their HR services very differently.

In addition, the survey overall confirms that context matters. Different historical traditions as well as HR systems have a considerable impact on the modernization paths and the organization of HR decision-making structures and account for similarities between more related public administrations. The clusters based on the administrative traditions and on the HR systems proved to be helpful in outlining different pattern of reform priorities and HR arrangements.

However, although these clusters give interesting insights, shortcomings, and difficulties of such categorizations, e.g. the fading out of relevant differences or the dynamics of developments that are only inadequately captured by past-oriented classifications, remain and have to be kept in mind (e.g. the need to refine and re-label the so-called “transition countries” now after over 15 years of transition and developments into various and divergent directions). With regard to HR organization, we have pointed out that it gets increasingly difficult to assign the public administration to the two systems as most of them have started to hybridize the forms. Therefore, although this study confirms the ongoing significance of administrative traditions and HR systems, it also suggests that the classifications need to be closely observed in the light of current developments. To what extent this diversity in the European public administrations will continue in the future remains open and needs further investigations based on longitudinal data.

## NOTES

1. The authors would like to thank the EPAN HRM Working Group and the Austrian Presidency, especially Emmerich Bachmayer, Karin Thienel, and Stefan Ritter.

2. We are aware of the limitations of this single data source per country. However, the respondents are situated in structural equivalent positions and the grounding of the study within the Austrian EU presidency gave the responses a kind of semi-official character. It is clear that there is no universal “language” of HRM and differences of understanding could also have some impact on the results of this survey. Thus, in addition, a workshop and a further meeting with the respondents gave room for discussions, feedback, and comments. The workshop was held in the initial phase of the survey to clarify open questions and divergent understandings while the meeting gave the participants to this study the opportunity to comment on the preliminary findings. In addition, a preliminary version of the study was sent to all respondents for a crosscheck of the findings and to add information to the questionnaires if required (for more details see [Demmke, Hammerschmid, & Meyer, 2006](#)).



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## APPENDIX. CLOSED QUESTIONS ON HR DECENTRALIZATION

- Q2.1 Please indicate, which levels of public administration are *typically* involved in the following *decision-making situations* (main involvement is to be interpreted as strong influence on the actual decision). In case of a gap between actual practice and legal regulation please make a short comment (e.g. when ministers use their legal authority of decision factually on the basis of proposals from their administration).
- Q2.1.1 Recruitment of a new line manager
- Q2.1.2 Determining fixed salaries of employees
- Q2.1.3 Determining performance-related pay of employees
- Q2.1.4 Awarding the contract for a study worth 25.000€ to an external contractor
- Q2.1.5 Determining training and development means for employees
- Q2.1.6 Performance management for line department (e.g. performance goals/contracts and performance monitoring/control)
- Q2.1.7 Determining codes of conduct and ethical norms
- Q2.1.8 Decisions on a disciplinary procedure in case of employee misconduct
- Q2.1.9 Dismissal of an employee
- Q2.1.10 Promotion of a line manager
- Q2.1.11 Changing working time arrangements
- Q2.1.12 Altering task responsibilities and areas of work of individual employees due to a restructuring

- Q2.1.13 Introducing teleworking arrangements within a line ministry
- Q2.1.14 Deciding head count reductions in a line ministry
- Q2.1.15 Relocating staff due to structural changes
- Q2.2 A central modernization trend in most countries has been the creation of bodies with significant autonomy, the so-called agencies. Please indicate, which actors are *typically* involved in the following *decision-making situations* for a typical agency in your country (main involvement is to be interpreted as strong influence on the actual decision). In case of a gap between actual practice and legal regulation please make a short comment.
  - Q2.2.1 Recruitment of a new agency manager
  - Q2.2.2 Determining agency management compensation (fixed and variable)
  - Q2.2.3 Performance management for agency management (e.g. performance goals/contracts and performance monitoring/control)
  - Q2.2.4 Determining codes of conduct and ethical norms for agency management
  - Q2.2.5 Sanctioning agency management misconduct
  - Q2.2.6 Dismissal of agency management

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# CHAPTER 7

## DETERMINANTS OF CONFIDENCE IN THE CIVIL SERVICE: AN INTERNATIONAL COMPARISON

Steven Van de Walle

### ABSTRACT

*We use data from the World Values Survey to describe and compare levels of confidence in the civil service in a series of countries, and study determinants of this confidence. Instead of focusing on citizen satisfaction with specific public services in a specific country, we analyze citizens' general attitudes toward the public administration or civil service, and compare these attitudes internationally. We fit 60 identical regression models, to test for the impact of a series of socio-demographic and socio-economic variables in each of the countries. We finish by comparing the determinants in each of the countries, and test whether cultural or regional patterns emerge.*

### INTRODUCTION

Citizens' confidence in the public sector features high on the political agenda. There is an entrenched conviction that confidence in the civil service, public administration, or public services is low, and that it is

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declining. We also find this concern in public administration journals: “Much empirical evidence suggests that citizens are losing confidence in the process of governance” (Calista, 2002, p. 65). “Americans’ confidence in government is low by historical standards” (Lock, Shapiro, & Jacobs, 1999, p. 239). “Public trust in government has declined in the United States since the 1960s” (Thomas, 1998, p. 166). Scholars often limit themselves to quoting from one or two polls, or at best, presenting a trend line (Ruscio, 1996). While low and declining confidence in the public sector is taken for granted, and treated as a global phenomenon, scholars and policy-makers generally refer to local factors such as scandals or the performance of specific public services as an explanation. The data do, however, not unambiguously confirm this low and declining confidence (Van de Walle, Kampen, & Bouckaert, 2005). When compared to other institutions, confidence in the civil service is not particularly low (Suleiman, 2003, p. 86). Moreover, in many countries decent time-series data are simply unavailable to come to solid conclusions about trends in citizens’ attitudes toward public services. Yet, it remains a fact that many governments and public figures are worrying about citizens’ dissatisfaction with specific public services and with the public sector’s image as a whole.

In this chapter, we analyze determinants of citizens’ attitudes toward the public sector, here operationalized as confidence in the civil service, in a large number of countries. Rather than looking at satisfaction with specific public services, and at the performance of these services as an explanatory variable, we are concerned with attitudes toward the public sector as a whole. We will build models based on socio-demographic and socio-economic determinants. The aim of the research is to build a very basic model with a focus on international comparability, with the aim to steer further research rather than coming to a definite explanatory model for attitudes toward the public sector. Judging on previous research, it appears unlikely that we will find a very strong explanatory model encompassing very diverse countries. The analysis will, however, allow us to reveal differences between countries, and hence identify cases for future research.

We first motivate our choice for studying attitudes toward the public sector as a whole rather than toward one or several specific public services, and review the existing literature. We subsequently motivate our decision not to study government performance as an explanatory factor, and introduce the aim and limitations of our study. After dealing with some conceptual challenges, we will introduce the World Values Study (WVS) dataset, and describe the variables in our models. Two variations of the model will then be tested, both for the entire dataset of over 76,000

respondents, and for the 60 subsamples disaggregating the dataset to the country-level. We end by explaining some of the results and point out implications of our findings for future research.

## **BUREAUCRATIC ENCOUNTERS AND ATTITUDES TOWARD THE PUBLIC SECTOR**

A constant in the research about citizen attitudes toward public services has been the observation of a substantial difference between citizens' evaluation of personal experience with specific public services, and their view of the public services as a whole. This observation is mainly known through [Goodsell's \(1983\) \*The Case for Bureaucracy\*](#), but can also be found in a wide range of other publications ([Klages, 1981](#); [Hill, 1992](#)). [Zussman \(1982, p. 63\)](#), in Canadian research, wanted to know "whether attitudes toward specific characteristics of public servants based on personal experience are generalized to include attitudes about the public service as a whole", and concluded that favorable personal experiences were not carried over to a favorable view of the public services as a whole. [Katz, Gutek, Kahn, and Barton \(1977\)](#) found that even though users were satisfied with the way service agencies handled their problem and with the fair treatment, this opinion was not necessarily generalized to all agencies or government offices. In a review of research on client–public administration relations, [Grunow \(1981, p. 228\)](#) stated that "important – but unexplained – within these studies is the inconsistency of the public reactions toward public administration: besides the high level of general satisfaction we find strong responses of dissatisfaction about bureaucratic terminology [...], inefficient functioning [...], injustice in decision-making [...], and lack of responsiveness to clients' preferences [...]. In contrast to this critical reaction the reported experiences of the population are very positive [...]". This accumulated evidence suggests that evaluations of personal experience with specific public services (the micro-level) and general opinions about the public sector (the macro-level) are two different opinions. These two types of opinions should hence be treated as two different objects of study. In this chapter, we are interested in citizens' general opinion about the public sector or the civil service as a whole.

At the micro-level – the level of specific public services and direct individual bureaucratic encounters – attitude research is well-established. Many public agencies organize customer satisfaction surveys, and academic



study of citizen perceptions of urban services is several decades old. This type of research focuses on attitudes toward specific services or a group of services, often within an urban setting, and with a view of analyzing consistency between objective service performance and citizen assessments of this performance (Stipak, 1977; Stipak, 1979; Glaser & Hildreth, 1999; Kelly & Swindell, 2002; Serra, 1995; Parks, 1984; Miller & Miller, 1991; Van Ryzin, 2004; Van Ryzin, Muzio, Immerwahr, Gulick, & Martinez, 2004).

We have already shown that citizens' attitudes toward specific public services are often different from those toward the public sector in general. While we can easily identify thousands of studies at the micro-level of specific services (e.g., satisfaction surveys), the number of studies at the macro-level of the public sector or civil service in general is surprisingly small. When we look at the literature, we find that current research on "trust" in the public administration discipline actually covers a number of highly diverse research streams. Secondly, we see that the civil service and public sector have certainly not received as much attention in the *trust in government* research as compared to many political institutions. Thirdly, we see that the existing studies are or have a theoretical and conceptual nature, or, if they are empirical, limited to one specific national context and quite often executed by public sector organizations themselves. We briefly expand on these three limitations below.

The use of the words "trust" or "confidence" has become increasingly popular in public administration research (Kim, 2005, p. 622). However, this does not mean that more studies of citizen attitudes toward the civil service have become available. Publications on "trust" in the mainstream public administration journals actually cover a wide range of quite diverse research streams (Six, 2005). We can distinguish between two major streams of research. The first and by far most popular stream studies how trust is a factor organizing inter- or intra-organizational cooperation in the absence of or instead of contracts (e.g., Carnevale, 1995; Kramer & Tyler, 1996; Coulson, 1998). The second stream concerns citizens' trust in the public sector. As indicated before, there are two types of attitudes, one directed toward specific services, another toward the public sector in general.

A second objection refers to the fact that much of the *trust in government* research does in fact not deal with public services or the civil service. Throughout the 1990s, we have seen a series of research and book projects dealing with citizens' trust in their government. This includes Pippa Norris' (1999) *Critical Citizens*, and its predecessor *Why People don't Trust*

*Government* (Nye, Zelikow, & King, 1997), Pharr and Putnam's (2000) *Disaffected Democracies*, and the *Beliefs in Government* book series (Kaase & Newton, 1995; Klingemann & Fuchs, 1995; Niedermayer & Sinnott, 1995; Borre & Scarbrough, 1995; Van Deth & Scarbrough, 1995). While these books have contributed to our knowledge about citizens' trust in political institutions, the civil service or public services have been largely neglected, with some exceptions (e.g., Newton & Norris, 2000; Huseby, 1995; Roller, 1995). Generally, most researchers dealing with citizens' trust in government have focused on political institutions rather than on administrative ones. While we should perhaps not go as far as Meier (2005, p. 661), who stated that "political science is not interested in public administration" it is a fact that there is a surprisingly small amount of empirical research on this topic relevant for public administration. An additional reason is that most of the large-scale academic social surveys have been developed by sociologists and political scientists, leading to a rather limited coverage of administrative institutions (Bouckaert, Van de Walle, & Kampen, 2005). This, coupled with the fact that many public administration researchers are not familiar with these surveys, has contributed to the current deficit.

A third reason why we observe deficits in current research is that many studies only focus on specific services (e.g., schools, health services, fire departments, local government), or are limited to one national context. We have also seen a number of conceptual and theoretical studies (e.g., Ruscio, 1996; Ott & Shafritz, 1995), or publications outlining a theoretical framework, without testing it (see the excellent framework proposed by Rainey, 1996). Where international comparisons are made, these are generally based on frequency counts, or do not go beyond univariate analysis (Peters, 2001, pp. 43–65; Suleiman, 2003, pp. 64–88). Recent years have seen an increase in academic studies at the national level, whereby citizens' attitudes toward the public administration has been measured and explained in a single country (del Pino, 2002; Marlowe, 2004; Harisalo & Stenvall, 2004; Vigoda-Gadot & Yuval, 2004; Tucker, 2004; Van de Walle, 2004; Webb & Lowery, 2005). Quite many national public administrations have also engaged in this type of research, commissioning opinion polls (see Bouckaert et al., 2005 for an overview).

## **IS PUBLIC SECTOR PERFORMANCE TO BLAME?**

A common starting point for researching citizen attitudes toward the public sector has been to look at the performance of public services. While at the

micro-level of specific services, the performance of these services, corrected for citizen expectations, is generally a quite good predictor of satisfaction with these services (Van Ryzin et al., 2004), the relationship is not always straightforward (Miller & Miller, 1991; Kelly & Swindell, 2002).

Establishing a link between the overall performance of the public sector and citizen attitudes at the macro-level is even more complicated, not at least because of the absence of good indicators to measure public sector performance at the aggregate level (Van de Walle, 2006; Yang & Holzer, 2006). Empirical research is for this reason quite scarce, and where research had been done, evidence of a trust–performance relationship has not been particularly convincing (Killerby, 2005). Derek Bok's study (2001) of the trouble with (American) government found little evidence of a direct relationship between citizens' trust in government and government performance, and Suleiman (2003) found levels of trust to be unrelated to the extent of public sector reforms in Western countries. There is even evidence that public sector reform has contributed to a decline in trust in some instances (OECD, 2001). Ill-designed modernizations may lead to less openness, and a greater concentration of power with the executive (Roberts, 1998), and the discourse and marketing of modernization may lead to promises and expectations that cannot be honored (Aberbach & Rockman, 2000). While modernization may have made the public sector more efficient, this may have been detrimental to other values.

A key problem in studying the performance–trust relation is that of aggregation: How do specific bureaucratic encounters contribute to the overall perceptions of public services? Citizens have different experiences and different interaction patterns with public services. In addition, given the differences in the evaluation of specific services and public services as a whole described earlier, it is difficult to establish whether citizens evaluate public services by referring to their own experience or by referring to their general image of government (Hill, 1992; Van de Walle & Bouckaert, 2003). Of course, it would be rash to suggest that actual service experience does *not* have an impact on citizens' general assessment of the public sector. Public services are, after all, citizens' most tangible interface with their government (Hill, 1976; Foley, 1931, p. 15).

We will not examine the impact of specific services on general attitudes toward the public administration or civil service, for reasons mentioned above. Instead, our analysis will make a first attempt at building an international explanatory model for attitudes toward the public sector by using socio-demographic and socio-economic determinants.

## **SOCIO-DEMOGRAPHIC AND SOCIO-ECONOMIC DETERMINANTS OF CONFIDENCE IN THE CIVIL SERVICE**

Our aim in this chapter is to analyze determinants of citizens' general attitudes toward the public administration or civil service in their country, and to uncover cross-national similarities or differences. Many potential hypotheses can be explored, but we opt for starting at the most basic level. As a first contribution, we will analyze socio-demographic and socio-economic determinants of confidence in the civil service in a series of countries. Many of the empirical studies about trust in government and attitudes toward the public administration, however, show that socio-demographic and -economic factors are not terribly helpful in explaining trust: "Previous studies have shown that popular assessments of support for the political system are mainly independent of social background" (Huseby, 2000, p. 103). Newton (1999) found political trust to be randomly distributed in society, mostly influenced by political variables. Citrin and Green (1996) stated that distrust seems to originate in all segments of the population. Socio-demographic and socio-economic variables often drop from explanatory models at an early stage (Marlowe, 2003, p. 18), or their effects are at best weak and mixed (Rose & Pettersen, 2000, p. 34), and of limited explanatory value in models on trust in government (Mishler & Rose, 1999; Jacobs, Janssens, & Swyngedouw, 2003). Newton and Norris (2000) even suggest that trust could be a personality trait on its own. Furthermore, analysis is complicated because a single survey does not really allow distinguishing permanent socio-demographic features from cohort effects. The older generation, born before or during the war, had other experiences than younger generations. From the 1970s on, generation X, which seems to have a more negative attitude toward government, came to take an important position in society, since older people are dying and declining birth rates limit the number of young people (Brehm & Rahn, 1997).

It is indeed unlikely that socio-demographic and socio-economic variables are the key to explaining attitudes toward the public administration, but this need not stop us from a detailed analysis. Most of the studies referred to above are analyses at the national level. Clear cross-national differences in socio-demographic and socio-economic determinants can be very important in further theory-building, or in guiding future empirical research. Using data from the WVS, we will test the impact of socio-demographic and socio-economic characteristics on citizens' confidence in the civil service.

We will do so by building multivariate regression models for 60 countries or societies.

## TRUST OR CONFIDENCE AND OTHER TERMINOLOGICAL ISSUES

Trust and confidence are heavily disputed concepts in the sociological and philosophical literature. Trust is a concept surrounded by conceptual vagueness (Luhmann, 1998) and definitions abound (see Kim, 2005 for an overview in the public administration literature). No agreement exists on what is actually meant by “trust”, and there is even less agreement on whether the origins of trust are of a cognitive, emotional, or socio-cultural nature (Lewis & Weigert, 1985). A common issue in the discussion is the difference between confidence and trust, recognized as an important distinction by some, but disregarded by others. Luhmann (1998) distinguishes between confidence and trust, where confidence refers to a more or less taken-for-granted attitude that familiar things will remain stable. If you do not consider alternatives, you are in a situation of confidence.

The empirical practice has developed quite differently from the theoretical evolutions. Some general social surveys use the word trust, others use confidence. In many languages, the same word is used for trust and confidence, making it less obvious to distinguish between the two concepts in an international empirical context. Whether a questionnaire uses the word trust or confidence mainly depends on historical reasons. The desire to imitate existing questionnaires and thus safeguard possibilities for cross-time and cross-sectional comparison is often the driver of the design, making much of the survey-based trust research, and questionnaire construction measurement-driven rather than theory-driven (Weatherford, 1992). The desire to collect more and better data, especially time-series data, stimulates imitation rather than innovation (see e.g., Schedler, 1993, p. 417).

A similar problem exists with regard to the object of our research: we are studying confidence in the *civil service*. The choice for “civil service” is mainly a result of our use of WVS data, where the confidence item is phrased as “confidence in the civil service”. Other options would have been to opt for “the public administration” as a generic concept, or “the public services”. Actually, in the translations of the WVS questionnaire we have seen a wide variety of concepts, and even in countries using the same

language, there are differences in the questionnaire. A notable example is the Dutch-language version of the questionnaire, used in the Netherlands and Belgium. In Belgium, confidence in “de administratie” was measured, which translates as “the administration”. In the Netherlands, the word “ambtenaren”, meaning “civil servants”, was used. The latter concept is likely to lead to a mental association with the word “bureaucrats”. The impact of this difference in framing is clearly visible in the results. The version in Afrikaans, a language very close to Dutch, uses “die staatsdiens”. Similar differences are visible in other languages. In the Spanish language questionnaires, “civil service” is translated in a number of different ways. Some translations refer to the people in the administration, other to the institution itself. In one case, reference is even made to “the bureaucracy”, as can be seen below.

Argentina	Los funcionarios
Chile	La administración pública
Mexico	La burocracia pública
Venezuela	La administración pública
Peru	Los funcionarios públicos
Puerto Rico	Los funcionarios de gobierno
Spain	La Administración Pública: los funcionarios
Venezuela	La administración pública

In the 1990 Slovenian questionnaire, “local administration”, was used instead of “civil service” to distinguish it from the Yugoslav authority, yet the international WVS dataset has saved the answers under the confidence in the *civil service* variable.

The use of different words in itself may have an impact on the results. These differences are not only due to translation, but may also hint at other interpretations of the concept, or other popular conceptions of the institution “public administration”. Cultural and language differences make comparison difficult. Civil service may be interpreted as a broad term, encompassing all public sector employees, but it may also be interpreted as a more limited concept, only referring to the upper echelons in the public service, or to the white collar workers (Raadschelders, 2003, pp. 314–315). International comparisons of levels of confidence are further complicated when words such as “government” are being used. While “government” is used in English both to refer to the generic concept and to the executive body of ministers running the country, two different words are often used in a translation. This is an important risk for the international comparative

scholar, because, if you compare a too diverse range of institutions or events, there is a risk to be “misled simply by verbal similarities” (Dogan & Pelassy, 1984, p. 103).

This has implications for our research. Because we want to use survey material that allows for an international comparison, our options are very limited. In this chapter, we use data from the WVS, where the relevant survey question was phrased as “*confidence* in the civil service”. We consider “confidence in the civil service” as a survey question measuring citizens’ general attitude toward the civil service. While we recognize there is a problem with the equivalence of the concepts, we also need to be aware of the fact that a too strict interpretation may make any cross-cultural or cross-national research impossible (van Deth, 1998, p. 2). This research is of an exploratory nature, and should help setting out beacons for future research. Outcomes will hopefully not only tell us something about the determinants of confidence in the civil service, but also give us some direction on how the concepts are being interpreted across cultures. It is for this reason we opt for the data-driven approach, and do not re-open the conceptual discussion.

## DATA

The WVS is a series of surveys now organized in around 80 societies. It grew out of the European Values Survey, and was designed to measure value and attitude change in societies. With a first wave of surveys in 1981, other waves have followed in 1990–1991, 1995–1996, and 1999–2001, with an increasing number of countries participating. Respondents are ordinary citizens, and normally 1,000 or more citizens are interviewed in every country. Generally, data were collected using face-to-face interviews, with some minor exceptions (Inglehart, Basanez, Díez-Medrano, Halman, & Luijkx, 2005, p. 400).

One item in the surveys measured confidence in the civil service, phrased as “I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?” For our analysis we use the 1999–2001 wave of the WVS. For some countries we relied on 1995 data (Armenia, Australia, Azerbaijan, Brazil, Colombia, Dominican Republic, Georgia, New Zealand, Norway, Switzerland, Taiwan, and Uruguay). We do not have data on confidence in the civil service for El Salvador, Israel, and Singapore, even though these countries participated in the WVS. Table 1 shows the total number of participants in the WVS survey, the item non-response on the confidence

**Table 1.** World Values Study Data on Confidence in the Civil Service (1999–2001).

	Total <i>N</i>	Item Non-Response (%)	Confidence in the Civil Service (%)			
			None at all	Not very much	Quite a lot	A great deal
Albania	1,000	12.0	26.1	34.1	33.1	6.7
Algeria	1,282	6.3	14.9	27.1	39.9	18.2
Argentina	1,280	3.5	50.6	42.5	5.5	1.4
Armenia <sup>a</sup>	2,000	5.1	26.1	37.3	30.3	6.3
Australia <sup>a</sup>	2,048	2.1	10.6	51.2	34.6	3.6
Austria	1,522	5.5	6.6	51.0	37.3	5.1
Azerbaijan <sup>a</sup>	2,002	13.9	18.7	37.7	34.9	8.6
Bangladesh	1,499	1.0	.8	3.2	36.9	59.1
Belarus	1,000	8.5	31.9	45.1	18.7	4.3
Belgium	1,912	3.1	14.7	40.4	41.8	3.1
Bosnia and Herzegovina	1,200	2.6	17.2	52.9	25.7	4.2
Brazil <sup>a</sup>	1,149	.8	18.9	22.0	45.1	14.0
Bulgaria	1,000	16.7	25.2	51.0	21.0	2.9
Canada	1,931	4.1	8.7	41.2	42.7	7.4
Chile	1,200	2.7	17.2	42.4	34.2	6.2
China	1,000	28.0	1.7	32.2	57.6	8.5
Colombia <sup>a</sup>	6,025	2.3	29.6	38.1	27.6	4.7
Croatia	1,003	3.1	11.7	53.2	31.2	3.9
Czech Republic	1,908	2.1	13.8	64.4	19.7	2.1
Denmark	1,023	4.4	4.3	40.8	51.2	3.7
Dominican Republic <sup>a</sup>	417	7.2	35.9	54.3	8.5	1.3
Egypt	3,000	7.9	8.8	27.8	37.3	26.1
Estonia	1,005	9.3	10.1	49.5	37.8	2.6
Finland	1,038	2.8	8.2	50.9	37.5	3.4
France	1,615	2.5	17.5	36.6	41.6	4.3
Georgia <sup>a</sup>	2,008	4.8	15.8	27.8	49.0	7.4
Germany	2,036	4.0	10.4	50.8	36.6	2.1
Great Britain	994	9.2	9.9	44.2	42.2	3.7
Greece	1,142	1.1	37.3	48.4	12.9	1.4
Hungary	1,000	4.7	12.2	38.2	45.2	4.4
Iceland	968	2.5	3.5	40.6	50.5	5.4
India	2,002	22.0	18.4	33.1	33.2	15.4
Indonesia	1,004	4.1	3.7	36.9	50.9	8.5
Iran (Islamic Republic of)	2,532	22.2	17.6	38.0	34.1	10.3
Ireland	1,012	3.9	7.7	33.0	46.2	13.1
Italy	2,000	2.8	15.2	51.6	29.6	3.6
Japan	1,362	8.3	14.0	54.0	30.2	1.8
Jordan	1,223	12.8	11.1	23.2	39.6	26.1
Latvia	1,013	5.0	12.3	38.6	44.7	4.5
Lithuania	1,018	9.9	21.5	57.9	20.4	.2



*Table 1. (Continued)*

	Total <i>N</i>	Item Non-Response (%)	Confidence in the Civil Service (%)			
			None at all	Not very much	Quite a lot	A great deal
Luxembourg	1,211	9.5	7.3	33.2	51.5	8.0
Malta	1,001	.6	15.7	35.7	41.5	7.1
Mexico	1,535	11.9	41.4	36.3	18.2	4.1
Montenegro	1,060	10.5	21.4	49.9	25.6	3.1
Morocco	2,264	16.9	29.2	29.5	29.3	12.0
Netherlands	1,002	1.8	6.8	55.7	35.7	1.7
New Zealand <sup>a</sup>	1,201	9.9	13.1	57.9	26.1	2.9
Nigeria	2,022	2.7	8.3	21.2	35.1	35.4
Northern Ireland	1,000	9.6	11.4	36.1	43.5	9.0
Norway <sup>a</sup>	1,127	1.0	5.1	43.9	48.8	2.2
Pakistan	2,000	26.7	17.7	32.5	35.1	14.7
Peru	1,501	2.6	28.2	62.7	6.0	3.1
Philippines	1,200	1.6	4.2	25.0	52.4	18.5
Poland	1,095	8.0	16.8	50.7	26.6	6.0
Portugal	1,000	8.3	9.5	36.9	50.3	3.3
Puerto Rico	720	2.9	19.2	54.1	19.0	7.7
Republic of Korea	1,200	4.3	6.3	27.2	59.7	6.9
Republic of Macedonia	1,055	3.4	34.2	48.8	15.2	1.8
Republic of Moldova	1,008	6.5	12.7	40.0	42.4	4.9
Romania	1,146	8.7	25.1	47.5	22.8	4.5
Russian Federation	2,500	9.9	21.5	40.7	33.4	4.4
Serbia	1,200	12.3	22.2	48.9	26.3	2.6
Slovakia	1,327	7.7	14.4	46.9	36.5	2.2
Slovenia	1,006	4.1	20.2	54.5	20.9	4.4
South Africa	3,000	7.3	11.3	30.8	41.5	16.4
Spain	2,409	4.9	12.3	46.5	35.9	5.3
Sweden	1,014	7.2	5.5	45.7	46.1	2.7
Switzerland <sup>a</sup>	1,212	6.2	12.1	42.1	43.7	2.1
Taiwan Province of China <sup>a</sup>	780	3.8	2.0	38.4	56.4	3.2
Turkey	4,607	2.2	19.2	20.4	44.8	15.7
Uganda	1,002	10.3	7.6	23.4	42.7	26.4
Ukraine	1,207	10.6	19.6	41.4	34.0	4.9
United Republic of Tanzania	1,171	12.2	10.6	18.1	38.4	32.9
United States of America	1,200	5.6	7.5	37.5	43.9	11.0
Uruguay <sup>a</sup>	1,000	.0	19.3	35.8	39.7	5.1
Venezuela	1,200	2.0	30.0	32.3	28.7	9.0
Viet Nam	995	6.9	1.9	18.8	42.4	36.8
Zimbabwe	1,002	10.6	11.6	29.4	40.2	18.9

<sup>a</sup>Data from 1995 wave.

in the civil service variable, and the frequency tables for confidence in the civil service.

In a number of cases, item non-response amounts up to 22% (Iran, India), or even 28% (China) thereby seriously reducing the number of respondents and the reliability of the data. Our data clearly need cleaning before use. We drop all countries with two-digit missing value numbers, at the risk of keeping some countries where low missing values are due to different data-handling practices. This leaves us with 62 countries and territories of the original 78, with a combined  $N$  of 91,354, ranging from 417 for the Dominican Republic to 6,025 for Colombia. Note that Great Britain and Northern Ireland are listed separately in the dataset.

## MODEL

In 1995, Listhaug and Wiberg looked at determinants of confidence in a series of institutions, including the civil service, using the 1981 and 1990 European Values Survey data and the WVS data for Canada and the United States (Listhaug & Wiberg, 1995). Independent variables used in their model were sex, age, education, political interest, religious dogmas, left–right ideology, post material values, financial satisfaction, and life satisfaction. The models were estimated for the entire Values Survey dataset ( $N = 20,250$  in 1990), and were thus not disaggregated for individual countries. Despite the large number of independent variables, the  $R^2$ , which measures the amount of variation explained by these variables, was always very low. The model for confidence in the civil service explained 8 and 4 percent in 1981 and 1990, respectively. This is quite disappointing, though not unexpected, as similar low figures are often found in empirical research on citizens' trust in government.

One possible reason why Listhaug's and Wiberg's models failed to give a good explanation is that they have pooled all the data. Relevant determinants in one country could therefore be obscured by tendencies in other countries. We will fit a series of regressions on the 1999–2000 WVS data for the individual countries, and then look at similarities. We will limit ourselves to an analysis of a series of basic socio-demographic and socio-economic determinants.

### *Variables in the Model*

Despite the fact that the WVS employs a standardized survey, there remain minor differences that complicate the analysis. This is especially true when

selecting socio-demographic and socio-economic variables. A number of variables are not available in certain countries. We hence have to balance between maximal country coverage and maximal comparability. Independent variables in the basic model are sex, age, education, and income. We will later add town size. This may seem like a very limited selection of determinants and an underspecification of the model, but this is a deliberate choice. We are not in the first place concerned with a definite explanation of levels of confidence, but with excluding certain explanatory factors and with finding cross-country differences or similarities.

*Sex:* In previous research in Belgium, we found female respondents to have a somewhat more positive image of civil servants, a finding that did not disappear in a multivariate analysis (Van de Walle, 2004, pp. 99–100). Christensen and Læg Reid (2005, p. 495) also found this in their analysis of trust in the civil service in Norway. Their explanation is that the public sector is women's career base: "Women have become more dependent, both directly and indirectly, upon the public sector for their employment: directly, in that there is a relatively greater proportion of women employed in the public sector than in the private sector, and indirectly, in that public bodies have taken over part of women's traditional care responsibilities".

*Age:* Huseby (2000, p. 103) found age to be one of the few socio-demographic variables correlating systematically with political support. Rose (1999) found an impact of age on how citizens' define their role in the interaction with local governments. Older people tended to see themselves more frequently as taxpayers, while younger thought of themselves as consumers. Inglehart's postmaterialism hypothesis posits declining respect for authority as a result of postmodernisation (Inglehart, 1999). Older people are thus likely to have higher confidence. Research on interpersonal trust showed that younger people had less interpersonal trust than older ones, but the baby boomers were a notable exception to this trend (Uslaner, 2002). Because we have noticed non-linear effects in earlier analyses, we also enter  $Age^2$  as an independent variable.

*Education:* The evidence on the impact of education on confidence in institutions is quite mixed, both empirically and theoretically. While Christensen and Læg Reid (2005) found that higher education leads to higher trust in the civil service, Van de Walle (2004, pp. 97–100) found it lead to lower satisfaction with public services, and a more negative image of civil servants. Canadian research found the higher educated to be less satisfied with certain public services, probably because these groups have

more heterogeneous expectations and needs (Roth, Bozinoff, & MacIntosh, 1990). Higher education may help to replace cynicism by realism and lead to a more realistic view of the civil service, and hence a higher tolerance for the administration's malfunctioning, but this realism may also lead to more negative evaluations (Rose & Pettersen, 2000). Higher education may be related to rising standards and lead to lower confidence because of dissatisfaction with the administration's efficiency. Education is coded in three categories: lower, medium, and upper (Inglehart et al., 2005, pp. 408–410). Upper level education corresponds to an education at the tertiary level, while lower education corresponds to elementary education and basic vocational qualification.

*Income:* Socio-economic status (SES) is generally measured by relying on one's level of education, income level, and professional category. Generally, it has a weak and changing impact on trust (Citrin & Green, 1996). Rotter explained lower trust in lower SES (student) groups by stating that lower SES groups are less inclined to support the status quo as defended by government, and therefore distrust government (Rotter, 1967). While we are of course interested in an adequate indicator for SES, the realities of the data we use do not allow for this. The WVS dataset has a precoded SES variable based on the respondent's occupational and employment status, which is only available for a limited number of countries, and not always coded consistently. Another variable measured subjective social class, and is also only available for a limited number of countries ("Would you describe yourself as belonging to the upper class, upper middle class, lower middle class, working class, or lower class?"). For this reason, we rely on the respondent's income level, which is coded as lower, middle, and upper. No income data are available for Norway, and the Portuguese data follow a different format, forcing us to recode these data.<sup>1</sup> Combined with the respondent's educational situation, this should give us a fair idea of SES.

*Town Size:* In a later stage, we will add town size to the model. People living in small communities may have different experiences with public services. We know from the literature that town size sometimes affects satisfaction with local services (Mouritzen, 1989), but that this need not be so. Municipal size does for instance not necessarily affect perceptions of local politicians or political knowledge (Larsen, 2002). It may be hypothesized that attitudes toward municipal services may spill over to confidence in civil servants in general. Secondly, inhabitants of smaller towns may have different value orientations and lifestyles than inhabitants of cities, which cannot entirely be explained using educational, SES, or age differences. The

town size variable has eight categories, and is based on population size. Non-categorized data are not available.

### *Basic Model*

Because of the ordinal nature of dependent variable, we fit ordinal logit regression models using SPSS (PLUM) with confidence in the civil service as dependent variable (McCullagh, 1980). Independent variables are, as mentioned above, sex, age, education, and income. Town size is omitted in this step, because this variable is not available for all countries. In this first step, we aim at a maximum coverage of countries. Norway and Finland were dropped from the analysis due to missing variables. The model is written as follows:

$$\begin{aligned} Y_i &= f(\text{age, education, income, sex}) \\ &= \beta_0 + \beta_1 \text{AGE} + \beta_2 \text{EDUCATION} + \beta_3 \text{INCOME} + \beta_4 \text{SEX} + \mu_i \end{aligned}$$

The regressions are first fitted for the entire sample (60 countries), and are then repeated for each of the countries individually. Confidence in the civil service is coded 1 (none at all) to 4 (a great deal). Fig. 1 shows the frequencies for the entire sample.

The regression for the entire sample can be found in Table 2. The lower age category and the middle education and income categories are used as reference categories.

At first sight, the model reveals a number of trends. We will later show this is deceptive. In the model fitted for 76,271 respondents in 60 countries, there is a small age effect, with confidence decreasing with increasing age. Higher education leads to lower confidence, and there is a small income effect, showing that, compared to low-income class respondents, higher income respondents have a somewhat higher level of confidence in the civil service.

This basic model fails to explain much. With an  $R^2$  of just .005, it seems as if socio-demographic and socio-economic variables are not a great help in explaining levels of confidence in the civil service. What's more, the model violates the assumption of parallelism. When we inspect the predicted response categories using the model presented above, it emerges that the model does quite well in predicting the "not very much" category, but it does not do so well in predicting the "quite a lot" category. The model *fails* entirely in predicting the other two categories, because it actually predicts *all*

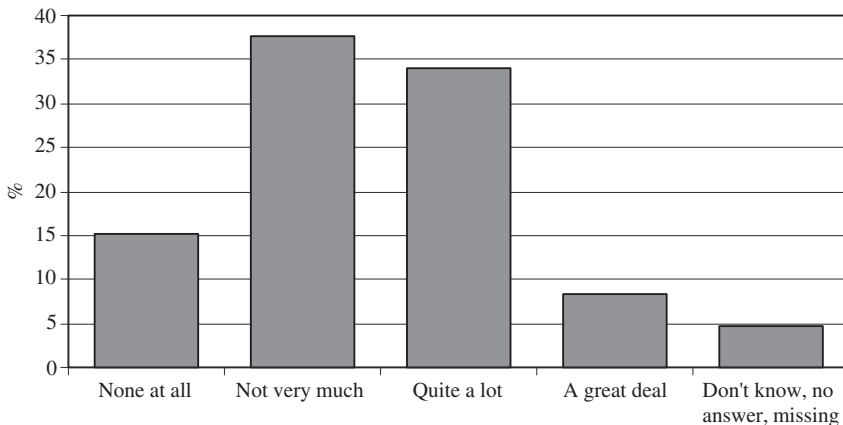


Fig. 1. Confidence in the Civil Service, Frequencies (N = 89,189).

Table 2. Ordinal Logit Regression for Confidence in the Civil Service.

		Estimate	Standard Error
Threshold	[Confidence = 1]	-2.053***	.050
	[Confidence = 2]	-.166**	.049
	[Confidence = 3]	1.935***	.050
Location	Age	-.012***	.002
	Age squared	.0001***	.000
	Education, upper <sup>a</sup>	-.221***	.019
	Education, medium	-.243***	.016
	Income upper level <sup>a</sup>	.045*	.018
	Income middle level	.001	.016
	Sex = female <sup>a</sup>	.007	.013
	Valid N	76,271	
Nagelkerke R <sup>2</sup>		.005	

Notes: Lower N is mainly due to missing values in the income variable.

\*  $p < .1$ .

\*\*  $p < .05$ .

\*\*\*  $p < .001$ .

<sup>a</sup>Lower education, lower income, and male are the respective reference categories.

of the observations to be in the middle categories, and none in the extreme categories “not at all” or “a great deal”. Thus, with the model, ignoring for the moment the parallelism assumption, some of the direction of attitudes is predicted, but not the strength. This is not surprising given the very low

frequencies in some confidence categories in some countries, and given the mix of quite diverse countries. In what follows, we will tackle these two points, starting with the diversity of countries, which may lead to the leveling off of effects.

The bad prediction in the general model and the violation of one of the basic assumption of ordinal regressions may be due to the fact that data for respondents in 60 highly diverse countries are analyzed as if it concerned one homogeneous mass. We have shown already that absolute levels of confidence in the civil service tend to differ substantially between countries. Predictors are therefore likely to be different as well. To solve this problem, we ran the regression again for every individual country. This resulted in 60 similar regressions. Of the 60 models tested, only 20 lead to significant and reliable results. For many countries, the models were not significant, or the parallel lines assumption was violated. Results are in [Table 3](#).

Despite the variety in estimates, we can distil a number of trends from the relevant models. Confidence declines with increasing age, that is, when simultaneously testing for sex, education, and income. Younger people are thus likely to have more confidence in the civil service in eight countries. A visual inspection of the data reveals that this effect is likely due to the fact that people in their 40s and 50s have less confidence. Confidence increases again for older respondents, but because this is a smaller group of respondents, there is a negative sign in the parameter. The exception is Georgia, where confidence is lower for young people. Education has mixed effects. In some countries, being higher educated leads to more confidence (Denmark, Netherlands, New Zealand, Macedonia, Sweden, and Uruguay); in others it leads to less confidence (Bangladesh, South Korea, Slovenia, and Taiwan). Where income effects exist, generally, respondents in the higher income categories have more confidence than respondents in lower income categories (France, Georgia, Greece, Hungary, Northern Ireland, and South Korea). The reverse effect exists in New Zealand and Bangladesh. Gender effects are visible in just three countries (Algeria, Greece, and Northern Ireland). The effects always point in the same direction: females tend to have more confidence than males.

More than these parameters, what is really important about these findings is the failure to explain levels of confidence by using some basic socio-demographic and socio-economic variables. The dependent variable in some countries does not seem to lend itself to easy exploration by ordinal regression. A possible reason for this, as we have suggested already when discussing the model for the entire 60-country sample, is the possibility that determinants for the direction of the attitude are different from

**Table 3.** Determinants of Confidence in the Civil Service in a Number of Countries.

		Algeria	Bangladesh	Chile	Denmark	Estonia	France	Georgia	Greece	Hungary	Iceland
Threshold	[Confidence = 1]	-1.251*	-6.492***	-.743	-4.486***	-2.896***	-.932	-.518	.584	-2.389***	-3.568***
	[Confidence = 2]	.228	-4.842***	1.266*	-1.473**	-.295	.850	.916**	2.999***	-.334	-.427
	[Confidence = 3]	2.114***	-2.017***	3.591***	2.065***	2.898***	3.792***	3.737***	5.486***	2.756***	2.774***
Location	Age	.023	-.067*	.021	-.075**	-.065**	.004	.047**	-.003	-.041*	-.043
	Age squared	-.0002	.001**	-.0001	.001**	.001**	.00007	-.0004*	.0004	.0005*	.001*
	Education, upper <sup>a</sup>	-.335	-.543***	.132	.563**	.206	.189	-.272	.426	.256	.211
	Education, medium	-.099	-.330*	.048	.394	.286	.005	-.098	.261	-.060	.080
	Income upper level <sup>a</sup>	-.054	-.474**	.210	.120	.362	.326*	.264*	.408*	.465**	.079
	Income middle level	.017	-.645***	.270*	.009	.124	.408**	.195	.185	.351*	.026
	Sex = female <sup>a</sup>	.266*	.212	.109	.150	.122	.001	.058	.406**	.137	.354**
	Valid <i>N</i>	978	1,447	1,119	819	810	1,259	1,875	923	920	879
	Nagelkerke <i>R</i> <sup>2</sup>	.016	.520	.014	.037	.024	.021	.018	.050	.020	.036
			Netherlands	New Zealand	North Ireland	Korea	Macedonia	Romania	Slovenia	Sweden	Taiwan
Threshold	[Confidence = 1]	-4.125***	-3.269***	-.253	-3.303***	.201	-2.805***	-.851	-4.202***	-3.423***	-.338
	[Confidence = 2]	-.962	-.357	1.855**	-1.271*	2.492***	-.690	1.604*	-1.217*	.059	1.350**
	[Confidence = 3]	2.667***	2.301***	4.347***	2.054**	4.906***	1.409**	3.691***	2.396***	3.839***	4.087***
Location	Age	-.085***	-.052*	.020	.012	.010	-.068**	.032	-.068**	.016	.032
	Age squared	.001***	.001*	.0001	-.0003	.000009	.001**	-.0002	.001*	.000	-.0001
	Education, upper <sup>a</sup>	.500**	.458**	-.007	-.828*	.599**	-.065	-.699**	.493*	-.446*	.565*
	Education, medium	.172	-.103	.093	-.668*	.530***	-.138	-.338	.001	-.328	.081
	Income upper level <sup>a</sup>	.075	-.473**	.678**	.324*	.128	-.277	.138	.120	.104	-.211
	Income middle level	.288	-.558**	.254	.156	.107	-.276	-.223	.177	.024	.032
	Sex = female <sup>a</sup>	-.021	.113	.495**	.043	.094	.171	.095	-.229	.038	-.096
	Valid <i>N</i>	906	950	610	1,149	989	966	626	907	701	936
	Nagelkerke <i>R</i> <sup>2</sup>	.033	.040	.093	.015	.023	.024	.034	.026	.031	.035

\**p* < .1.\*\**p* < .05.\*\*\**p* < .001.<sup>a</sup>Lower education, lower income, and male are the respective reference categories.



determinants for the strength of the attitude. This possibly explains why observations in the two extreme categories are not easily explained.

Researchers and policy makers are of course very interested in exploring reasons for extreme positive or negative levels of confidence. The model does not allow for this, and the very low  $R^2$ s were already a first indication of this failure. It is not unreasonable to suggest that the extreme opinions are caused by other factors than the more moderate opinions. In other words, that having no confidence at all is not just a more extreme form of having not very much confidence. This has implications for our testing method. We can follow a number of different paths. One is to test for determinants of the direction of the opinions; another is to look for determinants for the extremity of opinions, and a third is to treat all four categories on the confidence variable as inherently different, i.e. not ordered in any sense. The second option is likely to be influenced by specific events, and probably also dependent on scandals and certain events. This makes it difficult to test. The extreme categories themselves often have small frequencies, making analysis less reliable. In the remainder of the chapter, we will therefore focus on the direction of the attitude: what determines whether people have high or low confidence. The dependent variable will thus only have two categories: high confidence (a great deal + quite a lot) and low (none at all + not very much). We can therefore drop the ordinal regression and use a binary logistic regression instead. We repeat the previous analysis and we now also add town size as an additional variable.

As we have already noted above, the internationally available data require a trade-off between maximal country coverage and maximal model replication. By adding town size, 11 countries need to be dropped because town size was not recorded in these countries (Armenia, Argentina, Brazil, Finland, Georgia, Japan, New Zealand, Norway, Peru, Korea, and South Africa). Variation in the dependent variable becomes too limited in Bangladesh due to the recoding and we therefore dropped this country as well.

The general model, with combined data for the remaining 48 countries (valid  $N = 54,205$ ) has a very weak fit. Effects are that confidence is higher among younger respondents, the lower educated, the upper income levels, and in smaller towns.

We again disaggregate the entire dataset and run the regressions for every country-level dataset (Table 4). Using a Hosmer and Lemeshow test, it is revealed that the models for Croatia, Indonesia, Luxemburg, and Slovakia have a poor fit, and we furthermore see that there are no significant

**Table 4.** Determinants of Confidence in the Civil Services, Direction of the Attitude.

	AU	BE	BY	CO	CZ	DE	DZ	EE	EG	ES	FR
Sex [0 = female, 1 = male]	-.041	.245*	-.023	.278**	-.261*	-.102	-.298*	-.033	.183**	-.286**	.071
Age	-.091***	.026	.026	.016	-.021	.006	.038	-.065*	-.032**	.039*	.000
Age squared	.001***	.000	.000	.000	.000	.000	.000	.001**	.004**	.000	.000
Education, upper	.279	.088	-.039	.463**	-.038	.156	-.202	.183	-.316*	-.013	.206
Education, medium	-.110	.141	-.019	.355**	-.140	-.065	.016	.307	-.096	-.150	-.070
Income upper level	.393**	-.058	.179	-.058	.051	.021	-.037	.448*	-.151	-.022	.347*
Income middle level	.163	.017	.178	-.186	-.120	-.146	.023	.144	.033	-.211	.422**
Town size	.018	-.092*	-.187***	-.066	-.104***	-.082***	.044	-.037	-.110***	-.072**	-.011
Constant	1.041**	-.569	-1.636*	-1.133*	-.300	-.476	-.590	.518	1.703***	-.833*	-.744
% correct predictions	62.8	55.3	76.4	70.1	78.4	63.8	57.9	59.9	62.9	60.8	55.6
	GR	HU	IE	IS	IT	LT	LV	MD	NG	NI	NL
Sex [0 = female, 1 = male]	-.608**	-.115	.063	-.378**	-.050	.163	-.296*	-.159	.114	-.743***	.064
Age	.027	-.024	-.005	-.058*	-.008	-.104**	-.068*	-.029	.009	.018	-.095***
Age squared	.000	.000	.000	.001**	.000	.001**	.001	.000	.000	.000	.001***
Education, upper	.247	.372	.132	.384	-.829***	.452	-.171	.169	-.110	.000	.431*
Education, medium	.159	.044	.061	.141	-.226	-.017	-.218	.309	-.325*	.196	.053
Income upper level	.567*	.498**	.340	.104	-.186	-.574*	.297	-.001	.198	.416	.193
Income middle level	.046	.397**	.246	.057	-.196	-1.160***	-.159	.073	-.047	.025	.402*
Town size	-.024	-.079**	-.090**	-.088**	-.015	.016	.008	-.136***	.088**	-.039	.009
Constant	-2.839**	.379	.241	1.387*	-.126	1.038	1.564*	.573	.421	-1.071	1.128
% correct predictions	85.8	54	62.2	59.8	66.7	78.8	56.8	59.5	71	64.3	63.7

*Table 4. (Continued)*

	PL	PT	RO	RU	SE	SI	TR	TW	US	UY	VE
Sex [0 = female, 1 = male]	.190	-.600***	-.216	-.403***	.139	-.057	-.331**	-.044	-.102	.167	.302*
Age	-.084***	-.020	-.071**	-.056***	-.065*	.055	-.027	.022	-.068**	.033	-.009
Age squared	.001***	.000	.001**	.001***	.001	.000	.000	.000	.001**	.000	.000
Education, upper	-.247	.042	.233	-.043	.308	-1.009**	-.807**	-.469*	.320	.566*	-.362
Education, medium	-.052	-.103	.049	-.033	-.248	-.254	-.254	-.421	.309	.068	.063
Income upper level	.163	.440	-.341	.549***	.111	.017	-.229	.169	.166	-.058	.095
Income middle level	.033	.338	-.263	.309**	.279	-.250	.092	.056	.148	-.002	.335*
Town size	-.078**	-.028	-.097**	-.026	.027	-.059	-.027	-.250**	.059	-.207***	-.032
Constant	1.257*	.474	1.191*	.582	1.067	-1.964**	.926*	1.524	.945	-.086	-.427
% correct predictions	66.7	57.1	72.9	63	56.5	71.9	57.5	58.5	55.9	59.2	62

*Note:* AU = Australia; BE = Belgium; BY = Belarus; CO = Colombia; CZ = Czech Republic; DE = Germany; DZ = Algeria; EE = Estonia; EG = Egypt; ES = Spain; FR = France; GR = Greece; HU = Hungary; IE = Ireland; IS = Israel; IT = Italy; LT = Lithuania; LV = Latvia; MD = Moldova; NG = Nigeria; NI = Northern Ireland; NL = Netherlands; PL = Poland; PT = Portugal; RO = Romania; RU = Russian Federation; SE = Sweden; SI = Slovenia; TR = Turkey; TW = Taiwan; US = United States of America; UY = Uruguay; VE = Venezuela.

\* $p < .1$ .

\*\* $p < .05$ .

\*\*\* $p < .001$ .

parameters in the models for Austria, Bosnia-Herzegovina, Canada, Chile, the Dominican Republic, Great Britain, Macedonia, Malta, The Philippines, Puerto Rico, Switzerland, and Vietnam.

In some countries, but certainly not all, there is an effect of sex: males of Belgium, Colombia, Egypt, and Venezuela have more confidence, while females of Czech Republic, Algeria, Spain, Greece, Iceland, Latvia, Northern Ireland, Portugal, the Russian Federation, and Turkey have more confidence. Age has a negative sign, again with one exception (Spain), which confirms what we have seen in the previous models: younger people have more confidence in the civil service. Education has very mixed effects. The lower level education category serves as reference category, which means that positive signs point to an association with higher levels of confidence, while negative signs point to lower confidence. Confidence increases with increasing age in Colombia, the Netherlands, and Uruguay, while it decreases in Egypt, Italy, Slovenia, Turkey, and Taiwan. Where income has an effect, it generally has a positive sign: higher income groups have more confidence in the civil service (Austria, Estonia, France, Greece, Hungary, and the Russian Federation). Latvia is an exception, where lower income groups have more confidence. Where town size is a significant parameter, it has a negative sign, with just one exception (Nigeria). This means that confidence is higher in smaller towns.

## **DISCUSSION AND CONCLUSION**

In this chapter, we analyzed citizens' confidence in the civil service in 60 societies, using data from the WVS. We found socio-demographic and socio-economic elements not to be major explanatory factors for differences in confidence. The models generally explained little, and there were even countries where a multivariate model containing sex, education, and income did not contribute to explaining levels of confidence at all. Where the models were significant, general trends were hard to find. Patterns that did emerge regularly however were that male respondents frequently had less confidence in the civil service, and that inhabitants of smaller towns had more confidence. Yet the analysis revealed many difficulties related to issues of international comparability when using international surveys, problems with explaining extreme opinions, and the overall weak explanatory value of the models.

### *Conceptual Equivalence*

In international comparative research, we are faced with a trade-off between a maximal coverage of countries and a sufficiently detailed model. Concepts are interpreted differently in different countries. This is especially problematic with a concept such as “civil service”, which we have used in this article for reasons of data availability. Concerns clearly go beyond issues of questionnaire translation. Not recognizing the cultural interpretations of a concept such as “civil service”, “bureaucracy”, “state”, or “public administration” risks reducing international empirical research to a meaningless exercise from a theoretical perspective (Subramaniam, 2000). While the survey question on confidence in the civil service was phrased in a similar way in all countries, we actually have little proof that they tap into the same mental reservoir. What do we actually know about citizen’s conceptualization of “the civil service” or “the public administration”? Do citizens in all countries recognize such a concept, or do they merely perceive an aggregation of services? Do citizens actually distinguish between “the public administration” and “government” or “the state”? Our own confusion in using these terms suggests citizens probably often lump them all together. This thin line between government in general and the public administration makes it hard to study determinants of attitudes. Why would attitudes toward the public administration be different from attitudes toward other institutions? Dissimilar historical developments and different practices of delivering services may give the civil service or the public administration quite a different place within the state. We cannot even claim that the place of the state within society is comparable across countries (Stillman, 1999). This has serious implications for comparative study, because it means we are in fact comparing incomparable things.

### *The Role of Bureaucratic Encounters*

A second challenge follows from the observation that the models were not able to predict extreme opinions. While the models helped to explain part of the direction of opinion (confidence vs. no confidence), they were not able to distinguish between more moderate and more extreme opinions. This suggests that these are different opinions. While extreme opinions may reflect a broader attitude toward government, they may also be caused by specific experience with public services. Explaining these opinions may therefore require reconstructing citizens’ individual experience with public

services. This narrative building is likely to uncover deeper explanations for attitudes toward public services.

While mapping individual service experience may contribute to explaining attitudes toward public services, studying encounters alone is unlikely to lead to general explanations, as Goodsell's findings have already sufficiently demonstrated. The fact that we found some international similarities in the models, and the finding that a factor such as town size quite often has an impact on opinions, suggests that confidence in the civil service is determined by more than just service quality. But there is also a technical problem. Citizens interact with public services on a daily basis, and are also exposed to the public sector through the media. This makes mapping bureaucratic encounters quasi impossible (Van de Walle, Van Roosbroek, & Bouckaert, 2005). Different groups of citizens have different interaction patterns with government: social service users, elderly citizens, families with children, etc. Depending on personal circumstances and service quality, similar bureaucratic encounters will have a different impact on the development of individual citizens' general attitude toward the public sector.

In addition, it is misleading to treat citizens' experience with public services as a mere experience with *service delivery*. Government does deliver services, but it is also a provider of life events and rituals through its services. Some public services have a constitutive function in citizens' lives, and define their being in society as a citizen. Also, delivering and using public services is an element of national identity. It defines power structures in society and creates categories. We cannot therefore not study encounters with public services without also studying government or the state.

#### *International Differences: Searching for Localized Explanations*

Confidence in the civil service is rather high in some countries, but very low in others. While studying bureaucratic encounters may in some instances contribute to a better understanding of citizen attitudes toward the public sector, such an approach makes international comparative research difficult, if not impossible. In the academic literature, the genealogy of bureaucracy as scientific concept has received considerable attention (see e.g., Kamenka & Krygier, 1979). A similar strategy can be followed to explain attitudes toward the bureaucracy in selected countries. Rather than focusing on current performance of the public sector or on specific or general bureaucratic encounters, the focus in this strategy is not on the present, but on the past. Rather than searching for internationally valid explanations, the focus is on

localized explanations, and attempts to reconstruct the constitutive events that have shaped a specific society's understanding of its public sector.

This attention for historical, cultural, political, and other factors is clearly different from an approach merely emphasizing the impact of public service performance or socio-demographic and -economic characteristics. It does, however, not mean we should abandon multi-country comparisons using large datasets. In this chapter, our models generated very few hard results, and did certainly not lead to a nice list of determinants that are valid across a number of countries. But, despite their failure to explain, they do help us to develop plausible theories, and guide future research. More specifically, they help us to identify (country) cases for future research, where detailed narratives of citizens' attitudes toward the civil service can be (re)constructed.

## NOTE

1. Recoding roughly based on equal distribution over the three income classes in Portugal: 20.2% lower, 47.1% middle, 32.6% upper, 23.6% no answer, and 6.8% do not know.

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# CHAPTER 8

## CULTURAL EVOLUTION OF ORGANIZATIONS FROM BUREAUCRACY TO HYPERARCHY AND NETCENTRICITY: REAPING THE ADVANTAGES OF IT AND MODERN TECHNOLOGY

Fred Thompson and Lawrence R. Jones

### INTRODUCTION

In an international context, public management arrangements differ significantly from country to country, and also regionally and locally. One reason for these differences may be different civic cultures with differing views of the state and its institutions. This may appear to be obvious, but it is highly important when public management reform models are proposed and transferred from one country to others such as was the case (and still is to some extent – especially from developed to developing nations) with, for example, the new public management. Scholars in public management, as well as international practitioners, should be aware of the impact culture has on the possibilities and limits of concept transfer between different organizations and jurisdictions.

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In this chapter, we address issues of organizational culture through concentration on the rationale for and methods of adoption of emergent technologies first in the private sector and then in public organizations, with emphasis on the role and impact of new information technology (IT) and its crucial influence on organizational design and behavior (Bradley, Hausman, & Noland, 1993; Davenport, 1993; Nissen, 2006).

Contemporary public sector organizations are changing significantly as they embrace information and other modern technologies to become more effective in meeting the service preferences of citizens (Bellamy & Taylor, 1998). Part of this transition involves reformulation of thinking about organizational design. We argue that to become more effective many public organizations must respond to changes in their environments to respond to the more contingent nature of the contexts in which they operate. Some of the increase in contingency, and consequent greater uncertainty faced by public organizations with respect to how to respond, results from fairly dramatic shifts in culture that affect citizen public service preferences. Other factors influencing contingency and response include the new economics of organizations (Moe, 1984, pp. 739–777; Gibbons, 2003), globalization of economies and increased international market competition, demographic and workforce composition changes, and the rapid pace of development of new technologies, especially information technology (on IT development, see Ramnath & Landsbergen, 2005, pp. 58–64; on the information age more broadly, see Mechling, 1999; Quinn, 1992). The fundamental problem for most public organization is how to modify their design and structure to better accommodate environmental and cultural change and to operate more effectively in consort with other organizations, including those in the non-profit and private sectors.

This chapter focuses on the inherent contradiction between the basic building block of most non-market productive relationships – hierarchy – and the vision inspired by the architecture of modern information technology, especially the World Wide Web, of a more egalitarian culture in public organizations. Evans and Wurster (1997) have argued that, in the future, all knowledge-based productive relationships will be designed around fluid, team-based collaborative communities, either within organizations (deconstructed value chains), or collaborative alliances like the “amorphous and permeable corporate boundaries characteristic of companies in the Silicon Valley” (p. 75) (deconstructed supply chains). They assert that, in these relationships everyone will communicate richly with everyone else on the basis of shared standards and that, like the Internet itself, these relationships will eliminate the need to channel information, thereby eliminating the tradeoff between information bandwidth and connectivity. “The possibility (or the

threat) of random access and information symmetry,” they conclude, “will destroy all hierarchies, whether of logic or power” (p. 76).

We believe that we ignore the views of such visionaries as Evans and Wurster at our peril. The World Wide Web, together with the canon that two heads are better than one, has created something immensely interesting and potentially transformative. The genius of the World Wide Web is, as Evans and Wurster explain, that it is (a) distributed (so that anyone can contribute to it) and (b) standardized (so that everyone else can comprehend the contributions). Random access and information symmetry jeopardize the power of gatekeepers of all sorts: political leaders, managers, functional staff specialists, and even experts to determine *what* information counts as evidence and what beliefs are sufficiently *warranted* to count as knowledge. In other words, they threaten nearly everyone with a vested interest in existing institutional arrangements. One does not expect folks to surrender position or power without a struggle. Furthermore, *Homo sapiens'* need for leaders is evidently instinctive, deeply rooted in our simian brains (Heifetz, 1993). The need for hierarchy buttresses the status quo, even where the powerful are neither wise nor unselfish.

To understand the conflict between hierarchical arrangements and the vision inspired by contemporary technology and the possible outcomes of this conflict, we describe and analyze the case of the culture of management of e-government in the United States in the American military's development of a worldwide information grid. This case was selected because this initiative is at the leading edge of e-government in terms of the scale and scope of its objectives, the activities undertaken to implement it, and the resources devoted to it.

## **CULTURE CHANGE AND THE NEW ECONOMICS OF ORGANIZATION**

The basic idea behind the new economics of organization is that the comparative advantage of governance mechanisms boils down to a question of information or transaction costs and to the ability and willingness of those affected by information costs to recognize and bear them (Arrow, 1969; Coase, 1937). Hence, circumstances that create market failures: public goods, natural monopolies, externalities, moral hazard and adverse selection, etc., the problems that justify government action in a capitalist economy, are all fundamentally information failures. Markets could deliver public goods, for example, if information technology existed that would permit free riders to be



profitably excluded from enjoying them. Monopolies could be compensated to behave like competitors – if information costs were lower. And, bargaining between self-interested individuals could eliminate externalities, without the intervention of government – if transaction costs were zero. Much the same logic applies to the choice between organizations and markets and the kinds of governance mechanisms used within organizations.

Our thesis is that where the production of privately consumed goods and services is concerned, private organizations are usually observed to be more efficient than state-owned enterprises. Also, reducing the cost of information should increase the efficacy of markets relative to organizations and of non-governmental organizations relative to government. Improved communications technology, logistics, and IT all have reduced the cost of information, and have thus increased efficiency in the private sector.

This observation most emphatically does not mean, however, that the most efficient technology, let alone set of social/institutional relationships, must necessarily win out in the end. Technological development is not a coldly rational, self-regulating economic process, which proceeds automatically along a singular path. Even if one sets aside the contested nature of efficiency, the evolution of social constructs is precisely analogous to natural selection, a process that is inherently path dependent, a fact made patently obvious by English spelling in the first case and the platypus in the second. For our purposes, we accept [David's \(1985\)](#) definition path-dependence in the following manner: “A path-dependent sequence of economic changes is one of which important influences upon the eventual outcome can be exerted by temporally remote events, including happenings dominated by chance elements rather than systemic forces” (p. 332). In other words, economic arrangements are partly a function of systemic change; they are a function of random, fortuitous events as well. Moreover, systematic forces include culture, position, and power – people, institutions, and competing values – and not merely payoffs.

Moreover, the evolution of social constructs is not entirely an evolutionary process. Human agency intervenes at every stage to order arrangements to suit felt needs and wants. We shape economic arrangements, social and governance relationships, and technological developments at the same time they shape us ([Borcherding, 1988](#)).

[Brynjolfsson and Hitt \(2000\)](#) provide compelling evidence that computers do increase performance: where both are compared to industry averages, an eight percent increase in IT assets is associated with a one percent increase productivity. They emphasize, however, that the payoff to IT investment varies substantially across firms, even in the same industries. Measurement

error may explain some of this variation. IT measurement focuses on tangible assets – hardware and, in some cases, software. Intangible assets – investments in human capital, business process reengineering, and organizational culture – are usually overlooked, although in successful IT projects, systems implementation and deployment typically account for 75 percent of total project costs. In explaining this phenomenon, Brynjolfsson and Hitt stress not the level of effort given to IT systems implementation and deployment but the manner in which systems are implemented and deployed. They argue that if we want the high productivity that IT promises, it is not sufficient to invest in computers and software, our organizations must also adopt a specific relational architecture, set of processes or routines, and culture.

Brynjolfsson and Hitt refer to this pattern of practices as the digital or netcentric organization. They insist that IT and digital organization are complements: firms that simultaneously adopt the digital organization and invest more in IT have disproportionately higher performance. They imply that adopting any of the seven practices of highly effective netcentric organizations in isolation may actually hurt performance, although their evidence speaks only to a couple of the practices and to investment in computers. Five of the characteristics of digital or netcentric organizations are often found in high-performance organizations, especially those operating in hazardous environments that call for high reliability on the part of their members (Weick & Sutcliffe, 2001). These organizations consistently maintain focus and communicate goals, foster information access and communication throughout the organization, link incentives to performance, hire the best people, and invest in human capital (Pfeffer, 1998; Dixit, 2002).

Moving from analog to digital processes and distributing decision-rights to front-line personnel are the practices that truly distinguish the netcentric organization from more traditional bureaucracies. The first is inconceivable without computers; the second is a recipe for disaster where people lack a clear sense of mission and the motivation, capacity, and information needed to accomplish it. It makes sense that implementing either of these practices in isolation could degrade organizational performance. The architecture that distinguishes the netcentric organization from more traditional bureaucracies was, perhaps, first clearly articulated by Hammer (Hammer, 1990; see also Hammer, 1996; Hammer & Champy, 1993; Hammer & Stanton, 1995) in his rules for business process reengineering.

- Jobs should be designed around missions and goals rather than functions (functional specialization and sequential execution are inherently inimical to efficient processing).

- Those who use the output of an activity should perform the activity; the people who produce information should process it, since they have the greatest need for information and the greatest interest in its accuracy.
- Information should be captured once and at the source.
- Parallel activities should be coordinated during their performance, not after they are completed.
- The people who do the work should be responsible for making decisions and control built into their job designs.

Moving from analog to digital processes means reconfiguring processes to exploit the power of IT to perform a variety of tasks rather than merely using IT to perform steps in existing processes. This is not a new problem nor is it necessarily an easy one. First, the technology must be ready. Then someone must grasp its full potential and figure out how to configure work to extract every advantage from it. Given this it is little surprise that the industry that has most fully exploited the power of IT is the IT industry itself.

Every social construct has precedents. Hammer's rules reflected not only the promise of IT but also the assumptions underlying Toyota's system of flexible production, which had invited considerable attention from students of organizational design in the late 1980s and early 1990s. To support the importance of sustaining multidisciplinary teams, teamwork, and equal distribution of knowledge as a critical element of Toyota's netcentric-oriented organizational success, when this system was weakened, Toyota began to experience uncharacteristic problems in sustaining production quality. Preserving the company's reputation for quality became a significant issue in July 2006, when Toyota announced the need to recall vehicles due to various problems. The issue became a national scandal when Japanese police accused Toyota executives of concealing product defects over an eight-year period ([International Herald Tribune, 2006](#)). At the same time another Japanese corporate giant, Sony, recalled a large number of faulty computer laptop batteries and admitted to production quality control failures. These incidents led to a national debate in Japan in 2006 over the issue of whether the quality of industrial production, quality control, worker incentives, and even the quality of Japanese school systems, had weakened substantially.

Explanations for these lapses in quality of production and control ranged from criticism of deterioration in the work ethic of Japanese workers to the influence of introduction of Western-style management methods. Thus it was reported

Some have also begun to blame the decline on recent American-style management changes, like performance-based pay, the end of traditional life-time job guarantees and

increased use of temporary workers in order to cut costs. Many economists and corporate managers now say these changes, adopted in the 1990s as Japan groped for ways to revive its floundering economy, sapped employee morale and frayed the sense of teamwork that underpins a commitment to quality. (*International Herald Tribune*, 2006, p. 14)

For example, in 1993 Fujitsu adopted a performance-based pay system (PBP). However, by the mid-2000 the firm abandoned the system, returning to an emphasis on group performance. Thus, computer systems and netcentric methods work only in tandem with employee education and training, and proper systems of motivation. Indeed, by the mid-2000s many American firms and public sector entities had phased out PBPs and the academic community had thoroughly debunked the efficacy of such approaches, finding that PBP had damaged worker productivity due to the introduction of compensation inequities of various types (*International Herald Tribune*, 2006, p. 14).

With these lessons in mind, we may observe that the power of netcentric organization to transform productivity is dependent on a number of variables, including good human resource management. The role of new technology in enhanced productivity is highly evident as was first demonstrated in the computer industry. Many of the characteristics of netcentric organizations were already common practice in this industry by the 1990s. Owing to their technological expertise, its leaders were themselves well positioned to grasp the possibilities inherent in the technology and to figure out how to reconfigure basic business processes to take advantage of them, although actually doing so often took many years. IBM's Business Continuity and Recovery Services facility in Dallas, Texas, was an early example of a complete netcentric organization. It explicitly mimicked the self-organization of markets. Everyone was either a customer or provider, depending on the transaction, which transformed the facility into a network of voluntary exchanges and substantially boosted productivity.

Can government copy the netcentric model, organizing itself into alliances of networks (Gulati, 1998), sharing top management and core competencies, investing in multi-disciplinary teamwork and a common culture, and using computers to chart activities and operational flows? Can it use real-time information on operations made possible by modern IT systems to pass the exercise of judgment down into the organization, to wherever it is most needed, at service delivery, in production, or to the client? Can government abandon its hierarchies, its need to push operating decisions to the top of the organization, or its stove-piped functional organizations? Can it consistently maintain focus and communicate goals, foster information access and communication throughout the organization, link incentives to

performance, hire the best people, and invest in human capital, as well as computers and software? The benefits are there, but so too are the costs. Adopting the netcentric organization is problematic in several ways, two of which are crucial: lack of understanding that certain practices matter and that these practices must be adopted together, as part of a complementary system, and the unwillingness of the people at the top to share authority.

### **THE EXAMPLE OF THE U.S. DEPARTMENT OF DEFENSE GLOBAL INFORMATION GRID**

The search for consensus on organizational design and the types of practices that matter most to evolving public organizations is dramatically reflected in the U.S. Defense Department experimentation with netcentric warfare. One might be inclined to skepticism. Military organizations have earned a reputation for conservatism. In part this is a necessary consequence of their need for resiliency and reliability in the face of severe harm. Moreover, Fountain (2001a, 2001b) has described the failure of an early experiment carried out by the U.S. Army's 9th Mechanized Division (HiTech) at Ft. Lewis, Washington, with a network enabled information system. The failure of this experiment was at least partly due to the unwillingness of its senior officers to abandon hierarchy or to push their operating decisions down into the organization. Nevertheless, Hughes (1998, p. 5) reminds us that the very first netcentric organization may well have been the Defense Advanced Research Project Agency's ARPANET project. Started in the late 1960s, the project was characterized by "a flat, collegial, meritocratic management style as contrasted with a vertical, hierarchical one; the resort to transdisciplinary teams of engineers, scientists, and managers in contrast to reliance on discipline-bound experts; the combining of diverse, or heterogeneous, physical components in a networked system instead of standardized, interchangeable ones in an assembly line; and a commitment by industry to change-generating projects rather than long-lived processes."

The U.S. Defense Department and the uniformed services are seriously trying to figure out how to utilize the power of IT to increase the agility of combat forces and the speed and effectiveness with which the military is deployed to achieve political ends without combat. The backbone of this initiative is the integration of the Department of Defense communications and computer systems into the Global Information Grid or GIG.

The GIG is a distributed network that is designed to spread processing power across a network of thousands of processors, servers, and routers

located around the world. The diverse computers that make up the network will be linked together via a communications system that automatically routes and relays information from source(s) to destination(s) through any available medium or node. The GIG's communication system will use technologies pioneered by the Defense Advance Research Projects Agency's packet radio project as well as landlines, both of which rely on the Internet's open-systems standards and protocols to facilitate interoperability among its component elements. This communications network will allow the computers in the grid to exchange information, share workloads, and cooperatively process information to provide users with information about local operating conditions such as the status information on the enemy, friendly forces and neutrals, and terrain and weather information. Information will be supplied by users, local and regional sensors, and processed by intelligent agents to help them figure what they need and to get it when they need it. Information and related services will be available to any and all "net-ready" users, meaning connected to the GIG, with an adequate interface to enable the acquisition and presentation of information. For example, a rifleman's processor could be a thin client dedicated to supporting a human-computer interface (with voice recognition, heads-up display, speech synthesis, and communications). It need not have its scarce computing capacity tied up providing other information-related services. Computing resources to support a user can reside anywhere on the grid.

When the GIG is complete, everyone in the American military will be able to communicate with everyone else on the basis of shared standards. The architectures of object-oriented programming and packet switching in telecommunications will eliminate the need to channel information, thereby eliminating the tradeoff between information richness and reach, or so its advocates claim.

The grid is designed to be scalable to several levels or tiers of networks. At the highest level, it will comprehend all sensors, information processors, and users from satellites in geosynchronous orbits on down – all the military's processors, servers, and routers, the communications grid, and stored data and metadata registers and catalogs. Metadata describe and classify the information to which they are appended, including its source, description, intended use, pedigree, and security classification. Hence, they allow users to convert data into useful information. The next tier might be a wide-area network comprehending a regional command, the next a medium-area network comprehending all the combat and support teams conducting operations in an area, and finally a local-area network comprehending the participants of a combat team or rapid reaction force.

As with most high-tech organizations, the GIG will rely on quasi-market mechanisms to link customers and providers (sensors, weapons platforms, and intelligent agents, as well as people), and to ensure that users have access to the information and services (bandwidth, etc.) that they want when, where, and how they want it. Depending on the transaction, a user may be either a customer or a provider. Department of Defense policy envisions that users will post all of the information they collect or produce so that it can be immediately available to those who need it. In addition to tracking the progress of transactions and providing management for the system of exchange, the GIG's infrastructure will supply

- Metadata posting and collection;
- Searchable catalogs advertising the availability of services and information on the GIG. These catalogs will contain information that describes the capabilities of the service, the necessary inputs to use the service and the outputs of the service;
- Discovery mechanisms to locate and identify information to support user tasks, including flexible access control mechanisms to facilitate information visibility and availability (while hiding information where there is an explicit need for security beyond that afforded by the network);
- Agent-based mediation services to translate, fuse, and aggregate data elements into information to meet the needs of diverse users ranging from individuals to teams and organizations, and to sensors and/or weapons systems.

These software agents will use metadata to package information for users. They are supposed to filter and deliver the right information to the right user automatically. That is to say, these agents will be made aware of the user's situation and information needs to provide relevant information without a specific user request. Software agents are intended to multiply the resources available to users by gathering and transforming raw data into actionable information to support operations, in the same way that users would, were the agents unavailable, thereby freeing them from routine information processing chores and allowing them to devote their attention to operations.

The GIG relies on workload sharing and packet switching for resiliency. The grid will operate reliably despite the destruction of many of its components or communication nodes because data and workloads can be stored and processed throughout the network and information is automatically routed through its undamaged nodes via surviving radio transmitters and landlines. Moreover, according to [Alberts and Hayes](#)

(2003, p. 197) automatic packet-switching network protocols and algorithms could protect communications nodes in ways never before conceived through cover, concealment, and deception. For example, network-level protocols could make every node look the same (in a traffic analysis) as every other node, thereby limiting an adversary's ability to identify and target high-value nodes such as command and control centers. Similarly, network-level protocols could, if the system detects an attack, change its waveforms to mimic a radar site or even the radio signals of an enemy unit. Finally, the Department of Defense is developing hard to intercept and detect waveforms for ground-based communication networks.

It is perhaps a cliché to say that the Web, like its namesake, is full of bugs and dirt. To defend against information attack, capture, or corruption the GIG will rely on commercial technology for conducting secure transactions, such as internet protocol security, secure socket layer, public key infrastructure and key distribution mechanisms, strong encryption algorithms, intrusion detection systems, and inexpensive biometric systems (fingerprint readers and retinal scanners). To protect against hackers, spyware, computer viruses, or massive denial of service attacks, the GIG will rely on approaches such as sandboxing, code signing, firewalls, and proof-carrying code. However, as even its champions acknowledge, these approaches have yet to be implemented, tested, or standardized.

Based upon most contemporary press coverage, the Iraq War represented the apotheosis of netcentric warfare. A more balanced discussion of events, written by Joshua Davis, appeared in *Wired Magazine*.

The war was a grand test of the netcentric strategy in development since the first Gulf War. At least, that's the triumphal view from the Pentagon briefing room. But what was it like on the ground? ... I tracked the network from the generals' plasma screens at Central Command to the forward nodes on the battlefields in Iraq. What I discovered was something entirely different from the shiny picture of techno-supremacy touted by the proponents of the Rumsfeld doctrine. I found an unsung corps of geeks improvising as they went, cobbling together a remarkable system from a hodgepodge of military-built networking technology, off-the-shelf gear, miles of Ethernet cable, and commercial software. (Davis, 2005, p. 41)

Nevertheless, Davis was favorably impressed with the system cobbled together. Known as "Geeks" to the soldiers in the field, the system tracked every friendly unit, weapons platform, and soldier in the theater and plotted their positions in real time on a digital map, together with all known enemy locations, plus a lot more: battle plans, intelligence reports, maps, online chats, radio transcripts, photos, and video. Soldiers accessed this system through a portal known as the Warfighting Web, which ran over the



military's Secret Internet Protocol Router Network in much the same way as the public Internet.

Geeks facilitated the major operational innovation of the Iraq War: swarm tactics. In the earlier Gulf War, coalition forces advanced in a traditional linear formation, with each unit assigned sole responsibility for a specific portion of the front or held in reserve. Coordination was achieved and fratricide avoided through careful attention to the boundaries assigned the attacking units. Then, as each unit advanced, it would sweep its assigned corridor clear of adversary forces. If it met with unexpected resistance, higher command could redeploy neighboring or reserve units to overcome or in some cases seal off an exceptionally obstinate foe. Unfortunately, maintaining a continuous front is costly both in terms of manpower and equipment. Resources must be spread out all along the line and in echelon behind it. Moreover, units advancing in linear formation often cannot move faster than their slowest element; they sometimes have no option but to engage forces blocking their assigned line of attack, battling on the periphery rather than going for the heart of the enemy's defenses; and they are easy to locate and, therefore, attack.

In the Iraq War, allied units were spread out like polka dots over the battlespace and charged with the destruction of enemy command, communications, and control centers, along with denying them supplies. When allied units encountered strong fixed defensive positions, they often merely noted the locations and by-passed them. Dangerous enemy offensive units were engaged and, through self-coordination of local air, land, and sea forces, overwhelmed. This was possible because Geeks allowed soldiers to keep track of each other, even when they were out of one another's sight, and to come together rapidly and stealthily from all directions. Of course, dispersed attack formations avoid many of the drawbacks of a linear formations: forces are much more likely to be used to good effect, thereby saving on resources; the swarm can move forward as fast as its fastest elements – speed and surprise tend to degrade the efficacy of an adversary's response (Coram, 2002); dispersed forces are hard to attack and nearly impossible to attack successfully when they move faster and concentrate firepower more accurately than their opponents. The worth of dispersed formations in desert warfare is not a new discovery. German General Erwin Rommel used dispersed formations and swarm tactics against the British Army in North Africa during World War II, typically taking personal command at the most decisive spot of the operation. Although these tactics were evidently effective, visitors from the German General Staff were often nevertheless appalled by Rommel's flagrant disregard for sound principles of war.

The allied swarm used Microsoft Chat to coordinate action – concentrate, attack, and disperse, combine and recombine – of myriad, dispersed, maneuver units. When a problem developed, a soldier would radio a Tactical Operations Center, where the problem would be typed into a chat session and addressed by anyone online – from experts at the Pentagon to the AWACS overhead or combat teams nearby. According to Davis, not only did technology change the way allied forces maneuvered, it also changed the way they thought.

On the negative side, several observers have noted that allied forces lacked a system of systems (Cordesman, 2003; Boyne, 2003). Many of the information systems available at the outset of the Iraq War remained service specific. As a consequence, a network had to be quickly improvised from these systems under difficult circumstances. Not surprisingly, this improvisation worked best between the highest levels of command. The net was probably weakest at the battalion level and below. But even platforms that were relatively well integrated into the net, U.S. Air Force fighter planes and bombers, had problems with interoperability, communications, and data flow, as well as in procedures and computer support. These problems often showed up in an inability to redirect aircraft in mid-flight away from targets that had been destroyed or to surviving targets in a timely manner. As Cordesman (2003, p. 280) explained

The US and its allies simply [did not] have a fully effective and reliable set of sensors, processors, and methods to support netcentric warfare with reliable battle damage assessment or to provide such data quickly enough to support near-real-time allocation of force assets for either tactical or targeting purposes.

Network communications problems also sometimes hindered the ability of logistical units to synchronize their movements with the combat teams they supported, causing delays in re-supply. Indeed, orders from higher commands often simply out ran the ability of lower level combat and support units to interact and coordinate with each other. These problems were evidently due to doctrinal and training failures as much as to technological and equipment failures, although Davis noted that one army analysis of information problems during the Iraq War focused on the need for improved energy sources to replace batteries.

The GIG is supposed to provide the information and telecommunication services needed to fix these problems, except perhaps for battery life. It will enhance the ability of soldiers to make sense of the situations they find themselves in and support collaboration, both of which are essential to promote a high level of shared awareness and to create the conditions needed for effective self-synchronization. However, the GIG will not fix

what Cordesman (2003, p. 280) describes as the tendency of bandwidth creep "... to push information to virtually all potential users and to centralize decision making and review." He concluded

It is far from clear that today's problems are truly bandwidth problems as distinguished from a failure to create efficient systems that limit the need for bandwidth, and equally unclear that careful review has been made of where the flow of information should stop, of how much information can really be used, and of the need to delegate and limit information flow. (Cordesman 2003, p. 280)

The champions of netcentric warfare within the defense establishment go much further. They argue that dramatic changes must be made in the military culture, architecture, decision-making processes, and operating routines to exploit the full promise of IT. In turn, these changes – expanding lateral information flows; increasing connectivity and interoperability, collaboration, and experimentation, forming and deploying small, agile, specialized teams; and devolving much (but not all) command authority downward – call for equally dramatic changes in the way military units are configured, trained, and equipped.

One of the key change agents in this process is the defense department's Command and Control Research Program, currently directed by David S. Alberts. Dr. Alberts is Director, Research and Strategic Planning, Office of Assistant Secretary of Defense for Networks and Information Integration. The Command and Control Research Program has produced a series of reports dating back to the mid-1990s outlining the changes the military must embrace to enter the information age. The most recent report in the series, *Power to the Edge: Command... Control... in the Information Age* (Alberts & Hayes, 2003), reiterates the conclusions of its predecessors but goes much further in emphasizing the importance of flattening command hierarchies and of devolving power down to combat and logistic teams.

Although the Command and Control Research Program has not referenced this literature, the organization they prescribe is essentially Brynjolfsson and Hitt's digital or netcentric organization. To those who have learned about the U.S. military from old war movies, this looks like an impossible stretch. To those more familiar with the modern military, however, Alberts and Hayes can be understood as saying merely that the armed forces as a whole should look more like the Special Operations Command, with its joint headquarters, exercises and training, tactics and doctrine, its relatively high degree of interoperability and equipment standardization, and its tailored task forces, composed of units that are brought together to accomplish a given mission or accomplish specified

objectives, and are then reorganized or reconfigured to take on new responsibilities. Further, Alberts and Hayes' combat and logistics units would look like special forces units: relatively small, highly skilled, multi-disciplinary teams, with a lot of rank, but not many levels of command (Alberts & Hayes, 2003). This would still be a big stretch, but almost by definition not an impossible one.

At the same time that Alberts and Hayes call for the devolution of power to the edge, they are cognizant that authority and accountability are essential features of any system of command and control. Organizations that fail to allocate responsibility for performance, to align responsibility with authority, or to hold individuals accountable for their exercise of responsibility and authority are predestined to muddle and the pursuit of sectarian interests. Their point is that it is possible to move from a "concept of command that is tied to an individual commander to a concept of command that is widely distributed" (Alberts & Hayes, 2003, p. 45).

Rather than issuing detailed orders about what to do, when to do it, where to do it, and how to do it or even specifying objectives each unit is to achieve, and leaving the details of when, where, and how to the units, Alberts and Hayes would have headquarters assign missions to the units involved, but leave decisions about how they are to be achieved to the units involved to work out for themselves – they refer to this decision-making process as self-synchronization. They assert that effective self-synchronization requires headquarters to provide a clear and consistent understanding of command intent, appropriate rules of engagement, and sufficient resources. These measures would guide but not dictate details to subordinates. In addition, effective self-synchronization requires quality information, shared situational awareness, and competence at all levels of the task force and 360-degree trust – in information, subordinates, superiors, peers, and equipment.

The Network Centric Warfare concept of self-synchronizing forces is a statement of the requirement for massive improvements not only in flexibility but also in adaptability. The elements of such forces will need to be extremely competent and inspire confidence in the other force elements about that competence. They will also have to trust one another, recognizing the value of synergistic efforts and their ability to rely on one another to achieve them. They will need to be supported by networks that allow them not only to share information but also the tools that they need to develop situation awareness and situation understanding. They will also need to task reorganize on the fly. (Alberts & Hayes, 2003, p. 144)

To get from here to there, they rely on two critical assumptions. The first is that GIG will be constructed pretty much on time and on schedule.

The second is that the American military will continue to experiment with netcentric warfare/organization, that its basic principles will be vindicated, and that this vindication will lead to consensus as to which practices matter, the recognition that these practices must be adopted together, as part of a complementary system, and, ultimately, to the willingness of people at the top of the uniformed services to share authority.

So far, development and deployment of the GIG has remained pretty much on schedule. This success largely reflects the military's willingness and ability to lavish resources on what is essentially an unproven concept. Few if any other organizations could afford to be so extravagant. The one area in which the GIG is admittedly behind schedule is in protecting the space-based segment of the GIG from attack, especially its resiliency in the face of information attack. This is not primarily a money problem now. Rather, it seems that the military has so many platforms under development that there simply are not enough skilled aerospace systems engineers to go around. Since many of the platforms under development for the military reflect the assumptions of an earlier era, one might conclude that this constraint is a harbinger of more serious conflicts to come.

Out point here is that the U.S. Defense Department resource allocation process, as with most budgetary processes, is incremental in nature. It is better at preserving the human, material, and technological capacities of existing institutional arrangements and functional communities than at creating new ones. That conclusion holds a fortiori where it is necessary to scrap the old to bring into being the new. For the next few years, the American military can continue to pursue parallel tracks to the future, what Alberts and Hayes refer to as the modernization track versus the transformation track, but at some point migration paths from one track to the next must be put in place. Alberts and Hayes seem to agree, they argue that

[C]apabilities are usually a product of DoD's stovepiped planning, budgeting, and acquisition processes (all of which are material-dominated) and a requirements process that is backward looking. While power is currently distributed, being vested in the Services and Agencies, this power topology is clearly antithetical to jointness and far from the warfighter edge. Over the years, there have been numerous attempts to improve the system to make it more joint and responsive to warfighters' needs. To date, these efforts have been only marginally successful because they have not fundamentally transformed these processes into edge-oriented ones. The adoption of an edge-oriented approach to the main function of DoD, the conduct of military operations, demands that these supporting processes be transformed as well. (Alberts & Hayes, 2003, p. 284)

In other words, it is not certain that we get from here to there. The Air Force, which has thought long and hard about the need to make the

transition to a space and air force, still has not figured out how to change its resource allocation process to make it actually happen (Barzelay & Campbell, 2003). What Alberts and Hayes propose looks a lot harder.

## **FROM THE NEW ECONOMICS OF ORGANIZATION TO NETWORKS**

To make sense of this story, the idea of a value chain, one of the central organizing concepts in the contemporary management literature, is useful. A value chain is simply an arrangement of activities or tasks undertaken to add or create value (on adding value more generally, see Moore, 1995). Economists presume that governance arrangements make value chains more efficient. That is, they are a means of managing the sum of transaction – search, bargaining, negotiation, and enforcement – and holding costs. This is an oversimplification, but it is often a useful starting place in the analysis of institutional arrangements.

As we have seen, the traditional transaction cost framework posits two polar types of institutional arrangements.

- The market, which at the limit is a completely deconstructed value chain.
- The hierarchical, vertically integrated organization, which at the limit is a completely self-contained value chain.

Of course, most real value chains are composed of both markets and organizations.

There is often a tacit presumption in this sort of analysis that the mass production of manufactured goods is the normal mechanism through which organizations create value. Under this mechanism, the lion's share of the value created derives from the production or fabrication process, a repetitive or cyclical process. Consequently, most of the costs incurred in creating value vary directly with the rate and/or volume of output. These presumptions imply a particular division of labor, one in which like activities or tasks are grouped together and performed sequentially and each node in the value chain or network is an event signifying completion of a discrete task. Hence, value chains are typically portrayed as linear networks of activities in which events follow sequentially from one to the next until the process culminates in the enjoyment of the good or service in question. A complex value chain might have many tributaries, but its flow is unidirectional. Except where the so-called overhead services contribute to the value chain, its activities can be

coordinated via simple push–pull mechanisms, with communication concentrated at the links in the process.

There is another important tacit assumption in this sort of analysis: information is very costly and must be carefully husbanded. Consequently, this presumption further implies that the main issue confronted in the governance of value chains is vertical integration, not only to maximize economies of scale, but also to minimize overheads through economies of scope.

In one of the most widely accepted formulations incorporating this perspective, two attributes of primary and intermediate products or services suffice to answer the question of how their place in the value chain should be governed: excludability and exhaustibility. Both non-excludability and non-exhaustibility give rise to divisible prisoner’s dilemma games, which often preempt efficient voluntary governance arrangements and, where that is the case, call for coordination by fiat or hierarchy.

The main normative prescription that flows from this perspective is that goods or services that are characterized by excludability and exhaustibility, the so-called pure private goods, ought to be supplied via voluntary exchange, i.e., markets. Goods or services that are both non-excludable and non-exhaustible, the so-called pure public goods, ought to be subject to hierarchical control. It is usually further presumed that a public-goods value chain involving final goods and services that benefit a large share of the citizenry should be managed by the state or one of its subsidiaries. This formulation logically suggests two additional patterns: excludable, non-exhaustible goods and services, the so-called toll goods, and non-excludable, exhaustible goods and services, the so-called common goods, externalities, or spillovers (Hardin, 1968). Under the old structure–conduct–performance paradigm, the former called for some form of administered contract (at the limit, government regulation of price and entry) and the latter an M-form organizational design or, at the limit, government process controls to increase the spillover when a good or decrease it when a bad.

Because value-creation strategies are usually conceived along product-market lines (single product, differentiated products, multiple products) and because the M-form structures provide a general manager for each product line (rather than for regions or functions), the M-form is broadly endorsed as the mode of organizing and managing large, multi-product organizations whose products are by definition heterogeneous. The broad outline of the M-form structure is one where substantial decisional authority is decentralized to agents, within the context of well-specified rules determining how agents will be rewarded for their efforts. According to this perspective, the management process mainly involves acquiring and

deploying assets and, to influence this process, principals must establish a consistent set of delegated decisions, performance measures, and rewards. Organizational units in such a setup participate in quasi-voluntary value chains linked by transfer prices. Managerial rewards are based on economic quantities of interest to principals, such as returns on capital employed (holding plus embedded transaction costs).

The final assumption of the structure–conduct–performance approach to transaction-cost oriented value-chain analysis is that the coordination of interdependent cooperative activities is easier under an organizational hierarchy than in markets. In turn, the coordination advantages of organizations supposedly derive from the internal homogeneity of their systems of internal contracts: communication systems, including budgets, incentive regimes, and authority structures. A corollary of this assumption is that organizations that rely on a small number of suppliers or distributors can write contracts that will, at some cost, constrain the opportunistic behavior of those with whom they deal.

There is a fair amount of evidence supporting the logic of this formulation. Arguably, for example, the main thrust of the regulatory reform movement of the 1970s and 1980s and the privatization of state-owned enterprises was to align governance mechanisms with the characteristics of the goods and services produced. In the private sector, mergers and acquisitions that conform to the dictates of this formulation are usually successful. Those that do not conform almost inevitably destroy stockholder value. Finally, in a study of defense businesses, Masten (Masten, 1984; see also Masten, Meehan, & Snyder, 1991) showed that non-exhaustibility (economies of scale) and non-excludability (economies of scope) directly influenced vertical integration. Where intermediate products were both complex and highly specialized (used only by the buyer), there was a 92 percent probability that they would be produced internally; even 31 percent of all simple, specialized components were produced internally. The probability dropped to less than 2 percent if the component was unspecialized, regardless of its complexity.

Nevertheless, it is increasingly apparent that the principles of hierarchy, levels of graded authority, and a firmly ordered system of super- and subordination and formal contractual mechanisms are at best imperfect solutions to the problems caused by divisible prisoner's dilemma-type games. A better way to conserve on transaction costs is through the elaboration of trust-based, relationships of mutual dependency. These can be reflected in intra-organizational cooperation or take the form of inter-organizational alliances. We note here that the means of reinforcing trust-based alliances often includes the exchange of hostages – surety bonds, the exchange of debt



or equity positions, or quasi-vertical integration. Quasi-vertical integration is common in both the automobile and the aerospace industries, and it is standard procedure for the U.S. Department of Defense to provide and own the equipment, dies, and designs that defense firms use to supply it with weapons and weapons systems.

Moreover, modern information technology has made it economically feasible in a number of cases to exclude users and to design and apply demand-based multi-part tariffs to deal effectively with problems of non-exhaustibility, thereby deconstructing vertically integrated value chains. Under multi-part transfer prices, the service delivered is decomposed to reflect underlying cost drivers and priced accordingly (your home phone bill is an excellent example of a multi-part tariff). Even where sequential value chains remain bounded by a single organization, these innovations often allow intra-organizational exchanges of services, tangible assets, knowledge, and skills to be governed by *laissez-faire* transfer prices in which the buying and selling units are completely free to negotiate prices and to deal or not to deal.

Formerly, in most large complex organizations in the private sector, value chains were typically governed by centralized resource-requirements planning systems. Even where transfer prices were used, the financial performance of a processing unit that contributed directly to a value chain was typically measured against a standard unit-cost target; staff units were not a direct component of the value chain and were typically treated as discretionary expense centers. Only final product-market lines were evaluated in terms of return on investment or economic value added. The reasons for this are complex, but they go to difficulties associated with expensing intermediate and joint products. Consequently, attempts to find the costs of intermediate and joint products or to price them were often either excessively arbitrary or prohibitively costly. In contrast, final products have always been relatively easy to price and expense following generally accepted accounting practice. Recent advances in information technology, managerial accounting, and organizational design have made it possible and, in some cases, beneficial to treat every responsibility center in an organization as an investment center, including those providing overhead services. Our basic point is that there is more than one way to skin a cat, to cite a familiar value-chain problem.

More significant, given our purpose, is the fact that technology, primarily information technology, but also the technology of social cooperation (mechanisms, processes, doctrines), has rendered traditional mass production methods obsolete by removing value added from the fabrication stage of many value chains. For many final goods and services, direct labor costs at

the fabrication stage are now trivial and raw materials and components do not add value at that stage of the process. This means that most of the costs incurred in creating value do not vary directly with the rate and/or volume of output, but have other drivers. Modern fabrication technologies are largely available to any producer willing to make the necessary investment.

In a typical modern hi-tech value chain, most of the value is added in product development and design, logistics, materials handling, delivery, post-delivery servicing and maintenance, and in customer relations. In other words, overheads and purchased services and components account for 90 percent of costs. Consequently, value is now defined more in terms of the quality and heterogeneity of goods and services, their availability when and where they are wanted and convenience of use, and consumer awareness and knowledge of product or service attributes, than in terms of cost or price.

This transformation reflects the fact that mass production entailed costs as well as benefits. These costs took the form of mismatches between individual tastes and preferences and product characteristics. The classic illustration of this phenomenon is Henry Ford's dictum that customers could have any color Model T they wanted, as long as it was black. This potential misallocation of resources arising from the mismatch between tastes and the product homogeneity induced by mass production is directly comparable to the problem of providing public goods in a jurisdiction where people have different preferences for the good (i.e., where people cannot vote with their feet and zoning does not achieve efficient sorting) but face an identical tax price. In that case, where the quantity of the good provided is democratically determined (i.e., it reflects the preferences of the median voter), as we have seen, half of the citizens get more of the good than they want (they would rather not buy as much of the public good as they are made to) and half less (i.e., they would be willing and able to buy more). Technological changes mean that in many cases it is no longer necessary to bear these costs to obtain the benefits of productive efficiency even where value chains are concerned with manufactured goods.

Elsewhere the standard model of the value chain, based as it was upon the technical and social imperatives of the mass production of manufactured goods, was probably never the best way to think about value creation. The delivery of services, for example, has generally involved at least some accommodation to the needs of the individual recipient. Treating service delivery, especially government service delivery, like manufacturing almost necessarily meant trying to fit it into procrustean bed. Much the same could be said about the building and construction trades. Consequently, it may be argued that what has changed in recent years is that manufacturing has simply become more like other value-creating activities.

If true, these facts ought to change the way we think about value chains in some fundamental ways. Instead, of linear networks of sequentially dependent activities, it may make more sense to think of value chains as parallel networks involving reciprocally interdependent relationships through which activities are simultaneously carried out. Consequently, critical paths or PERT networks are better metaphors for these value chains than are directed or linear graphs. This is the case because holding costs can often be minimized by parallel processing where all the participants in the value chain have full access to information about every aspect of the process. The activities and tasks that comprise a value chain and the technologies used to perform them still determine its optimal arrangement and its governance structure, but the main coordination problems to be solved nowadays typically involve horizontal rather than vertical integration.

Unfortunately, the logic of horizontal integration is not very well developed or understood, in part because students of management have not fully appreciated the need to rethink the problem of coordinating activities when information costs are low or of organizing to create value via parallel processes. Organizational economists have been especially resistant to rethinking received doctrine. Fortunately, however, we have some empirical knowledge about managing projects, which is the closest analogue we have to the more general problem of horizontal integration.

The logic of transactions or information cost implies that networks are neither a distinct kind of relationship, nor necessarily superior in performance to other kinds of value chains, nor even uniquely more difficult to sustain than value chains comprehended by single organizations. "The principles of hierarchy," "levels of graded authority," and "a firmly ordered system of super- and subordination" are inimical to democracy. They are also increasingly inimical to high performance. Today, it seems clear that high performing entities are more likely to be designed around team-based collaborations that successfully spread authority and responsibility throughout the organization and thereby mobilize the collective intelligences of their members.

## CONCLUSIONS

We believe that networks represent a means to move from bureaucracy and hierarchy as means for coping with complex problems to consensus decision making through the use of netcentric systems and quick learning in organizations (on the learning organization, see [Senge, 1990](#); [Senge, Kleiner,](#)

Roberts, Ross, & Smith, 1994; Garvin, 1993; McGill & Slocum, 1994; Pedlar, Burgoyne, & Boydell, 1987; on fast learning and reduced cycle time, see Meyer, 1993). In this regard, we believe that networks can be influenced by stakeholders and participants, but cannot be “managed” per se. True networks of the type defined by Evans and Wurster (1997) cannot be managed. Instead, they evolve spontaneously as entities relatively free of control and management by any party. We acknowledge that there is a school of thought that views networks as manageable (see, for example, O’Toole & Meier, 2004; Kickert, Klijn, & Koppenjan, 1997), but we do not agree with this perspective.

With respect to how hyperarchy, netcentricity, and quick learning can facilitate organizational decision making and action through the use of new technology, for our purposes it is reasonable to conclude that there is a hierarchy of technologies, from easy to hard, low risk to high risk, low payoff to high payoff that may be used to achieve desired results.

- Standardized components
- Standard formulations
- Innovative formulations

There is also a hierarchy of administrative applications that goes from redeployability to asset specificity. In most cases, this involves moving from a primary focus on dealing with process design consideration to a primary focus on dealing with process context factors. These include (a) the organization’s mission and purpose, (b) its constitution or governance structure, (c) its culture and the basis of its strategic thinking, and (e) its installed knowledge base. Clearly in our view, the process design factors are easier to deal with than are the process content factors.

Redeployable applications are what we usually think of when we talk about technology, i.e., equipment and operating software. Process design, organizational design, and capacity for use sometimes get lumped together under the rubric of business process reengineering, although there are distinct disciplines concerned with each of the three kinds of administrative applications – process engineering, organizational design, and change management or knowledge management – that focus upon the development, stabilization, and operation of job or organization-specific assets that can, in practice, only be given meaning and effect by process context factors. Clearly, the basic payoff from continuous and substantial effort at investment in the first set of applications results from investment in the second. The focus of this chapter is on the use of information technology to improve communications and business efficiency for government departments and agencies.

Governments at all levels are grappling with these issues. The issue that must soon be faced is: what do the new technologies mean for the democratic process itself and for the prospect of enhanced citizen engagement? Democracy may be easier to achieve in the workplace than in society (Michael, 1992). Work is central to our lives but government and its functions are not, which implies an important relational distinction. At work, participation in governance is a benefit, in society writ large it is a cost. For democracy to work as it should, this cost must be borne but, the incentives to participate are so widely dispersed in society that the absence of participation is understandable, if regrettable. This fact explains why governments so often fail to manage their business affairs properly, why corruption is prevalent in democratic and quasi-democratic political systems, and why public organizations are so resistant to management reform.

There is little reason to question the pace of change and contingency in the cultures and environments within which public organizations must operate in today's world, nor the fact that public organizations of all types must respond to such change. Not all such change will involve evolution towards netcentricity and hyperarchy. More moderate adjustments to change are far more likely to be made before such organizations consider more radical reformulation of their design, structure and modes of operating internally in conjunction with other organizational entities. However, we suggest that as a result of cultural and environmental change and increased contingency, some movement towards hyperarchic design and netcentric operation is inevitable if public organizations are to become more responsive citizens and to their clientele base in the 21st century. As culture changes so must the organizations serving the emergent demands and preferences that result from of new environmental circumstance.

Finally, we wish to observe that one precondition for conducting better research on the impact of cultural change on public organizations is a better definition of what we mean when we use the word culture (Berger & Luckman, 1980). Among the public management community, various versions of what may be termed "cultural theory" have gained considerable attention. For example, Almond and Verba (1963, p. 13) define political culture in terms of general values and attitudes shared by the general public, especially their "attitudes towards the political system and its various parts and attitudes toward the role of the self in the system." The civic culture is but one example of political culture, in which these values and attitudes work to sustain participatory democratic institutions. The civic culture is "based on communication and persuasion, a culture of consensus and diversity, a culture that [permits] change but [moderates] it." From their perspective,

most variations of civic culture would be conducive to hyperarchy. In contrast, Mary Douglas's, Michael Thompson's, and Aaron Wildavsky's cultural theory assumes that four types of cultural bias are normally present in collectivities, where they are at war with one another. Indeed, they argue that social conflict is about types of organization – cultures compete for members, for prestige, and for resources. To the extent that this view of political culture is valid, it moves cultural theory to the heart of policy analysis and administrative argument (see Douglas & Wildavsky, 1982; Thompson, 1982; Thompson, Ellis, & Wildavsky, 1990). Since we know most organizations tend to be dominated one or more of these biases (Ellis & Thompson, 1997), it follows that at a minimum cultural bias could easily influence the rate at which organizations adopt netcentric organizational forms. This suggests one possible, extremely interesting research stream. There are, however, other approaches to the analysis of how cultural factors influence change in government and elsewhere in the public sector that may be relevant yet have not been explored to any great extent. To guide this exploration, we suggest it is necessary to develop research methods that will be robust enough to address questions such as the following:

- How and through which processes do different cultures influence public management governance arrangements?
- What is the impact on international understanding of public management reform of the fact that the lingua franca of public management is English, and that in non-English speaking countries reformers have had to translate PM concepts and methods into their own languages?
- What is the contemporary influence of religious ideology on public sector objectives, structure, institutional, and governance arrangements?

In essence, we believe that better approaches and tools, including well designed and executed case study methods (Barzelay & Thompson, 2005), are needed to explore the effects of cultural change on public management reform, and the effects of public management reform on organizational, governance, and civic culture.

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# CHAPTER 9

## TIME OUT?

Christopher Pollitt

### INTRODUCTION

This chapter is about the time dimension in the study of public management. There are four main steps in my argument: First, much contemporary academic work in public management is effectively time-free, or at least time-neglectful. Second, however, I argue that many key processes in public management are actually highly time-dependent. Therefore, third, we need to restore the temporal dimension to our theorizing about the development of different regimes, systems, models, and techniques for the administration of public tasks. Fourth, such a restoration of the temporal dimension will need to take account of the different cultural “framings” of time – of the fact that different cultures and subcultures conceptualize, value, and treat time differently. Throughout, the discussion is meant to be general, suggestive, and exploratory – an early conversation rather than a last word.

### PART ONE: THE DWINDLING OF TIME IN ACADEMIC PUBLIC MANAGEMENT

A prominent American political scientist, Paul Pierson, recently published an important book entitled *Politics in time* (Pierson, 2004). In it he argues

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that political science in particular, but also the social sciences more generally, have become increasingly de-contextualized. A prime form of this de-contextualization is the loss of an explicit theoretical treatment of time – time has become no more than the difference between  $t^1$  and  $t^2$ . In this view, Pierson is supported by a number of other distinguished scholars from a variety of disciplines, including sociology (Abbott, 1997) and comparative history (Thelen, 2003).

Pierson gives various reasons for this, but his prime suspect is the popularity of rational choice theories. Most rat-choice applications tend to be either context-lite or totally context-free. The assumption is that the model of the rational maximizer applies everywhere and at all times. People in Baghdad are not fundamentally different, qua decision-making, from those in Birmingham, and people in the past and the future can be assumed to have taken, or to be about to take, decisions in the same way as they did in 2006. As Pierson says:

Game theoretic approaches do not easily stretch over extended spaces (to broad social aggregates) or long time periods without rendering key assumptions of the models implausible. (Pierson, 2004, p. 99)

What Pierson says strikes me as true for public management too, up to a point. However, in our field there have also been other de-contextualizing trends, about which Pierson says little or nothing. The most important of these has probably been the influence of generic management theories, purveyed by the business schools, management consultancies, and management gurus. When Kotter writes about change management or Senge promulgates his ideas about “the learning organization” and the “fifth discipline”, or Kaplan and Norton promote the balanced scorecard, they are not primarily concerned about putting their ideas and recommendations into particular historical or cultural contexts (Kaplan & Norton, 1992, 1996; Kotter & Cohen, 2002; Senge, 1990). The recipes on offer are, explicitly or implicitly, for everyone, at all times. Contexts shrink in importance, often becoming little more than local color for the application of generic principles (Pollitt, 2003a, Ch. 7). Knowledge of how things were done in the past seems increasingly irrelevant; indeed, some generic management gurus explicitly outlaw the study of the past.

Re-engineering is about beginning again with a clean sheet of paper. It is about rejecting the conventional wisdom and received assumptions of the past .... How people and companies did things yesterday doesn't matter to the business re-engineer. (Hammer & Champy, 1995, p. 2)

Hammer and Champy may be an extreme (though influential) example, but as such they express in a particularly pure form a more general disposition within management studies. Management, after all, is supposed to be about *action*. Several widely used public management textbooks favorably contrast this active spirit with the more passive and past-oriented notions of stewardship, precedent and rule-following which were supposed to have characterized traditional public *administration*. Public *management*, by contrast, emphasizes targets, results, performance, leadership, and innovation – all present or near future-oriented concepts. In this discourse, traditions, precedents, and standard operating procedures are more likely to be regarded as the enemy than as part of the way forward. Significantly, one of the best-selling serious management texts of the 1970s and 1980s, Charles Handy's *Understanding organizations*, after choosing "time horizons" as one of the key managerial dilemmas, proceeds to explain that managers should anticipate the future while coping with the present, but makes absolutely no mention of the past (Handy, 1976, p. 367).

It is, therefore, perhaps unsurprising that, as Hood and Jackson noted in their survey of administrative doctrines:

the world of public administration, as well as private corporate management, often seems to be positively programmed to forget yesterday's ideas. (Hood & Jackson, 1991, p. 19; see also Pollitt, 2000)

Before proceeding further, I want to footnote that time is certainly not the only important aspect of context, and there are papers to be written about how the specifics of space and task have also been diminishing in our academic work. But they must wait for another day.

## **PART TWO: TIME-DEPENDENT ELEMENTS IN PUBLIC MANAGEMENT**

But why should we worry about time? What is its significance in public management? It can be indicative and illustrative, but certainly not comprehensive. In that spirit, then, let us consider just three categories:

1. processes that simply take a long time;
2. contexts in which temporal sequence is crucial to outcome; and
3. contexts in which cycling or alternation are typical – one thing follows another.

*Processes which Simply Take a Long Time*

There are a surprising number of these, and their probable impact on the public sector is large indeed. Consider, as a small sample:

- Generational change, including the imminent disappearance of the baby-boomer generation from Europe's public services. This has huge implications for both accumulated experience and public service ethics. The OECD notes that "despite a looming crisis due to an ageing civil service and the staff reallocation needed to face the new demands on the public service as a consequence of the ageing population, not many countries seem to have addressed this issue in a systematic manner" (OECD, 2005, p. 183).
- Cultural change, including shifting public expectations of public services and levels of trust in government. The confidence of 1980s' generic management gurus that organizational cultures could be intentionally re-designed within a few months has, in the public sector at least, turned out to be largely misplaced (see the bestselling *Peters & Waterman, 1982* and its many derivatives). As James Q. Wilson put it in his classic *Bureaucracy*, "Every ... organization acquires a culture; changing that culture is like moving a cemetery: it is always difficult and some believe it is sacrilegious" (Wilson, 1989, p. 368).
- Fundamental organizational re-structuring. Of course in some countries – especially the UK – such re-structuring can be announced and formally put in place very quickly. But getting the new structure to "settle down" and work as well as it is capable of is usually a matter of years rather than months (Pollitt, 1984). Staff have to be appointed and need time to learn their new roles. New relationships have to be formed. New standard operating procedures must be formulated, and so on. The kind of constant, hectic restructuring that we witnessed in, say, UK social services departments during the 1990s, or in the National Health Service (NHS) since 1989, is almost certain to produce short-term losses of efficiency and day-to-day focus, if not worse. As one permanent secretary put it when contemplating an earlier, rather *less* intense bout of change: "the worst result of all is obtained by keeping on mucking about with the boundaries of Departments" (quoted in Pollitt, 1984, p. 155). More recently, in a sophisticated study of organizational change in the US Federal Government, a leading American academic comments that "leaders do not persist long enough in the change efforts they do launch" (Kelman, 2005, p. 8).

- Training professional staff (including doctors, lawyers, teachers, social workers, and civil servants). If we want a new kind of doctor, we will have to wait for years before we can actually get them – this is not an issue of having the power to make the change (which, of course, may also be a problem), but simply of the time it takes to train a medical student up to qualification. This is important because, as the OECD perhaps rather surprisingly recently put it: “In all dimensions of management individuals’ motivation, values, and attitudes are more important than formal systems” (OECD, 2005, p. 204).
- Building new political coalitions that can be relied upon to support specific programs or agencies. Daniel P. Carpenter has recently given us an outstanding scholarly analysis of how this was done by bureau chiefs in the USA during the first three decades of the 20th century (Carpenter, 2001). For example, Harvey Wiley, Chief of the Chemistry Bureau in the US Department of Agriculture, waged a successful 20-year campaign to build a coalition to support a national pure food and drug law. Today, with global warming all over our media we tend to forget that some scientists and lobby groups have already been working on this issue for two decades.

One might add that the law-making process itself tends to be quite lengthy, especially in countries where minority coalitions or consensual cultures (or both) mean that there are many legislative veto points which have to be bargained away.

### *Contexts in which Temporal Sequence is Crucial to Outcome*

The extreme point in this category is irreversibility – the burned bridge or boat. Less extreme are those circumstances where going back is possible, but so costly as to be unusual. One of these is the choice of electoral system. Once chosen, such systems are highly influential of what can and cannot be done in terms of public management reform. For example, the existence of a majoritarian electoral system is probably the biggest single predictor of the implementation of radical NPM reforms (Pollitt & Bouckaert, 2004). Electoral regimes are extremely difficult to change. The doyen of comparative political systems, Lijphart, could find only five examples of such shifts during the 20th century (Pierson, 2004, p. 152).

Other examples would include the choice of a pensions system, the choice of a health insurance system (Pierson, 2004, p. 76; see also Blank & Burau, 2004), and the choice of a position-based or a career-based civil service (OECD, 2005). Each of these choices, once made, tends to create self-reinforcing

mechanisms which make it increasingly hard to go back to some other system. Yet these choices each define and constrain very large areas of public sector activity. Consider, for example, the way in which public management reform in France has been constrained by the system of specialist *corps* in the French civil service (Pollitt & Bouckaert, 2004, pp. 248–249) or the late 18th century French model of a Directorate General of Waterways (Rijkswaterstaat) survived in the Netherlands right into the 21st century (De Jong, 2002).

*Contexts in which Cycling or Alternation are Typical*

Administrative theorists have identified a number of ways in which cycles of fashion, or alternations between opposing principles can arise. Hood, for example, posits a limited number of cultural systems, in which the taking of any one of four basic positions – hierarchist, egalitarian, individualist, or fatalist – tends to degenerate into one of the alternatives. Because each basic mind-set has its own limitations, a period operating within that frame gradually produces an enhanced awareness of “what is missing”. The grass on the other side is often greener. Thus there is an “apparent tendency for public management systems in time to produce their polar opposites” (Hood, 1998, p. 191). In an earlier work, at a lower level of aggregation, he examined individual administrative doctrines, and concluded that many of these exist as opposed pairs (Hood & Jackson, 1991; see also Simon, 1946). Thus we have, for example, the belief that civil servants should be mainly appointed with secure long-term tenure opposed by the belief that fixed term, conditional appointments are better. Or we have the idea that administrative discretion should as far as possible be minimized through rule-making opposed by the idea that administrative discretion signals necessary and desirable flexibility. Or we have the competition between specialization and integration (in one of its modern forms specialist agencies versus “joined-up government”, see Pollitt, 2003b). Other scholars have also suggested that there may be an alternation between opposite fashions, including centralization and decentralization (Pollitt, 2005) and even the OECD has noted a recent international “tendency to lurch from one reform to another” (OECD, 2005, p. 203). Reviewing four decades of reforms in the US federal administration, Light has characterized the trajectory as one of tides, flowing between four main reform philosophies:

Because Congress and the Presidency simply do not know what does and what does not actually make government work, and because they have no overarching theory of when government and its employees can and cannot be trusted to perform well, they will move back and forward between the four reform philosophies almost at random. (Light, 1997, p. 5)

### PART THREE: THEORIZING TIME

The central argument of the previous section is that time pervades and shapes many structures and processes which are central to public management. It follows, therefore, that time is one dimension that we would expect to feature fairly prominently in academic theorizing about the subject. The conclusion of part one, however, was that much recent academic and guru thinking ignores or actually rejects the significance of time. In so far as it is recognized at all, it usually takes the form of some crude distinction between a stereotypically dynamic present and a stereotypically static past. Hence, for example, some generic theorist depicts the past as “bureaucracy” and the present as “entrepreneurial government” or “new public management” (NPM) or “governance” (Pollitt, 2003a, pp. 32–35). In another, parallel context – that of strategic planning – Henry Mintzberg waspishly commented that:

For much as planning writers have been inclined to describe their own age as turbulent, so too have they been equally inclined to dismiss the previous one as stable (the same one their predecessors found turbulent). (Mintzberg, 1994, p. 204)

The latest whiff of this kind of past–present dichotomization comes from the globalizers and the complexity theorists. They, too, want us to believe in a simple past and a complex present (but see, *inter alia*, Hirst, 2005; Hirst & Thompson, 1996). Historians know better than this (see, for example, Carpenter, 2001; Pemberton, 2004), but unfortunately administrative history seems to have been in decline for several decades.

In part two, however, we showed that not all public management theorists have neglected or oversimplified time. Some (Hood, Kelman, Light, James Q. Wilson, and so on) *have* recognized temporal factors as important and complex, but even they have not got very far with incorporating time as an explicit theoretical component. It lingers at the edges of their conceptual schemes, or sometimes lies closer to the center, but is only spasmodically acknowledged.

In the third part, therefore, some suggestions will be made about how the academic community could begin to restore time to a more explicit and significant role. Note, however, that this does *not* amount to a plea for the articulation of “a theory of time”. No such singular and particular theory is required. Rather the argument here will be that theories and models used to categorize and explain important aspects of public management will usually need to contain some explicit time-related component or dimension. They will need to recognize, conceptualize and integrate temporal factors along with whatever else they are seeking to explain.



If we begin by considering those *processes which simply take a long time to come to fruition*, one may say that there is remarkably little helpful theory here. Whilst it is frequently observed that political leaders, driven by short-term media and electoral considerations, have difficulty giving long-term issues much weight in their calculations, there seems to have been little analysis of how public servants and professional groups have tried to protect and cocoon longer term interests from the slings and arrows of short-term politics. Try to protect them they undoubtedly do – sometimes by locating them in organizations at a distance from daily politics, sometimes by persuading politicians to enter into other kinds of self-denying ordinances. We could certainly benefit from more systematic modeling of such strategies for institutionally embedding long-term goals. Such a project probably could benefit by borrowing from the growing academic work on “sustainability”. Here, some progress has been made in identifying or proposing organizational structures that may help promote the interests of future generations (e.g. Shani & Doherty, 2003), although it has to be said that the greater part of this now extensive literature is about the sustainable management of some aspect of the environment (water, rain forests, fishery stocks, transport, etc.) and lacks any discussion of the idea of sustainable *organizations* to implement sustainable policies (e.g. Willis, Turner, & Bateman, 2001). Indeed, the currently fashionable prescriptions concerning organizations continue to be that they should be flexible and rapidly changing. Government organizations may not need to be immortal (Kaufman, 1976), but some of them have tasks which suggest that they need to be around for many decades, and that stability rather than constant metamorphosis may be advantageous (most obviously, but not exclusively, museums, pension funds, and environment-preserving bodies). But we have virtually nothing in the theoretical literature about this.

With relation to *contexts where temporal sequence is crucial* we have more to go on. Social theorists, and in particular theorists of institutional development, have begun to take a distinct theoretical interest in temporal sequencing (Mahoney & Rueschemeyer, 2003; Pierson, 2004). The strongest interest has probably been in the concept of path dependency (Crouch, 2005; Linder, 2003; Pierson, 2004; Thelen, 2003), which stands as a cogent, if less popularized alternative to the “ceaseless change” mantra of many generic “change management” theorists (see, e.g. Kotter & Cohen, 2002; Paton & McCalman, 2000). Path dependency theorists identify continuities rather than changes, and usually seek to explain those in terms of positive feedback mechanisms of various kinds, i.e. the idea that the further one goes down a particular road the more rewards there are for going further and the bigger

penalties there are for trying to turn back. The initial impulse in a given direction may have been random or rationally sub-optimal, but once there is momentum, it builds. For example, organizational technologies or systems which have large set-up costs (so that further investment gives high payoffs), strong learning effects (repeated use of a complex system leads to higher returns), co-ordination effects (benefits to individuals increase the more other adopt the same option) and which encourage self-fulfilling expectations – such systems are likely to create path dependencies (Pierson, 2004, pp. 24–25, see also Kelman, 2005, Ch. 7 and 8). Working within this framework, Linder (2003) has specified how positive feedback has worked to keep EU budgetary policy stable over a relatively long period, despite considerable changes in the budgetary environment. More commonly, however, path dependency is called upon as a general idea, but, disappointingly, is not developed into more specific analysis of specific feedback mechanisms (Richards, 2003).

There are still many gaps, ambiguities, and unanswered questions. There is a divide between essentially rationalist versions of path dependency theory and more sociologically based versions which give greater weight to culture and socialization. This, in turn, affects what kinds of specific mechanisms or processes one looks for as re-inforcing the path (Pollitt, 2008). Punctuated equilibrium models can seem unduly deterministic and conservative (Crouch, 2005; Gains, John, & Stoker, 2005). Operationalizing the differences between within-path incremental change and path-breaking “punctuations” is far from being straightforward (Thelen, 2003). Questions of the appropriate level of application are only beginning to be explored – is path dependency a process which operates primarily at the level of systems or regimes, or at the level of policies and programs, or at the level of individual organizations – or all or some of these?

Much less well-developed is *the theorization of alternating or cyclical processes*. These may be thought of as envisaging the dynamics of events as essentially wheel-like, in contrast to the arrow-like images of path dependency theory (Gould, 1987). Whilst a number of writers have suggested that such cyclical processes may be widespread in the public sector (and many experienced practitioners joke about exactly this phenomenon) no one yet seems to have specified in any detail what the precipitating conditions for such ‘on–off’ sequences might be. If positive feedback keeps systems on path, what is it that pushes other systems into alternations between centralization and decentralization, or planning and de-regulation? Does *everything* alternate in some kind of colossal dialectic (as readers of *The art of the state* might sometimes suppose), or are some cultural and organizational forms particularly prone to cycles or

alternations? One proto-theory might be that management cycling and alternation are the lower-level counterpoint to stasis at higher levels – that rather than face the high penalties of trying to change political institutions, our leaders enter enthusiastically into cycles of management reform, the main point of each one being that it contrasts with the previous one. Thus, compared with 1960, the UK remains only marginally changed – it is still, in comparative terms, a highly centralized, highly adversarial, majoritarian political system. However, with respect to the design of the machinery of central government it has alternated between centralizing mergers (1964–1979), fragmentation and decentralization (1984–1997) and then, more recently, a mild form of re-centralization under the rubric of Public Service Agreements and “joined-up government” (Moran, 2003; Pollitt, 1984, 2003b; Pollitt, Birchall, & Putman, 1998; Talbot & Johnson, 2007). In each case the new wave reformers criticized their predecessors: Thatcher attacked Wilson and Heath for believing that “big government” with big departments with central planning units could solve the nation’s problems, then Blair, in turn, criticized Thatcher and Major for having turned the government machine into a fragmented, uncoordinated, destructively competitive system that could not partner and join-up in order to respond to strong political leadership and a focus on “wicked problems”. And even within the hyper-activist reign of Blair rapid cycles of alternation can be detected as between, for example, many targets and few targets, or tight central control and giving local organizations “earned autonomy”.

#### **PART FOUR: CULTURAL PERSPECTIVES: THEORIZING *TIMES***

Until now, I have been making one fundamental, hugely simplifying but unspoken assumption. It is that there is just one type of time – linear, de-contextualized clock time – which we all inhabit, from Greenwich to GMT+12 (New Zealand). This is an assumption shared by a high proportion of Anglophone management literature – after all the clock was fundamental to the emergence of modern industrialized production and therefore to the study of management as a distinct field of practice. Time became commodified, with sweeping results:

When time is money, time compression and rationalization schemes become management priorities. Taylorism, Fordism, flexibilization, and just-in-time production have been logical developments arising from this foundational premise. (Adam, Whipp, & Sabelis, 2002, p. 17)

However, this comfortably homogenous view of time can certainly be questioned. In sociology and anthropology it has long been understood that different cultures and social groups treat time very differently, and now this insight has been transferred into management studies (Bouckaert, in this volume; Whipp, Adam, & Sabelis, 2002). In a massive synthesis of many empirical studies, Hofstede found that long- versus short-term orientation was one of the five fundamental characteristics differentiating between different countries, and that this had large implications for ways of thinking and doing business (Hofstede, 2001, pp. 351–372). He was particularly impressed with the longer term orientation of Southeast Asian societies compared with Western societies. Earlier, Trompenaars and Hampden-Turner made the same point, arguing that, even within the ‘West’ there were significant measured differences between the short-termism of the Anglo-Saxon group of countries and the longer time perspectives characteristic of the Nordic countries (Trompenaars & Hampden-Turner, 1993, pp. 127–128). It is from the West, and especially the USA, that we have absorbed the one minute manager, the five minute meeting, the ideal of 24/7 services, and the whole apparatus of “real time” and time “compression” (Sabelis, 2002; for testimony from an apostle of real time management, see McKenna, 1997).

The different values placed on short- and long-term perspectives are important, but the implications of a cultural perspective go deeper still. It is not just that a Chinese manager may pay more attention to the long term than a Finn, and that a Finn may be more patient than his or her American counterpart. The evermore extreme development of time-compressed management creates internal (within management) tensions between clock time and electronic instantaneity, and even greater external tensions between work time and “family time”, “life cycles”, and other forms of “social” or “natural” time. Adams et al put it like this:

At the very least, handling temporal complexity involves the following: the electronically networked temporality (instantaneity, simultaneity, immediacy, real-time interactions, non-sequential and non-linear discontinuous processes), which is combined with clock time (externalized, invariable, decontextualized, spatial, quantitative, linear and sequential), which, in turn, is superimposed on the time of living and social processes (embodied, system specific, contextual, irreversible). (Adams et al., 2002, p. 19)

Others see larger and larger problems emerging from this clash of times. Purser, in a critique of “real time” management, foresees various manifestations of “postmodern malaise”, including “nihilistic attitudes”, the loss of long-term commitments and the destruction of loyalty (Purser, 2002; see also Sennett, 1998).

Some whisps of this have entered the public management literature but, as yet, no more than that. We may read about the concern of HRM managers (and staff!) for “work-life balance” (coded language for the growing chasm between highly compressed work time and social time). We attempt to comfort ourselves with concepts such as “quality time” (i.e. the idea that parents having much less time with their own children is OK, as long as it is ‘managed’ in particular ways – ignoring the possibility that small children do not and perhaps cannot experience time in this neatly packaged fashion). There are references in some of the core NPM countries to problems of “reform fatigue” (incessant, simultaneous, multiple change) and there are certainly discussions in the literature on e-government about the problem of overload that can result when hundreds of millions of citizens – and their lobbyists – discover that they can electronically interrogate their administrations simultaneously. (In 2002, the US Department of Energy was already dealing with something like 1M e-mails per day – [Patterson & Sprehe, 2002](#).) But looked at in the large, it is hard to claim that academic public management has yet got very far in addressing, conceptualizing, analyzing, and theorizing the emerging issue of “diverging times”. The business literature is probably less backward in this regard than that relating to the public sector, despite the fact that the trends to compression, “24/7” and simultaneity are strongly present in many government organizations also.

## LAST WORDS

I believe, therefore, that there is much to do. The temporal dimension is of huge significance in public management, but is only occasionally studied and rarely theorized. Indeed, with the waning of the subfield of traditional administrative history, it could be argued that we pay less attention to it than we did half a century ago. So we forget the lessons of the past more quickly; we are surprised when slowly accumulating outcomes reach significant thresholds; we fail to foresee how long-term processes which we are currently setting in motion will have major impacts in the future. We waste unmeasured resources and working lives by constant re-disorganization (and more, by an academic over-concentration on these ephemera). We are surprised when the wheel turns and we find ourselves “re-discovering” old problems (over-centralization, low morale, corruption, poverty, the secular consequences of religious beliefs). We do not focus sufficiently on trying to identify the real forks in the road – the points at which choosing one way or the other, or one

technology or another, will set in motion positive feedback mechanisms that will block any way back.

In short, we display in spades that particularly post-modern form of arrogance which consists of believing that all is plastic and fluid, that time-space relationships are nowadays highly compressed, and that everything can be re-shaped at short notice. Or at least we persuade ourselves that everything can be changed so long as there is “leadership”, “drive”, “vision”, and – yes – the right kind of management. But history has not ended; it is lying in wait, forgotten, but still dangerous. And neither is the future entirely open – the consequences of our past and present decisions are already shaping it in a myriad of ways, some intended and others definitely not.

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**PART III:**  
**COUNTRY PERSPECTIVES**

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# CHAPTER 10

## CULTURE AND PUBLIC MANAGEMENT REFORMS: A REVIEW AND RESEARCH AGENDA ON THE BASIS OF EXPERIENCES IN SWITZERLAND

Martin Koci

### ABSTRACT

*The chapter summarizes evidence from Switzerland to suggest that culture proves to be a useful hypothesis to explain variations in public management reforms (PMR) in different arrangements. Culture, which is among other things embedded in politics, society, and public administration seems to have a strong impact on reform initiation, impact, and outcome as well. The review shows that an optimal culture fit between traditional and desired values appears promising. The chapter concludes that public sector reforms should consider cultural, historical, and geopolitical factors additionally when trying to conceptualize PMR in different settings.*

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## INTRODUCTION

Evidence on culture in connection with public management reforms (PMR) still does lack systematic research. Predominantly, study findings produce lots of presumptions. However, clear evidence on culture and reform characteristics could not be found in either case. Despite this, culture defines a very important topic of research on nations and organizations for decades, and practitioners and scholars have produced vast amount of publications. Although there is common agreement on the importance of culture, attempts to conceptualize culture proved to be non-uniform. Therefore, culture can be defined, analyzed, and interpreted in a number of ways (Cartwright & Cooper, 1993). As a result, 10 years ago, Ferraro (1994) found more than 400 definitions of culture.

Problems arise by virtue of “that there remains little consensus on the nature of culture, its effects or how it can be changed” (Waterhouse & Lewis, 2004, p. 358). As a matter of fact, culture is lacking epistemological differences (Straub, Loch, Evaristo, Karahanna, & Strite, 2002) and there can be found as many culture models as there are researchers. Another drawback from which many studies suffer is the way they treat culture as a residual factor (Child, 1981). As a consequence, research on culture and related phenomena turns out to be partial and is bound to the objectives of the respective study.

Culture is an important field of research especially in the private sector and therefore positive relationships between culture and organizational success (e.g. improvements in efficiency and effectiveness) have been widely debated in the literature (e.g. Lim, 1995; Stahl & Voigt, 2005). In the public sector, however, research on culture or performance measurement has not gained relevance for a long time (Waterhouse & Lewis, 2004) and is lacking systematic evidence to date. Despite the fact that culture research has its roots in the private, for profit sector, research on this topic in the public sector has gained increasing importance during the past years (e.g. Public Sector Review Committee, 1987). A growing body of literature now emphasizes culture being also relevant to the conception and implementation of PMR (e.g. Brown & Humphreys, 1995; Grindle, 1997; Schedler & Proeller, 2003). Moreover, some authors emphasize culture being one of the most important elements and determinants of successful change management (Boyne, Martin, & Walker, 2004) or organizational learning (Klimecki, 1998). Meanwhile, some authors emphasize public sector reform movements representing something of a “culture clash” or “culture shift” (Kernaghan, 1997) and they value culture not only to be an important,

but moreover even being a critical part of successful reform implementation and outcome (Parker & Bradley, 2000; Sozen & Shaw, 2002). Grindle (1997) adds that culture still denotes an overlooked dimension in accounting for how and why organizations perform as they do. Similarly, Martin (1999) concludes that a majority of public authorities still does lack the potential of cultural capital in implementing public sector reforms successfully and efficiently.

The purpose of this chapter is to summarize existing research on culture and PMR. Secondly, the chapter tries to specify possible contributions of culture systems (or layers, respectively) on PMR in Switzerland. The first part of the chapter addresses several concepts and models of culture. On a theoretical basis, the chapter strives to explore similarities and differences between different culture concepts. The subsequent section of this section deals with how different culture layers influence each other. In particular, possible intertwined relationships between national, regional, and organizational culture values and their embodiment in public administration will be examined. Furthermore, the chapter examines the question of whether the existing national and organizational culture framework does also have an influence on the practice of PMR. As a result, possible conclusions will be drawn about the nature, significance, outcome, and impact of cultural phenomena in the course of public sector reforms in Switzerland. Some of the questions examined here are:

- Is there a cultural variation in different regions of Switzerland?
- Do variations in design and activity level of PMR reflect national and/or regional culture characteristics of Switzerland?
- What can we explain by this and what are the consequences?

## CONCEPTS AND MODELS OF CULTURE

Research on culture has its seeds in social sciences. Adjacent to sociology and psychology, especially anthropology was and still is interested in carrying out advancements of culture in different versions. Bodley (1999) reviewed research literature and classified current definitions of culture.

- *Historical*: Culture is social heritage or tradition that is passed on to future generations.
- *Behavioral*: Culture is shared, learned human behavior, a way of life.
- *Normative*: Culture is ideals, values, or rules for living.

- *Functional*: Culture is the way people solve problems of adapting to the environment and living together.
- *Mental*: Culture is a complex of ideas or learned habits for social control.
- *Structural*: Culture consists of patterned and interrelated ideas, symbols, or behaviors.
- *Symbolic*: Culture is based on arbitrarily assigned meanings that are shared by an organization.

Despite the vast amount of literature, there remains little consensus on the nature of culture: Lewis (1992) points out that this might be due to weaknesses in the culture literature. One problem is that most authors treat culture as a single entity in assessing several aspects, i.e. effects on organizational performance (Lewis, 1994). Young (1989) remarks that this might reflect a unitarist stance and a managerial bias as well. Furthermore, in reality, culture is better understood as a pluralistic phenomenon or as Lewis puts it “arenas in which various sectional groups seek their own objectives” (Young, 1989, p. 190).

Among the numerous researches on culture, the study of national culture has received particular attention. Based on anthroposophical and sociological theories (see Geertz, 1973; Parsons, 1951; Weber, 1946), the studies of Geert Hofstede and his co-workers on national culture provide a funded basis to evaluate cultural variations and diversity between nations (Hofstede, 1980, 1991, 1998). His main culture dimensions are:<sup>1</sup>

- *Uncertainty avoidance*: Extent to which the members of a culture area feel threatened by uncertain situations or extent to which future possibilities are defended against or accepted.
- *Power distance*: The degree of inequality of power between a person at a higher level and a person at a lower level. Denotes the extent to which less powerful members expect and accept that power is distributed unequally.
- *Individualism*: The relative importance of individual goals compared with group or collective goals, pertaining the extent to which individual independence or social cohesion dominates.
- *Masculinity*: The extent to which social gender roles are clearly distinct, e.g. the goals of men dominate those of women.

The first dimension, *uncertainty avoidance*, deals with the way national culture relates to uncertainty and ambiguity. The dimension also specifies the capability of a nation to adapt to changes. Countries exhibiting high values on this dimension show high discomfort with ambiguity and uncertainty and tend to rely on conformity and safety, risk avoidance, and

reliance on formal rules and rituals. On the contrary, nations with a low uncertainty avoidance index exhibit less need for predictability and rules to guide.

The second dimension, *power distance*, describes the degree of deference and/or acceptance of unequal power between persons and moreover reveals degrees of dependence relationships in a country. Cultures scoring high in power distance are those where a group of people is considered superior to others because of different social status, race, gender, age, education, family background, profession, or other factors. On the contrary, cultures with low power distance tend to assume more equality among people. It can be assumed that the more unequally wealth is distributed within a nation, the higher will be the power distance index.

The third dimension in Hofstede's original culture conceptualization is labeled individualism and countries may be associated either being more individualistic or collectivistic. High scores in individualism are observable in cultures where individual ties are loose and everyone is looking out for themselves. On the other hand, in collectivistic cultures, people are integrated into strong cohesion ties, and loyalty to those ties sometimes lasts even a lifetime.

The fourth dimension of Hofstede's conceptualization, *masculinity*, refers to the degree to which a nation or a society values assertiveness and social support. The term also refers to the degree to which socially and traditionally roles operate for men and women. Within nations with a high masculinity index, cultures tend to be more oriented towards rigid gender roles. In countries rated more feminine, values of cooperation, nurturing, and relationship solidarity prevail.

Nonetheless, culture (of a nation or an organization) should not be understood as a monolithic and given entity, as culture is also influenced by dynamic processes. Hence, it can be taken for granted that within superior culture layers (e.g. national culture), specific kinds or layers of culture exist and evolve (Henderson, 2004; Hofstede, 1991, 1998). To the same degree like the aforementioned, subcultures are not single entities or homogeneous and bound to borders or limits. Instead, it is assumed that they also interact dynamically. In the end, some aspects of culture may be applied to systems, others will be more specific to smaller units like departments, teams, or individuals (Sackmann, 1992; Young, 1989). Aaltio-Marjosola (1991) developed a layered culture model to illustrate the different levels and their connectivity. In her model, the culture of the era delineates the fundamental way of the state of the art. Nowadays, we are situated in the post-industrialization era. Further levels of the model denote national culture,



organizational meta-culture, organizational culture, and subculture inside organizations (e.g. team-based cultures).

One main assumption of Hofstede's work is that in every nation, central tendencies are replicated in their institutions through work behavior or practices of individuals. Therefore, it can be taken for granted for national culture to have a significant influence on organizational formation and expression as well. In other words, the pervasive effect of national culture has a strong impact on all appropriate levels and vice versa. For instance, the values that characterize organizations do not have to be identical, but are likely to be parallel to those of the national culture in which the organization operates (Rhody & Tang, 1995).

Sackmann (1997) as well argues that there are links between the dimensions of Hofstede and several aspects of organizational behavior. Her main objects of investigation are constructs like decision-making, political risk (corresponding to Hofstede's uncertainty avoidance index), leadership, authority relations (power distance index), the importance of work goals and interpersonal relations (masculinity index), and motivation and compensation practices (individualism index). In sum, national culture characteristics do have an impact on a variety of related management practices, e.g. strategic decision-making (Schneider & DeMeyer, 1991), leadership style (Dorfman & Howell, 1988), or human resource management (Luthans, Welsh, & Rosenkrantz, 1993). Nations, regions, and communities differ in relation to their politico-administrative structures and processes and all of these systems generate different culture characteristics. Therefore, it is assumed that the culture of a nation (or of an organization, respectively) does exhibit a strong impact on organization success, management practices, performance, and on organizational change as well (Lewis, 1994; Marcoulides & Heck, 1993; Newman & Nollen, 1996).

### **SHAPING THE COMPLEXITY: ORGANIZATIONAL, ADMINISTRATIVE, AND POLITICAL CULTURE AS DETERMINANTS OF DIFFERENT CULTURE LAYERS IN THE PUBLIC SECTOR**

Schein (1992, p.12) defines *organizational culture* as a “pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for behavior in the organization,” which do affect structures, strategies and, processes of a public organization

as well (Boyne et al., 2004; Schedler & Proeller, 2003). Within each organization, a distinctive and unique culture develops over time that differentiates organizations from another (Hall, 1963). Schein's (1992) well-known model of organizational culture is divided into three levels: (1) at the surface are "artifacts", those aspects which can be easily discerned, (2) beneath the artifacts are "values" which denote conscious strategies, goals, and philosophies of the members of an organization, and (3) the core, or essence, of culture is represented by the basic underlying "assumptions" which are difficult to discern because they operate at the unconscious level, yet providing a key to better understand why things happen the way they do. These basic assumptions form around deeper dimensions of human existence such as the nature of humans, relationships, activity, reality, and truth. But as Schein (1992) acknowledges "that, even with rigorous study, we can only make statements about elements of culture, not culture in its entirety". Some authors add that culture does also manifest itself as symbols and rituals (Deal & Kennedy, 1982).

Other typologies also bear promising approaches to (organizational) culture research (Handy, 1978; Trompenaars, 1993). Both authors categorize cultural variability into types, based on two basic dimensions: equity-hierarchy and person-task-orientation. Hence, four culture types are emerging, which can be described as following:

- *Family (Power-oriented culture)*. This type of culture is characterized by a strong emphasis on the hierarchy and orientation toward persons.
- *Eiffel Tower (Role-oriented culture)*. This type is characterized through strong emphasis on hierarchy and orientation towards tasks rather than persons. This type represents and symbolizes typical bureaucracies.
- *Guided Missile (Task-oriented culture)*. The third type of Trompenaars' typology is characterized by strong emphasis on equality and task-orientation.
- *Incubator (Fulfillment-oriented culture)*. The last type is characterized by a strong emphasis on equality and person-orientation. The purpose of such organizations is to serve as an incubator for the self-expression and self-fulfillment of its members.

Henderson (2004) defines *administrative culture* as general characteristics of public officials (i.e. shared values, attitudes, beliefs) at federal, state, or local level (encompassing the entirety of the public sector: the central government, autonomous and functionally decentralized state corporations, and territorially decentralized units). From his point of view, administrative culture is related to a broader political culture from which it derives and can

be further discussed in terms of other sub-layers. Therefore, administrative culture can be defined as a set of commonly held values, attitudes, and beliefs to which public servants subscribe and are expected to follow. Howlett (2003) points out that an important dimension of administrative culture denotes the relationship between politicians and civil servants.

Because of the enormous variation in administrative contexts and arrangements as well as changes over time, administrative culture may hardly be properly understood. Therefore, it is best circumscribed as an evolutionary product of indigenous experience of a whole nation and its members. Administrative culture bears many sources of influence: Physical environment, social values, economic culture, political culture, workplace, and other foreign sources of influence (Dwivedi & Gow, 1999). Despite the inherent ambiguity of the meaning, administrative culture is seen by many researchers as a promising candidate for being an explanatory factor of various public sector patterns, in particular with regard to PMR (see also Jann (1983) and Keraudren (1996) for further discussions on this topic).

Finally, *political culture* takes the entire political system as basic unit of analysis. The term derives from the work of Almond and Verba (1963) on civic cultures. In their original study, values and attitudes of the population which emerge with, and work to sustain, participatory democratic institutions relate to the manner in which people within a polity view their relationships with others. In its position of general values and attitudes shared by the population, political culture may be formulated as the connecting link between micro- and macro-politics. Although Almond's and Verba's framework has been criticized and is sometimes regarded as a concept associated with earlier development and modernization theories, it remains in widespread use. Political culture reflects distinguishing values, attitudes, and beliefs characterizing a political community. Democratic-constitutional values in most Western nations are at the core, typically including liberty, freedom, majority rule, minority protection, equality, self-government, unity, representation, rule of law, judicial review, separation of powers, secularism, tolerance, individualism, participation, transparency, civil rights, and similar concerns. Eagles and Johnston (1999) indicate that every society possesses a political culture (and subcultures as well) that encompasses beliefs, attitudes, and values people have about politics. They regard political culture as the "collective political consciousness of a polity" (Eagles & Johnston, 1999, p. 138). Furthermore, König (1997) and Kevenhörster, Windhoff-Heritier, and Crone (1980) argue that there exist

several differences in the politico-administrative systems between nations and even between municipalities, which should be considered when analyzing political culture.

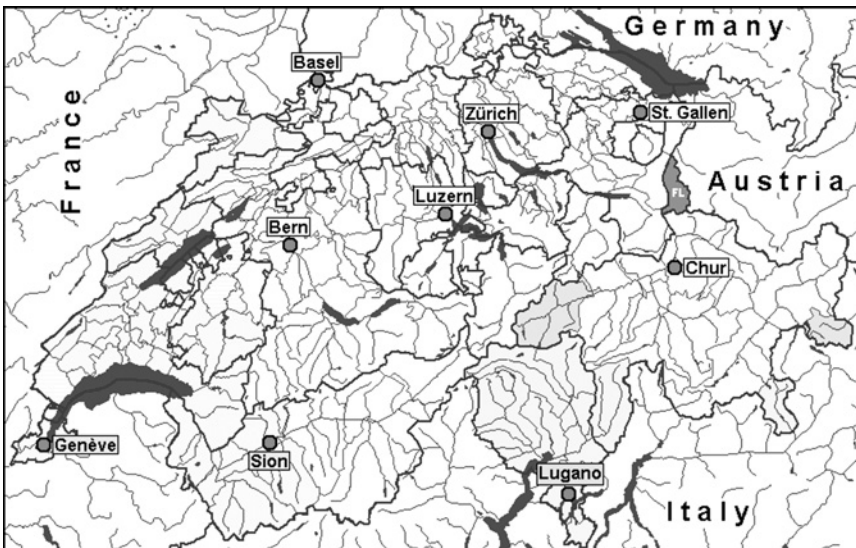
## **PUBLIC MANAGEMENT REFORMS**

Governments all over the world have been and are still facing an emerging public conviction that the public sector is too large and inefficient and is suffering from waste (Capling, Considine, & Crozier, 1998; Orchard, 1998). In response to such pressure and faced with a more complex operating environment, public administration all over the world has been reformed since the 1990s by adopting neo-managerial principles grouped under the rubric of “New Public Management (NPM)” (Hood, 1991; Pollitt & Bouckaert, 2000; Schedler & Proeller, 2003). The “one size fits all” management principle of NPM aimed at modernizing the public sector all over the world (Aucoin, 1990). Most of these principles emerged from the private sector with the result that the public sector has moved increasingly to resemble its private sector counterparts. Hood (1991) describes PMR as the following principles: hands-on professional management, explicit standards and measures of performance, greater emphasis on output controls, shift to a disaggregation of units, shift to greater competition, stress on private sector styles of management practice, and stress on greater discipline and parsimony in resource use. In sum, PMR offer a wide “menu” from which public reformers can pick and choose. Despite the huge success of PMR during the 1990s, a “stagnation” in adjacent public sector reform is observable in recent years. The initial views regarding the universal applicability and international adaptation of PMR is sometimes seen as problematic (Hajnal, 2005). As Pollitt (1995) points out, evaluating and gauging the success or failure of PMR is seen as problematic because of a two-way relationship between structural reform in government and policy performance. Another problem of PMR lies in the multiple and conflicting objectives, which make analysis of public sector reform in general more complex (Ferlie, 1997). This goes in line with the findings of Ridley (1996) and Wright (1994), both claiming that there are lots of differences between states in terms of style, nature, timing, and pace of reforms in the public sector.

## CULTURAL DIVERSITY: THE CASE OF SWITZERLAND

Switzerland is an exception in many respects. Especially the Swiss politico-administrative system bears several peculiarities: Switzerland provides the strongest and probably best known example of modern direct democracy, as it exhibits the first two pillars at both the local and federal levels (“federalism”). Geographically, Switzerland is divided into several territorial divisions, called Cantons. The 26 Swiss Cantons hold a substantial legal status, which gives them rights to choose their political regime in terms, for instance, of education or finances, together with many other rights within the management of their internal policy.

Another key feature of Switzerland’s unique position stems from its cultural diversity. The ancestors of the people who live in this country have their origins in different cultures. The most obvious result of this cultural variety lies in the fact that although Switzerland is a small country there are as many as four different official languages (see [BFS, 2005](#)): German (64%), French (20%), Italian (7%), and Rhaeto-Romanic (1%) – the remaining 8% speak other languages (see also [Fig. 1](#)).



*Fig. 1.* Linguistic Borderlines in Switzerland.

Furthermore, [Stutzer and Frey \(2000\)](#) found evidence between the degree of civil rights and satisfaction with life in Switzerland. They conclude that in the Cantons of the German-speaking part of Switzerland, citizens are holding more basic democratic rights than their French-speaking counterparts, which among other things may be traced back to the distinct representative form of government in those regions. [Inglehart \(1990, p. 30\)](#) adds that differences of this type may not be ascribed primarily to the language but are also due to different cultural norms and values and “they reflect profound and pervasive differences in outlook”.

A study published by [Golder and colleagues](#) points out that, at least to some extent, the citizens of Switzerland define themselves on the basis of the spoken language ([Golder, Longchamp, Tschöpe, Aebersold, & Ratelband-Pally, 2005](#)). Separative tendencies between the linguistic regions in Switzerland stem from the belief that the political and economical power is held by the Swiss German-speaking majority. This makes other population groups (especially the Italian- and French-speaking parts/Latin parts) jealous and sometimes feeling powerless. [Läge and his coworkers](#) found in their study that the linguistic borderline between the German- and the French-speaking part of Switzerland (called “Röstigraben”) is perceived as a line of demarcation between the population groups, whereas the French-speaking people in Switzerland are perceiving the line stronger than their German-speaking compatriots ([Läge, Marx, & Sträuli, 2000](#)).

[Fig. 2](#) shows a comparison of Hofstede’s culture scores for Switzerland and its neighboring countries. In this comparison, the profiles examined exhibit both similarities and differences: Switzerland is showing high scores on masculinity and individualism, medium score on uncertainty avoidance, and low score on the power distance dimension. Germany is exhibiting an almost identical culture profile compared to Switzerland. In contrast, major differences may be found: France is exhibiting lower scores on masculinity, hence attaching more importance to interpersonal values, solidarity, and quality of work life (contrasting to material success, competition, and performance in Germany, Switzerland, and Italy) as well as higher power distance (thus indicating stronger tendency towards centralization and hierarchy) and uncertainty avoidance (low risk taking and strong rule orientation).

With regard to the different linguistic regions in Switzerland, several culture variations may be found. [Saner \(2004\)](#) points out that the French-speaking part and the Italian-speaking part of Switzerland exhibit higher scores on power distance and uncertainty avoidance, but exhibiting lower scores on the masculinity dimension than their German-speaking counterparts. By contrast, the German-speaking part exhibits low scores on power

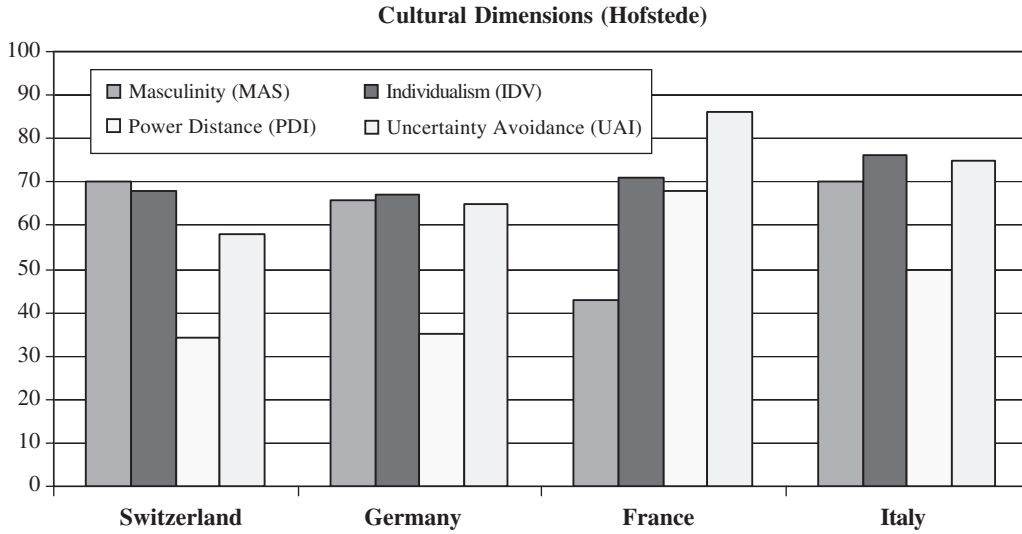


Fig. 2. National Culture Profiles.

distance, average scores in uncertainty avoidance, and higher scores on the masculinity dimension. The last dimension, individualism–collectivism is balanced between the regions examined. To some extent, this indicates that the corresponding regions of Switzerland do also reflect national culture characteristics.

## **PUBLIC MANAGEMENT REFORMS IN SWITZERLAND**

In Switzerland, reforms of the NPM type have been widely implemented since the 1990s in an attempt to reduce red tape, strengthen competition, improve service quality, and increase efficiency (Schedler & Proeller, 2003). The reforms at local, regional, and federal level in Switzerland embrace common elements of modern public management (Ladner & Steiner, 1998; Ritz, 2005; Steiner, 2000). Most of the PMR have been adapted for Swiss needs according to different perceptions of stakeholder groups on problems that require adjusted solutions. According to international evidence, PMR in Switzerland has also developed a wide range of practice in order to consider peculiarities and historical roots of local or regional politico-administrative structures and systems. Fig. 3 depicts the aggregated intensity of PMR at local level (community level) in Switzerland.

Obviously, the majority of the German-speaking part of Switzerland exhibits more activity in PMR than the French- or the Italian-speaking parts of Switzerland. In detail, the French- and the Italian-speaking part of Switzerland do not exhibit more than 15% of activity. In contrast to that, the German-speaking part of Switzerland holds about 50% in average.

Fig. 4 shows the status of PMR at regional level (Cantons) in Switzerland. Similarly, levels of activity in PMR do also differ at regional level. Obviously, the majority of the German-speaking Cantons of Switzerland show highest activity (black areas), whereas the Latin parts of Switzerland exhibit only moderate activity. The Latin parts of Switzerland exhibit more reform projects being planned or scheduled (gray areas) or sometimes even broken off (white areas). The results also reflect the leading role of the German-speaking part over the Latin parts in Switzerland (or at least the reservation of the Latin parts towards PMR).

Finally, Fig. 5 outlines the relative frequency of adopted PMR practices according to the different language regions in Switzerland.



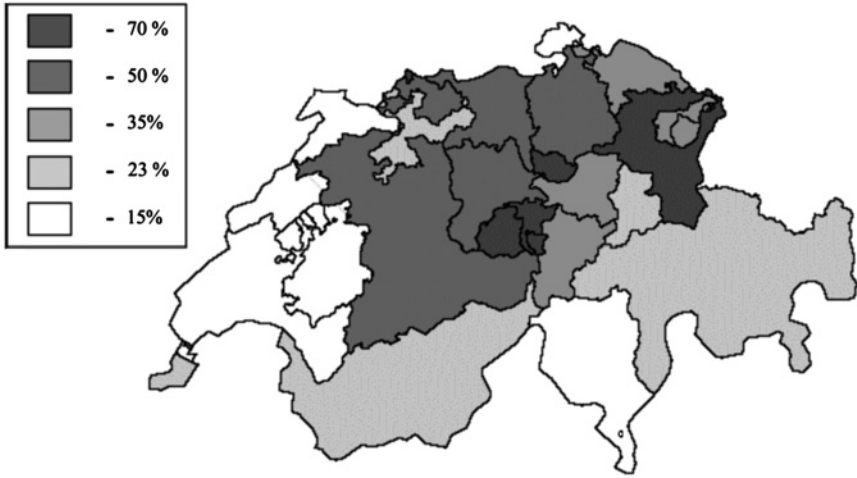


Fig. 3. Intensity of PMR at Local Level. Source: Ladner, Arn, Friederich, Steiner, & Wichtermann, 2000.

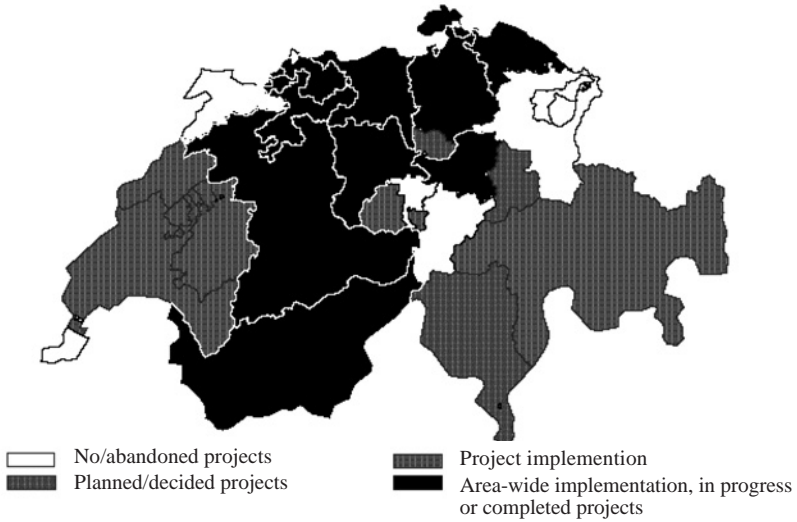


Fig. 4. Status of PMR in Switzerland at Regional Level. Source: Ritz, 2005.

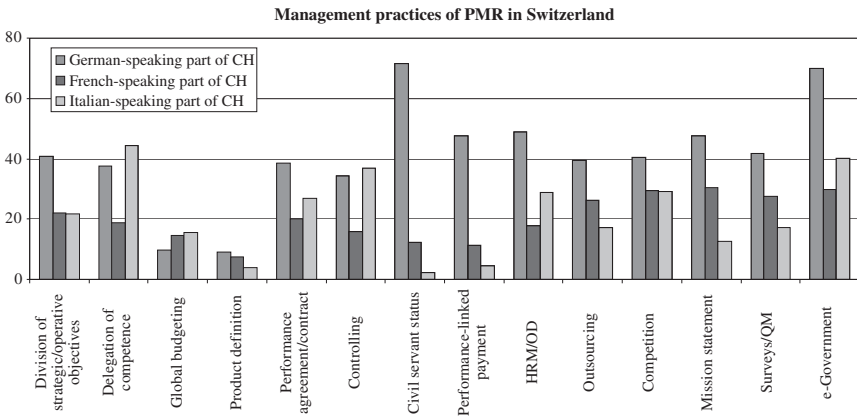


Fig. 5. Implemented Management Practices in Switzerland at State Level, Sorted by Region.

As shown in Fig. 5, the German-speaking part of Switzerland exhibits highest activity in nearly all reform practices. As a consequence, the distinct language areas of Switzerland exhibit variations in PMR. In detail, the profile of the Italian-speaking part shows more similarities to the German-speaking profile than to the profile of the French-speaking part. Most striking contradictions between the language areas can be found in human resources management and strategic or operative planning. Both the civil servant status as well as the performance-linked payment are apparently irrelevant in the French- and Italian-speaking parts of Switzerland. Other management practices of modern PMR, i.e. delegation of competence, product definition, shift to greater competition, and global budgeting/output control are emphasized in the same way. But nevertheless, the observed variations in PMR along the corresponding language areas reflect interesting indices. To some extent, the variations may be traced back to Hofstede’s results. As indicated earlier, the national profile of Italy has more in common with Switzerland than does the profile of France. In addition, the results may also be traced back to the underlying differences in conception and embodiment of the distinct politico-administrative systems.

Numerous PMR in Switzerland have also been discredited (e.g. Noordhoek & Saner, 2005) and are meeting with criticism (e.g. Knoepfel, 1995). According to them, the observed decline is not solely due to resistance against change, cynicism, or unbelief in management philosophies, but may also be a reaction of distaste for rational and non-political approaches

towards citizens and public administration. In their review, Noordhoek and Saner (2005, p. 40) found five reasons for culture clashes:

- PMR suffers from a fundamental misunderstanding between a value driven and an effectiveness driven approach to government.
- citizens are not clients, government is not a company.
- PMR requires a long-term commitment that is hard to achieve in a short-term world.
- PMR is in a way a luxury. It is a western philosophy that more often than not raises false hopes in government organizations that lack fundamental resources.
- PMR has been used as too much of a stand alone method.

In the majority, reasons for the criticism mentioned above refer to a lack of compatibility of systems and of competing values. To conclude, international comparisons produce evidence of substantial differences in pace, nature, and extent of public sector reforms, placing emphasis upon cultural and political factors (Ridley, 1996). More evidence can be found in the fact that design and successful implementation of PMR differ between nations and between public institutions as well as single organizations (e.g. Brown & Humphreys, 1995; Lienhard, Ritz, Steiner, & Ladner, 2005; Moser & Kettiger, 2004). A study by Ritz (2005) confirms that beneath other possible reasons for the “stagnation” of PMR in Switzerland, existing culture differences and clashes should not be underestimated.

## DISCUSSION AND IMPLICATIONS

Because of a lack of agreement concerning theoretical formulation and interpretation of culture, no significant body of (empirical) research exists to date. Prior research on the relationship between culture and PMR is limited in scope in the way it has not taken other (external) factors into account. At a superior level, problems lie in the inherent difficulty of conceptualizing and operationalizing cultural phenomena. As an example, a growing body of literature on culture change stresses the role of strong leadership and treats culture as a management tool (for a discussion, see Brudney, O’Toole, & Rainey, 2001). Taken together, research focuses on single aspects of culture and comprehensive studies are therefore in need. As a matter of fact, empirical work on the nature and different layers of culture to explain

successful reform projects remains relatively scarce (Hajnal, 2005). Nevertheless, the work of Hofstede (1980) and other researchers on national culture constitutes a basis for evaluating culture phenomena on different levels and in different settings as well. Without doubt, the present study denotes only a partial analysis of a complex entity, and therefore more in-depth knowledge about the various specifics and dynamics of culture as well as comprehensive research are required.

In this case, Switzerland exhibits a variety of PMR in relation to pace, nature, and extent (Ritz, 2005; Steiner, 2000), which may be due to specific characteristics of state traditions and political systems in the respective region. The distinct spirit of co-ordination and support, federalism and subsidiarity, serves to keep the central power in check and, in many areas, grants the confederation only an ancillary role. As a result, subsidiarity acts as a will of the central state to admit high autonomy to subordinate administrative and political levels, leading to the idiosyncratic development of autonomous characteristics and lifestyles (Olk, 1986). Further, explanation of the variation of PMR in Switzerland stems from the belief that the states of the German-speaking part of Switzerland have shifted more competencies to executives than other parts of Switzerland (Ladner & Steiner, 2003). The reasons for why public sector reforms have not been implemented successfully or even abandoned cannot be answered exceedingly. But a study conducted in Switzerland reveals that – beyond cultural factors – strong relationships between the initiation of PMR and the degree of available personal and financial resources may act as possible triggers (Kübler & Ladner, 2002).

Referring further to PMR in Switzerland, “hard facts” like institutional elements (territorial fragmentation, size of municipalities, administrations, or organizations) and PMR related variables (e.g. shift of competencies, definition of products, or controlling) have a significant potential to reveal differences in PMR, but are limited in their reflection on qualitative differences concerning public sector reforms (e.g. cultural patterns like shift of cultural values and contextual dynamics). Table 1 summarizes some culture issues in relation to PMR characteristics.

As seen in Table 1, the German-speaking part of Switzerland may be characterized by a relatively high level of neo-liberalistic body of thought. By contrast, the Latin parts of Switzerland do emphasize values concerning social cohesion, cultural objectives, and interpersonal relationships. The former exhibits stronger preferences towards entrepreneurial forms of government and active roles of citizens, politicians, and public managers,

**Table 1.** Comparison of Cultural Issues in Relation to PMR in Switzerland.

	German-Speaking Part of Switzerland	French- and Italian-Speaking Parts of Switzerland
Specific elements of government (Geser, 2003)	– More direct democracy	– Core principles of administrative classes
State traditions (Hardmeier & Good, 1998), models of man (DeMaestral, 1971)	– Preference of an entrepreneurial (minimal) state – “Active” role of citizens – Analytical-accurate rational orientation – Collective-cooperative self-help	– Affirmative relationship to welfare state – “Passive” role of citizens – Synthetic-diffuse interpersonal orientation – Patrimonial leadership, hierarchical bureaucracy
Models of public management	– <i>Entrepreneurs</i>	– <i>Technocrats</i>
Values (Geser, 2003; DeMaestral, 1971)	– <i>Rational, goal-oriented</i> (economistic, material, efficiency-driven)	– <i>Value-oriented</i> (social cohesion, cultural objectives more important than costs)
Principles/embodiment of public administration (Rey, 1987)	– Economic efficiency – Proactive – E.g. preference of job performance based payment systems (individual/team level)	– Service public as an institution, not economic efficiency – Reactive – E.g. earned income as a stable reward for enduring formal services
“Consequences”, models of behavior (Hardmeier & Good, 1998)	– More acceptance and knowledge of PMR – High/moderate risk-taking behavior	– Structure-conservative attitudes – Less acceptance and knowledge of PMR – Low risk-taking behavior

thus exhibiting a more analytical, proactive and rational orientation (task-orientation). The latter show a more affirmative relationship towards a synthetic-diffuse interpersonal orientation and therefore attach importance to patrimonial leadership and hierarchical bureaucracy (power-orientation). In the German-speaking part, public managers are considered as entrepreneurs, running public administration more business-like and task-oriented. In the Latin parts of Switzerland, public managers are regarded as technocrats.

In relation to the general appreciation of public sector reforms, some variations may be observed as well. Surveys show that citizens of the

German-speaking part of Switzerland are more familiar with PMR and tend to be more risk taking. On the other hand, citizens of the Latin parts of Switzerland do exhibit more structure-conservative attitudes, less knowledge and acceptance of PMR and are characterized as low or less risk taking (Hardmeier & Good, 1998). The following example documents a possible culture clash between differing culture values (Heidenreich, 1994): Advocates of traditional administrative classes (notably the formal-hierarchical orientation in France) show greater resistance towards modern organizational practices (i.e. lean management, team empowerment). In consequence, the exploitation of dysfunctional formal rules and systems while not being responsible seems to be more appealing to them.

Taken together, the results suggest that the linguistic borderlines in Switzerland possibly do represent geopolitical and cultural borderlines to some extent. In correspondence to theory, underlying culture values might influence all systems involved (Alkahafaji, 1991; Alvesson, 1993; Jackson & Morgan, 1982). Furthermore, it is assumed that culture acts on the basis of reflexive and dynamic relationships between the respective layers (Stohl, 2001) and mechanisms of mutual reinforcement between culture and politico-administrative institutions have also been revealed (Van Waarden, 1995). But it remains unanswered to what extent the different language areas in Switzerland can be considered as discrete areas with distinguishable value orientations and own reflexive and collective identities.

The results indicate that success and failure of PMR may partly be explained by focusing on the diversity of values or principles between “modern” NPM rhetoric and “traditional” public administration ethics. Grindle and Hilderbrand (1997) argue that reforms that are undertaken in a “vacuum” (i.e. without considering the linkages with other systems in the public sector) often end up as ineffective and may cause detriment to existing systems. There is surely no accountable reason for proving the validity of these principles (and its alleged universality), but as research literature shows, successful implementation and combination of opposed values and principles in order to achieve basic changes in the minds of all involved stakeholders need wider perspectives. But to what extent are changes of cultural values possible or at least expectable? It can be assumed that high antagonism of culture values may even lead to PMR failure or abandonment. On the other hand, low cultural differences run the risk of suffering losses in impact. As Newman and Nollen (1996) state, maximal congruence between (new) management practices and characteristics of the (traditional) culture should be aspired to implement changes successfully.

But one should also bear in mind that not all public management practices are dependent on cultural influences to the same degree. Therefore, each practice should be analyzed thoroughly and classified by their degree of culture-bound. On this basis, tailor-made solutions for a successful implementation of public sector reforms can be accomplished. According to Schein (1992), changes cannot be undertaken unless all culture levels (artifacts, values, and assumptions) are considered thoroughly.

Furthermore, critics show that numerous PMR have been designed without considering the specific context and do ignore the inherent dynamics of reform projects. Therefore, it might be questionable whether the existing approaches to public sector reforms possibly need fundamental strategic and operative adaptation or at least an incremental reformulation of objectives to be effective in different cultural contexts. As a consequence, PMR needs to strive for an optimal culture adaptation of old and new values. To the same degree, historical and geopolitical aspects have to be considered in an integrated manner when trying to implement reforms successfully.

Hence, some preliminary conclusions and implications can be drawn. First, reforms in the manner of NPM do need to include accompanying measures like culture and context in order to better understand (and to reduce) complexity. Management practitioners and scholars alike should begin with efforts to conceptualize relevant contexts of PMR. Second, reforms should include understandable assignments in terms of guidance. Hence, public sector officials should not only know *what* to do, but also *how* to do it in a best way. In this manner, culture-bound references and controlling mechanisms may act as a guide in reducing misunderstandings and culture clashes. To achieve this, successful implementation of PMR depends highly on having distinct improvement strategies embedded in a culture change (Kim, 2002). Most traditional approaches treat change initiatives as pure techniques or programs, leaving fundamental shifts in direction, value, and culture as subordinate objectives. Efforts to improve performance often fail because core culture values remain unchanged. Such measures may assist public managers to systematically assess their change initiatives and develop better strategies for successful implementation of management tactics and business processes. At best, all relevant stakeholder groups involved should and hopefully will support PMR at issue. Surely, there are no promising strategies for best public sector reform implementation and outcome because of the complexity in the public sector as a whole. Therefore, culture may act as a catalyst at best as well as an inhibitor in the worst case.

## FUTURE RESEARCH

Early work on PMR posits the assumption that public sector reforms constitute an unilinear and global development trend and that the applicability of those management principles is universal (Common, 1998; OECD, 1998). Hood (1991) argues that part of NPM's appeal is its ideological neutrality; it may even be viewed as an apolitical framework. In order to provide a better understanding of cultural phenomena in PMR, future research probably should consider the recommendations mentioned above and also dwell on principles of sociological institutionalism (Hall & Taylor, 1996), where institutions are not solely regarded as rational political activity but also as a product of cultural phenomena. From this point of view, a shift from structural or system to cultural or actor dimensions might be performed (Göhler, 1987). Furthermore, there is also a need to consider systemic approaches in order to understand the complexity and dynamics of a systems logic. Although PMR was considered to be primarily a reform of the public administration, recent research shows that these reforms should include essential reforms of the political system as well. This does not mean that the basic principles and objectives of NPM have lost their validity, but in order to get a better understanding of the public sector complexity, wider perspectives of academics as well as practitioners are in need. In consequence, further research requires a sensitive appraisal of the existing arrangements and the imposition of solutions alike. Among others, Bang (2004) offers a promising systemic approach, which he calls *cultural governance*.

## NOTE

1. Hofstede also added a fifth dimension after conducting an additional international study: long-term orientation. This dimension will not be considered in the present study.

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# CHAPTER 11

## GOVERNANCE REFORM OUTCOMES THROUGH CULTURAL LENS: THAILAND

Bidhya Bowornwathana

### INTRODUCTION

This chapter proposes a cultural perspective towards understanding the nature and outcomes of governance reforms. The argument is that “culture” is a promising, though somehow neglected, explanatory factor. There are three major roles that the cultural factor can play. First, governmental culture acts as the intervening variable. Many reform attempts around the world failed because governmental culture obstructed reform success by producing perverse or ugly reform hybrids. When reform innovations were chosen, the cultural factor was not seriously taken into consideration. Second, governmental culture can become the dependent variable. The basic objective of governance reform is to ultimately change the governmental culture of the society. Therefore, reform cannot become successful until the reform initiatives eventually change the basic cultural traits of government. Since changing governmental culture takes a long time, there is a feeling of hopelessness in conducting reform. The more reforms are introduced, the more things remain the same. Third, governmental culture performs the role of an independent variable that affect the processes and outcomes of

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governance reform. There are other competing independent variables in the explanatory equation, and the cultural factor becomes a less visible factor for political scientists who prefer to highlight other variables, such as power and institutions.

The chapter is divided into five parts. First, the concept of governmental culture and the literature on the role of culture in administrative reform are introduced. Second, the three major roles played by the cultural factor are discussed as the intervening, the dependent, and the independent variables explained in parts two, three, and four, respectively. Fifth, I conclude that scholars should give more importance to the cultural factor in administrative reform. There should be more future comparative studies of governance reforms across nations with different governmental cultures.

## THE CONCEPT OF GOVERNMENTAL CULTURE

The proposed cultural approach argues that administrative reform must be understood as a cultural phenomenon. The purposes of administrative reform are to change bureaucratic culture and administrative traditions in a particular government. As Barzelay pointed out, it is a change in the culture of work, for example, from bureaucratic to post-bureaucratic (Barzelay, 1992). Another common reform transition is from a culture of government to governance (Rhodes, 1996, 1997; Bowornwathana, 1997, 2006a; Kettl, 2000) and new public management (NPM) (Christensen & Lægreid, 2002; McLaughlin, Osborne, & Ferlie, 2002). Transformation in the culture of government will ensure reform sustainability. A distinction must be made between governance reform involving changes in governmental culture, and other non-cultural changes. For example, if you put a plant in your office, you are not producing instant change on the core traits of governmental culture.

What is governmental culture? Governmental culture is the human creation and use of symbols and artifacts in government. It is the way of life of the entire government, covering code of manners, dress, language, rituals, norms of behavior, and system of belief. Governmental culture is a product of history. Since human beings are both acted upon by culture and act back, new cultural forms and meanings are formed. So the culture of government in a particular country changes alongside changes in the political, economic, and social organizations of society and the global community.

Within this cultural context, reform diffusion is the spread of bureaucratic cultural traits or administrative practices from one government or public organization to another. The diffusion of reform innovations from one government to another will be smooth if those who adopt the innovations have social and psychological backgrounds that favor such reforms. The threat to change the existing culture can come from the elites or the masses. In developing countries, leaders are in a better position to manipulate the tastes, wants, and needs of the masses. Increasing power of the masses in democratic societies can jeopardize the culture created by elites.

Who diffuses the new culture of government into the polity? The key culture bearers are the political elites, government officials, scholars, foreign experts from donor countries, and international agencies, such as the World Bank, and the parent governments of the reform innovations, such as the New Zealand Government on “the contract state”, and the United States Government on “re-inventing government”. The global re-inventing government forums organized regularly is an example of how the American re-inventing government ideas are diffused around the world.

If the target of reform is governmental culture, one has to be precise as to what one is referring to. What governmental culture? There are three levels of analysis: systemic, group, and individual. National core values and cultural identities are examples of systemic level. At the macro level, a national bureaucracy can be described as containing certain cultural traits such as deference to authority and non-production orientations. Government agencies can also have cultural traits at the organizational level such as the organizational culture of the Ministry of Defense or a public hospital. Manifestations of government culture at the individual level are core values held by the ordinary bureaucrat such as the meanings of trust, loyalty, public ethics, and equality. A country with a strong governmental culture means that government officials and citizens adhere strictly to the specific administrative practices and cultural values of the national bureaucracy. At the same time, the existing sub-cultures of government agencies must not pose a threat to those of the national bureaucracy.

Students of administrative reform should ask the question: What are the bureaucratic traditions and culture of a nation’s bureaucracy? How did they come about to get those administrative traditions and culture? What are the histories of governmental cultures? In fact, students of administrative reform should be able to describe the governmental cultures of countries such as the United States, the United Kingdom, France, Switzerland, China, and Japan. From a reform point of view, the question is, which parts of the governmental culture do we want to reform, how, when, why, and with what consequences?



## GOVERNMENTAL CULTURE AS THE INTERVENING VARIABLE

The frequent failures of governments in carrying out governance reforms can be understood if one treats governmental culture as the intervening variable. The explanation is: the reform innovations failed because they are inconsistent with the prevailing culture of government. Within the convergence–divergence debate, claims that governance and the NPM reforms are converting governments all over the world with similar reform scenarios are discredited by the divergence fueled by the cultural factor (Pollitt, 2000, 2001; Lynn, 1998). In the diffusion process of governance and NPM reforms, the existing governmental culture produces reform hybrids that veer from the original reform blueprints. Eventually, the original reform scenarios are adjusted and changed to fit the culture of government they are supposed to change. Reform hybrids created by the re-routing of the trajectories of reform may become perverse if they reinforce the cultural traits of government that were actually perceived as “the problems” that must be changed at the beginning of reform. The clash between the new values of the imported reform schemes and the traditional values of the bureaucracy under reform occurs very often in developing countries such as Thailand. Usually, the challenge ends up with reform failure. Worst still, unintended consequences occur and new problems emerge requiring further reforms.

For example, the idea of performance measurement of organizations and individuals was introduced into the Thai bureaucracy so that rewards and promotions can be granted fairly, and nepotism and patronage is minimized. What has happened is that the superior patron makes sure that his bureaucrat clients get the highest scores by assigning them duties that have high scores, and even by setting rules of the game that enable the superior official to manipulate the scoring process. Thus, patronage and nepotism is not eliminated. Instead, the traditional bureaucracy has adjusted to the new world of performance indicators. The old governmental culture survives and becomes even stronger. Unfortunately, budget funds have been spent for the new performance management system, and bureaucrats in government are spending a lot of their time writing their performance evaluation papers so they look good, and unfortunately less time is spent on work.

Another example is the traffic police of Thailand. In order to solve the problem of traffic police corruption, the Thai Government issued a regulation that reward traffic policemen 60% of the value of the traffic tickets they issue. The Government argued that by putting things on the table, traffic policemen

will not distort money from drivers. In practice, this corruption abatement policy has produced unintended consequences. The traffic policemen intensify their traffic arrests and fines, and at the same time retain their habits of distorting money from drivers. While traffic policemen are earning more extra income, Bangkok drivers suffer more, at least psychologically, from being frequently stopped by traffic policemen so that the latter can find reasons to issue traffic tickets. The traditional patron–client network that organizes police corruption remains intact, and has even become more sophisticated and legalized.

The last example is decentralization of local governments in Thailand. The 1997 Constitution created new types of local governments, such as provincial administrative organizations (PAOs), sub-district administrative organizations (TAOs), and strengthened municipalities. In principle, the central government should do less in local affairs, while these new local governments should takeover some functions traditionally performed by the central government. In practice, the deep-rooted-centralization culture has further expanded the role of the central government. Taxpayers in the provinces have become victims of reform. The revenue officials from the central government demanded them to pay more taxes, while at the same time, the enthusiastic new local government officials did not hesitate to collect the new local taxes imposed by the new decentralization laws. While demanding more local autonomy in fiscal and budgeting affairs, the new local government officials did not hesitate to identify themselves as connected to the central government by keeping close linkages with the central government officials, especially those of the Ministry of Interior.

Studies conducted by several scholars have implicitly observed the role of culture in the phenomenon of unintended consequences during reform diffusion. Hood and Peters (2004, pp. 267–282) suggested that NPM may be entering into the age of paradox through the increase in studies of reform outcomes and developments that are unexpected, unintended, or contrary to received belief. They suggested that forms of cultural surprises in cultural theory are used to explain the unanticipated negative side and reverse effects in administrative reform. Cases from developing countries highlight the role culture played in the reform process by producing perverse hybrids of reform. Decentralization in Costa Rica (Ryan, 2004, pp. 81–91), Pakistan, Indonesia, and the Philippines (Guess, 2005, pp. 217–230) may undermine rather than bolster democracy because of certain cultural characteristics such as clientelism. In another study of Ghana's public service, Haruna (2003, p. 343) pointed out that studies of developing countries effort to public sector reform reveal the importance of taking into consideration the

indigenous culture. In Mexico, [Arellano-Gault \(2000\)](#) observed that in the absence of robust institutions for administrative control and oversight, the use of NPM reform strategies faces two basic dangers: over-relying on techniques over substantive reform, and underestimating the difficulty of changing the existing bureaucratic culture. In his comparison of Asian administrative reforms, [Cheung \(2005\)](#) pointed out the importance of administrative traditions and legacies. The importance of culture is also evident in developed countries. In the United States, [Bozeman \(2003, pp. 117–143\)](#) argued that the chief factor why the internal revenue services experience in implementing the largest information technology reform failed was the agency's risk culture. In his study on New Zealand reform, [Gregory \(2002, p. 256\)](#) was concerned that New Zealand reforms may contribute to the emergence of a culture of self-seeking opportunism among public officials rather than re-inforcing commitment to the values of public service.

How does one measure reform success? When governmental culture becomes the destructive intervening variable accounting for the failure of reform, reform inputs are used by the government to claim credit. Reform success is claimed by the government immediately after the reform programs are put into practice such as: a law or resolution is passed, a declaration is made, or a strategic plan is proclaimed. Success claims are hesitantly made before the emergence of perverse reform hybrids. As time goes by, the reform programs are forgotten or bureaucratized, and new ones are announced. Thus, the government concentrates on the new reforms, and the old ones that failed are forgotten. This vicious cycle of reform failure is common. Old mistakes are repeated again and again ([Peters, 2001](#)). New reform programs do not produce the desired outcomes because the present government culture acts as the obstructing intervening variable, and instead produces perverse reform hybrids. New reforms are again launched, and the cycle of reform failure circles again as a result of the stasis nature of governmental culture.

[Fig. 1](#) shows how the governmental culture acts as the intervening variable. When a new reform initiative containing non-human targets are put in place (physical changes such as putting plants in your offices, reducing paper work, working on a blueprint for a new ministry, etc.), initial changes introduced are not threatening to the existing culture of government (see R (t1) in [Fig. 1](#)). However, as time goes by (see t2, t3), the physical changes introduced may begin to challenge the core bureaucratic traits and values and in turn, trigger the resistance against reform.

For example, in the case of putting plants in your office, if the new rule says that each official regardless of his rank, is supposed to take care of his office plant, then subordinates of the senior boss will feel offended. How can they let

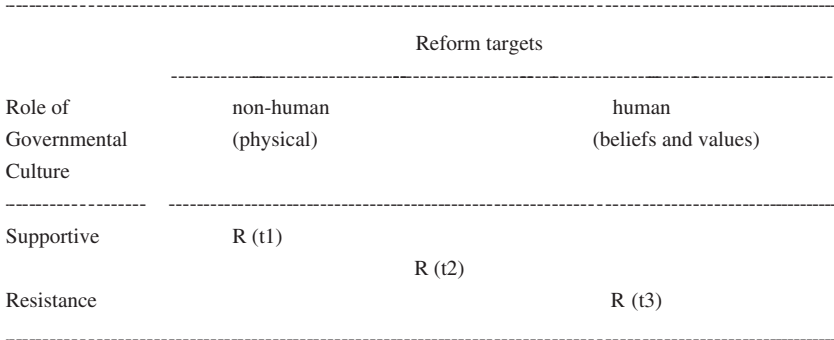


Fig. 1. Governmental Culture as the Intervening Variable.

their boss water his own plant? This is of course against the culture of hierarchical status of the Thai traditional government. Here, the culture factor enters as the intervening variable of reform. As time goes by, the reform targets move from non-human (plants) to human (values) ones. The more the resistance there is from the old culture, the less likely reform will be successful. What is likely to happen is that subordinates will join hands to decorate their boss’ room by donating their most beautiful plants to their boss. Their boss’ room must be the most beautiful. However, in reform sense, the boss’ office is a reform hybrid caused by long-held values of the Thai governmental culture. The story about office plants is an example of the phenomenon of unintended or unanticipated consequences that has been widely noticed by scholars of reform (Hood & Peters, 2004; Bowornwathana, 2000a, 2000b, 2001a, 2001b, 2002a, 2002b, 2004b). For some scholars, reform might have failed. From a cultural perspective, however, reform did not actually fail. It has adopted itself to the culture of government. In this regard, scholars have noted the low success rate of NPM and governance reforms of developing countries (Polidano & Hulme, 1999). I believe if we use a longer time-frame, we should be studying the role played by the indigenous governmental culture in creating reform hybrids during the diffusion process. With luck, they may turn out to be beautiful hybrids, not ugly ones.

*The Thai Case*

When governmental culture becomes the intervening variable, it creates reform hybrids that deviate from the original reform objectives. These

reform hybrids are examples of the phenomenon of unintended consequences in administrative reform. I shall draw from the past 10-year experience of the Thai polity to illustrate my point.

The democratization movement gained momentum after the 1992 May bloodshed that ended an attempt by a group of military leaders to install authoritarian rule. In 1997, a new Constitution was promulgated with the purpose of laying down a firm foundation for democracy based on the new principles of democratic governance (Bowornwathana, 1997, 2006a, 2006e). The new 1997 constitution wanted to see a strong executive government which is accountable to the citizens. Several institutional mechanisms were setup to check and balance the power of the executive. These accountability institutions are, for example, the Senate, the National Counter Corruption Commission, the National Auditing Office, the Ombudsmen, the Administrative Court, the Constitutional Court, the National Elections Commission, and the National Human Rights Commission. Freedom of the press was guaranteed by the 1997 Constitution. However, once PM Thaksin came into power, his reform policies were contrary to the principles of democratic governance. Instead of democratic reforms, PM Thaksin adopted an authoritarian approach toward administrative reform by reinforcing the traditional culture of Thai government, such as a culture of administrative centralism, state intervention, and state monopoly on public affairs. The Thaksin Government created reform hybrids that are anti-democratic and authoritarian (Bowornwathana, 2004a, 2004c, 2005a, 2006e).

Fig. 2 indicates how the traditional government culture in Thailand has acted as the intervening variable that hybridizes the reform package of democratic governance to create reform hybrids. The reforms introduced by

Democratic Governance	Thai Governmental Culture	Thaksin Reform	Reform Hybrids
Smaller central government	Big government	20 ministries	Bigger central government
Decentralization	Hyper-centralization	Create local governments	Local governments under PM
Accountability mechanisms	Internal auditing	De-neutralize accountability mechanisms	Accountability mechanisms under PM
Culture of fairness	Culture of corruption	Practice grand corruption	New forms of corruption

Fig. 2. The Thai Government Culture as the Intervening Variable.

the Thaksin Governments further reinforced the cultural traits of the traditional government.

### *Smaller Central Government Principle*

Despite the global democratic governance principles adopted by the 1997 Constitution, Thai governments from 1997 to the present were unable to put into practice democratic governance ideas such as a steering government, decentralization, and strong independent institutions to check the use of power by the government and smaller central government. What happened? After five years in power, the Thaksin Governments never decreased the size of the central government. Instead they created a bigger government by increasing the number of ministries from 14 to 20. New departments under the ministries were also created. Decisions in favor of creating new positions and upgrading old ones were common during the Thaksin Governments. The new autonomous public organizations (APOs) of Thailand were in practice very much under the control of the PM. Chief executive officers (CEOs) of APOs were not at all “managing at arms-length”. Agencification has not reduced the size of the core central government. On the contrary, agencification has expanded government (Bowornwathana, 2004b, 2006d; Pollitt & Talbot, 2004).

In cabinet meetings, ministers became good listeners (“Yes Ministers” of the PM). Cabinet decisions were made by the prime minister. I argued elsewhere that PM Thaksin’s management style is that of a super CEO who manages the country as though it is his own company (Bowornwathana, 2004a). The “The country is my company” approach fits very well with Thai traditional governmental culture. First, it supports the culture of a single hierarchy with a strong super patron on top. Second, the expansion of the bureaucracy provides the super patron with more positions to give his political clients. Third, the monopoly of government power by the super patron PM enables him to exercise firm control and obedience from all clients (Painter, 2006). Outsiders want to enter into patron–client relations with the PM since his overwhelming power meant that the clients will be protected and rewarded. They will be secure.

The role of NGOs, civil society, and communities was minimized by the Thaksin Government policy of active state intervention. In conclusion, the reforms of the Thaksin Government reinforced the “big government” tradition of Thai bureaucracy. Efforts to reduce the size of government were twisted or hybridized in favor of the principle of a strong and big central government.

### *Decentralization*

Another major reform outlined in the 1997 Constitution was decentralization of power from the central government to local governments. Thailand has a long tradition of centralization. The 1997 Constitution stipulated that local governments be created and strengthened at provincial and sub-district (*tambon*) levels, and that municipalities be provided with more autonomy. However, the implementation of decentralization policies during the Thaksin Government re-centralized the local governments despite the fact that decentralization laws and regulations were issued, and governmental propaganda in support of decentralization was launched (Mutebi, 2004). From a cultural perspective, hybridization occurs because the new decentralization policies have been adjusted to conform to the culture of centralization of the Thai government. First, the prime minister, cabinet members, and senior bureaucrats wanted to retain control of local governments. Second, Thaksin's political party, the Thai Rak Thai (TRT) extended their influences to the provinces by amalgamating local government politicians into the TRT. The extended family and business partners systems played an important part in cementing the ties between leaders of the central government and local governments. The culture of hierarchy manifested itself as a single hierarchy where the super patron, PM Thaksin, sat on the top with local government leaders under the hierarchy.

### *Accountability Mechanisms*

The 1997 Constitution stipulated the establishments of several independent accountability institutions such as the constitutional court and the national counter corruption office. These accountability institutions were supposed to be neutral and independent from the government so that they can monitor the use of power by the government (Bowornwathana, 2000b). However, in practice, PM Thaksin had managed to assume control of these independent accountability institutions by informally dictating the selection of commissioners through his control of the senate. So these new institutions did not perform their democratic duties of checking and balancing the executive use of power. On the contrary, sometimes they became political instruments of the government to destroy and threaten the opposition party and government critics. This represents the case of the ugly reform hybrids. The intended consequences mandated by the 1997 Constitution never materialized. Instead, the reform of accountability institutions reinforces the single hierarchy principle which requires that all public officials be under the PM boss.

### *Culture of Fairness*

The 1997 Constitution emphasized the principle of fairness in government. Citizens are owners of the government, and government politicians serve the “master” citizens. This culture of fairness contradicts the culture of government that professes that men are not equal, they are hierarchically ranked in society and government. The higher in the hierarchy one is, the more rights and privileges one is entitled to receive. Every bureaucrat wants to move up in the hierarchy (Bowornwathana, 2006c). Policemen want to become police generals, civil servants want to become directors general and permanent secretaries. Government officials are masters of the people. They are a superior class above the ordinary population. Under the Thaksin Government, this new culture of fairness did not take off the ground. The Thaksin Government has re-defined the meaning of fairness by using the principle of equal rights under capitalist principles. Money determines your rights and privileges. This works well for government politicians of the Thaksin Government who are mostly wealthy businessmen in politics. But the ability-to-pay principle deprives most of the poor peasants, workers, and the ordinary civil servants who are underpaid.

The culture of fairness is also related to corruption. In the traditional governmental culture, corruption is a way of life. In the old days, one was allowed to use one’s position for personal gains. Despite publicizing combating corruption as their main objective in government reform, all Thai governments (since 1932) have lost the battle. Although anti-corruption laws and regulations have been issued and anti-corruption institutions have been setup, corruption has not gone away. In fighting corruption, the Thaksin Government is accused of practicing double standards. Officials with connections to the TRT Party were rarely accused or punished for corruption practices. PM Thaksin has been accused by many of making policies that favor the businesses of his family, relatives, and friends – This call this “policy corruption”. Under the Thaksin Governments, “conflicts of interest” became the new form of corruption (Bowornwathana, 2005b, 2005c, 2006b).

## **GOVERNMENTAL CULTURE AS THE DEPENDENT VARIABLE**

If one defines governance reform as a process of change in the culture of government and administrative traditions, then governmental culture becomes the dependent variable. For reform to be sustainable, a major



change in the bureaucratic culture and values must be achieved. By conceptualizing government culture as the independent variable, one can understand why the more reform changes are introduced, the more things remain the same. Reformers have to be patient because changing culture takes time. An interesting study by Bate (2000, pp. 485–512) draws upon ethnographic data over a two-year period of intensive research involvement and tells how the hospital struggled to transform itself from a rigid and divided “hierarchy” into a more flexible and collaborative networked community. He concluded that the full potential of networks would only be realized if there are correspondingly dramatic changes in culture, relationships, and skills. Another study by Brinkerhoff and Goldsmith (2004, pp. 163–185) noted how difficult it is to change governmental culture. Patron–client systems of governance persist around the world despite efforts to fight them through liberalization, democratization, decentralization, and civil service reform.

Several implications follow from making governmental culture as the target of reform. First, studies of reform outcomes must be time-serial and historical. (For example, see, Light, 1997; Aberbach & Rockman, 2000; Knott & Miller, 1987; Saint-Martin, 2005.) Since cultural change takes a long time to materialize, bringing culture into our explanatory equation broadens our time-horizon. Reforms launched may gradually cause important changes in governmental culture. For example, one could argue that democratization of the Thai bureaucracy began a 100 years ago with the reform of Thai ministries, 70 years ago with the abolishment of absolute monarchy in 1932, and 10 years ago with the promulgation of the 1997 Constitution. These major reform changes gradually injected democratic values into the Thai government bureaucracy. Evaluation of reform success must be done longitudinally by considering the critical events that took place throughout the periods of 10 years and 100 years. However, if one were to pick one incident, such as the military coup of 1992, then the conclusion could be that democratization of the Thai bureaucracy is a complete failure. One cannot therefore adopt a short-term view when governmental culture is the dependent variable. A reform program may seem to be a failure in the short run, but successful in the long run, and vice versa.

Second, when governmental culture is the dependent variable, it is impossible for anyone to claim credit for the success or put the blame on someone for the failure of governance reform performed. Changes in governmental culture are products of various governments working together, plus the interplays of political, socio-economic factors surrounding

the government bureaucracy. Uncertainty created by the longitudinal nature of reform outcomes opens doors of opportunities for a government in power to rid off any responsibilities for reform failure. They might argue that reform outcomes take a long time to materialize, much longer than the typical Thai Government terms of four years. But by the time the unintended consequences of reform surface, no one may be around to be condemned or praised.

Third, studies of reform outcomes must be aware that administrative reform is a process of continuing changes (Pollitt & Bouckaert, 2004; Peters, 2001, pp. 41–54). It is a never-ending process that no one can really control. One reform program after another is thrown into the reform pot. Each government has its own package of reforms to be mixed with old sets of reform initiated by previous governments. The food we are cooking is constantly changing. The ongoing changing culture of government under reform is nobody's recipe. There is no one magic touch. Government culture does not change instantly after the introduction of a single management reform initiative such as performance measurement, result-based budgeting, balance scorecard, or the contract system. Reforming government culture is not that simple. As historical institutionalists warned, when a government embarks upon a path, there is an inertial tendency for those initial policy choices to persist (Peters, 2005, p. 71). This path dependency argument characterizes institutional reform as requiring a good deal of political pressure, such as crises (Cortell & Peterson, 2001, p. 774), to produce significant change.

Fourth, students of developing countries are more interested in studying government culture as the dependent variable than students of developed countries. This has to do with the fact that in a developed country reform is mainly done with the purposes of improving management efficiency rather than changing core values of government. In developed countries, regimes are stable and reform policies incremental. In developing countries such as Thailand, regimes are unstable, and frequent regime shifts cause reform policies to shift back and forth between democratic and authoritarian reform policies (Bowornwathana, 1994, 2005a). Borins (1998, p. 54), observed the differences of implementing NPM in developed and less developed countries. Developing countries appear to be deficient in many of the prerequisites for the NPM. They have to establish civil society, namely institutions which are autonomous, in that they are not state-run, are not subject to the whims of kings and tyrants, but are sustained to be citizens endowed with rights and the wherewithal to make use of them. Polidano and Hulme (1999) argued that the problems of developing countries are less of a

managerial nature than systemic, such as capacity-building, controlling corruption, decentralization, and role of donors.

Fifth, the speed and scope with which the new culture of governance overtakes the older administrative traditions is also important. Sometimes, citizens from the same community have different ideas about the outcomes of governance and NPM reforms. At a recent seminar on decentralization in Thailand, a lady commented that things have not changed much. Disgustingly, young female schoolteachers may be coerced to sleep with the new local government bosses instead of the old big-shots from the central government in order to keep their jobs and be promoted. Immediately, a professor from a university remarked: “Do they still practice that?”

Sixth, the probability that a new culture of governance can replace the old governmental culture is based on three factors. First, the compatibility of the new proposed governmental culture with the old one. If it is compatible, the transformation will be smooth as in the case of a democratic country which wants to adopt a governmental culture of democratic governance. However, if the change sought is too compatible with the old governmental culture, then it is likely that no major reform on the traditional culture will happen. On the contrary, if a government has been under authoritarian rule for a long time, the transformation to democratic governance may be more difficult. Second, the consistency in introducing reform programs and initiatives is also an important factor. For example, if during the past forty years, all governments have followed the policy of democratic governance reform by introducing initiatives that support a democratic governance culture, then, the transformation may progress better than that in other countries that lack policy continuity. Politics where regimes shift back and forth between democratic and authoritarian regimes are likely to experience a volatile transformation (Bowornwathana, 1994, 2005a). Third, the beliefs and actions of the power elites in government must also consistently support the reform of the public sector with a culture of democratic governance (Bevir, Rhodes, & Weller, 2003, pp. 1–19).

Figs. 3 and 4 illustrate how the perspective of governmental culture as the dependent variable can be put into practice. Generally speaking, the prospect for any reform to be successful depends on two dimensions: the compatibility of the new proposed reform with the existing government culture (or reform compatibility), and the extent to which reform has been moving into the same direction for many years without interruptions (reform consistency). Fig. 3 indicates that the prospect for reform in developing countries such as Thailand to be successful is not bright. Reform in Thailand is the case of both low compatibility and consistency. In

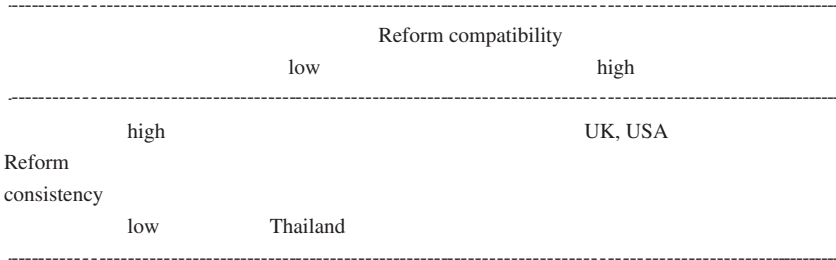


Fig. 3. Prospects for Reform Success When Governmental Culture is the Dependent Variable.

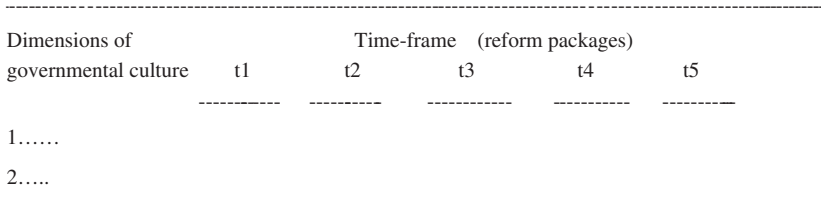


Fig. 4. The Process of Reforming Governmental Culture.

Thailand, there is a high degree of reform inconsistency arising from regime shifts that radically alter the directions of reform from democratic to authoritarian reforms. Although the Thai case shows that the prospect for success in governance reform in Thailand is dim, the changes sought are paradigmatic. In the case of the United Kingdom and the United States, reform packages launched by governments are usually compatible with the governmental cultures, and a high reform consistency exists. However, reform success represents a small departure from the core values of their governmental cultures. We may not be able to claim that the changes are culturally oriented governance reforms. Unless, of course, the United Kingdom and the United States' Governments want to radically change their cultures of governments by adopting the Thai governmental culture. Then, the likelihood of success in the short-run becomes dim again.

The process of reform involving major changes in the culture of government must be understood from a long time-frame perspective. One asks the question: What are the reforms introduced during different periods that can slowly transform the traits of the traditional culture of government?

Although reform is a never-ending process and difficult to control, consequences of past reforms constitute givens for the new coming reforms. Fig. 4 shows the process of reforming governmental culture.

### *The Thai Case*

The history of government traditions and culture of the Thai polity can be traced back to approximately a thousand years. The culture of the Thai government has been forming since the era of absolute monarchy (900 years ago to 1932). I shall argue that since 1932, governmental culture of the Thai polity has not departed that much from the traditional culture of absolute monarchy rule. The major traits of the Thai governmental culture are summarized in Fig. 5.

First, there is the culture of centralization. The whole bureaucracy, central and local governments, should be under a single person such as the PM. A single pyramid organizational structure is professed. Second, the culture of hierarchical status is deeply rooted in Thai government. The positions of individual bureaucrats are ranked in the hierarchy so one can tell who has more power and higher status than others. The bureaucratic system is organized to give meaning and support to status (Siffin, 1966, pp. 151–168). People who come into contact with the bureaucracy are treated unequally in

Traits of governmental culture	Absolute Monarchy 900 years	Bureaucratic polity 40 years	Democratic polity 25 years	Authoritarian capitalism 5 years
<i>Centralization</i>	Yes	Yes	No	Yes
<i>Hierarchical culture</i>	Yes	Yes	No	Yes
<i>Patron-client, nepotism, corruption as way of life</i>	Same	Same	Same	Same
<i>Culture of state intervention</i>	Yes	Yes	No	Yes
<i>Big government</i>	Yes	Yes	No	Yes
<i>Class, status orientation, non-production orientation</i>	Yes	Yes	No	Yes
<i>Loyalty to the king</i>	Yes	Yes	Yes	Yes

Fig. 5. The Practices of Governmental Culture.

accordance to their social and economic statuses. Third, the patron–client system is the foundation of the Thai bureaucracy (Neher & Bowornwathana, 1986, pp. 16–27). Government culture is built on the principles of patron–client exchange relationships. A client is loyal to the patron, and the patron protects the client. Loyalty in government is to your patron boss, not to your formal superior. Corruption and nepotism is a way of life, and a means to support the power system of patron–client. Fourth, there is the culture of preferences for big government and state intervention. Big government provides government officials with security. Fifth, Thai government officials are not production-oriented. Instead, they are driven by wealth, status, and economic orientations. There is little room for rationality, efficiency, and production-oriented reform. Sixth, loyalty and the upholding of the monarchy is an important part of Thai government culture. Historically, the Thai government bureaucracy developed for the purposes of serving the monarchy.

The persistence or “stickiness” of the traditional government culture of Thailand does not mean that nothing has happened since 1932. In fact, Thai politics has developed into three interesting periods: the bureaucratic polity (1932–1973); the democratic polity (1973–2000); and the Thaksin Governments (2000–2006) (Bowornwathana, 2001c, 2005a). During each period, the instruments of reform from the West have guided the administrative reform directions of the Thai governments. These instruments of reform are divided into two packages of strategies: first, the democratic package consisting of policies, such as minimal role of the state or the smaller government principle, decentralization, management for results or outcomes, fairness, participation, IT, and e-procurement. The second reform package is more authoritarian. It covers administrative reform strategies such as big government, re-centralization, bureaucratization, and top-down management. The last package has guided most of the reform carried out by the Thai governments during the 900 years of absolute monarchy rule, the period of military rule (bureaucratic polity), and the period of the Thaksin Governments.

Under the bureaucratic polity, power changed hands from the monarchy and court aristocrats to the military bureaucrats. There was not a major change in the traditions of government (Heady, 2001, pp. 335–341). Meanwhile, the democratic package of reforms has guided the democratic polity period of 1973–1997. This short period (1973–1997) of experimenting with democratic governance reforms explains why Thai government culture is more authoritarian-oriented than being democratic. Other reasons why the traditional Thai government culture has remained almost intact are as follows. First, the instability of democratic rule has prevented the continuation development of democratic governance culture. Second, the

democratic packages of reform are foreign to the majority of Thais who are more concerned with their well-being and the acquisitions of consumer goods from the capitalist economy. Only the educated upper and middle classes, together with the urbanites, are concerned with the development of democracy. The short period of democratic governance reforms of the 1997 Constitution was abruptly interrupted by the coming to power of PM Thaksin and his business partners. Efforts previously introduced to democratize the Thai government were overshadowed by Thaksin's strong authoritarian view of government based on his belief about the supremacy of his company model.

### **GOVERNMENTAL CULTURE AS AN INDEPENDENT VARIABLE**

The last interpretation of governmental culture in administrative reform is when governmental culture is seen as an independent variable in the explanatory equation which consists of several variables. These variables or models of explanation are: managerial, power and politics, neo-institutional, public choice, globalization, culture and leadership. For followers of each approach, the others may be seen as competitors. The question is: Which approach can explain governance processes and outcomes better? There is no final answer. Suffice it to say that the cultural explanation plays a minor role in the equation. The reasons are: first, when scholars study governance reform, they usually take for granted the cultural factor. This is true especially when one focuses on single-country cases, such as those of developed countries. For them, governmental culture is a constant factor (Keraudren, 1996). Other factors are more important. Second, students of administrative reform are usually political scientists and public administrators who are more interested with non-cultural explanations, especially power and politics models and managerial models. Third, most studies on administrative reform outcomes do not adopt a longitudinal perspective. But to understand administrative reform from a cultural perspective, one needs to apply a historical and long-term time-frame. Fourth, the truth of the matter is that it is very difficult for a foreign scholar to investigate and, in the short term, comprehend the culture of government of a foreign country under investigation.

Fig. 6 summarizes the explanations given by each approach or independent variable about governance outcomes and processes. The managerial model sees reform as efforts to improve management effectiveness and control by

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MODELS	Explanations
Managerial	Reform as management effectiveness and control
Power and politics	Reform as the struggle for power
Neo-Institutional	Reform as a product of institutions
Public choice	Reform as individual choice and utility maximization
Globalization/ Culture	Reform as surviving globalization Reform as changing government culture
Leadership	Reform as leaders' preferences

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Fig. 6. Governmental Culture As an Independent Variable.

implementing management tools from the business school. Power and politics see governance outcomes as a consequence of a struggle among political actors for power. Reformers seek power aggrandizement and monopoly, domain expansion, privileges, and rewards (Bowornwathana, 1994, 1995, 1996a, 1996b, 1996c, 1996d, 1999, 2001a, 2001c, 2002a, 2002b; Bowornwathana & Poochareon, 2005). The neo-institutional model argues that reform outcomes are products of government and political institutions. Public choice sees reform outcomes as individual rational choice made by relevant actors. The globalization approach postulates that governance reform is an answer to the pressures of globalization and information technology. The leadership perspective sees governance reform outcomes as elite preference. Finally, the cultural perspective believes governance outcomes as manifestations of culture. Fig. 6 briefly summarizes the explanations given by each model or variable.

## CONCLUSION

To put things together, the cultural explanation can strengthen our understanding of governance reform. In practice, if a scholar is conscious of the three roles that the cultural factor can play in governance reform, his analysis will be strengthened.

Seeing governmental culture as the intervening variable, the scholar will be sensitive to characteristics of governmental culture that may act as the obstructive factor in reform. Questions asked are: Did existing governmental culture cause reform failure and negative unintended consequences? If the



ultimate goal is to introduce changes in certain traits of governmental culture, then perhaps the short-term reform failures are part of the unavoidable clashes that occur between the existing and the newly injected governmental culture. Also, when governmental culture becomes the dependent variable, a long-term time frame must be used to capture the reform processes and outcomes. By treating governmental culture as the independent variable, the scholar will also be aware of the fact that not all reform policies are directly aimed at changing governmental culture. In fact, many reforms perpetuate the traditional governmental culture in practice. It may be that the existing power elites may hybridize foreign reform innovations to reinforce their power base.

The cultural factor should be given more importance in the study of administrative reform. Comparative studies on administrative reform should be conducted both among countries with similar cultures and between those with different cultures. Governments around the world do borrow reform ideas from one another (Pollitt, 2005). Developing countries borrow reform initiatives from developed countries such as the United Kingdom and the United States more than the other way around. However, there is also the possibility that indigenous administration of developing countries can become exemplary for both developed and developing countries (Henderson, 2005, pp. 55–68).

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# CHAPTER 12

## DECONSTRUCTING ADMINISTRATIVE CULTURE: EXPLORING THE RELATIONSHIP BETWEEN CULTURAL PATTERNS AND PUBLIC SECTOR CHANGE IN THE UK AND GERMANY

Eckhard Schröter

### **CULTURE AS AN INDEPENDENT VARIABLE IN PUBLIC SECTOR REFORM**

This chapter tries to shed some light on the relationship between cultural patterns and country-specific public sector reform profiles. For a comparison, the British and German cases seem to be particularly appealing as they arguably represent two distinct approaches in public sector reform (see also Schröter & Wollmann, 1997; Schröter & Wollmann, 2000). It has become part and parcel of the conventional public management wisdom that the UK stands out for its vigorously pursued market-orientation and the emphasis on the explicitly “managerial” side of the new public management (“freedom to manage”) (see also Schröter, 2006), while few commentators seem to dispute that recent public sector reform programs in

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Germany have been of only modest range – more concerned with “maintaining” (Pollitt & Bouckaert, 2004) established features of the administrative system and fine-tuning the internal bureaucratic machinery of the state apparatus. At this point, our discussion does not take issue with that stereotypical depiction of national reform styles (see Schröter, 2001); rather it tackles a potentially powerful approach of interpreting the conspicuous policy variance: the linkage between traditional political and administrative cultures and national reform strategies.

In fact, it is most tempting to resort to this line of interpretation (although often used as a residual category) as the over-abundance of examples of suggested distinctions between British and German cultural traits seems to present itself on a silver plate: ranging from entrenched philosophical traditions (pitting the liberal-utilitarian strand of thought in Britain against more metaphysical German traditions), to the alleged “individualist-collectivist divide”, the distinction between “stateless” and “state-centered” societies (Nettl, 1968; Dyson, 1980) or Anglo-Saxon “pragmatic” and Germanic “rationalist” cultures (Sartori, 1969) and, finally, the clash between (British) “entrepreneurial” and (German) “bureaucratic” cultures in work and industry (Bendix, 1956). However, the concept of culture is a slippery one and much of its attraction is probably owed to its elusive and ill-defined nature. In contrast to most of the authors above, we employ a strictly attitudinal concept of culture in order to be compatible with the dominant currents in contemporary political and organizational culture research. In designing this chapter, we are also well aware of the risk of methodological fallacies by linking outcomes observed at the level of political or administrative systems (such as public sector reform measures) to potential causes observed at the individual level (such as attitudinal dispositions). So, it goes without saying that other competing and intervening variables will most likely play a role in shaping national modernization programs for the public sector. For the time being, however, the focus is on the question whether prevailing national value and attitudinal patterns can help us explain country-specific differences between the British and German reform cases.

As the chapter progresses, we will be zooming in from more general value patterns that are supposed to guide our social and political behavior in a broader sense (i.e. the “macro” perspective) to more specific attitudinal dispositions (i.e. the “meso” and “micro” perspectives) that more directly address questions about the scope of the public sector and its internal management practices. As the paper primarily refers to the “formative years” of the NPM-movement, i.e. the mid-1980s through the mid-1990s, the argument is by and large restricted to the comparison

between British and West German samples, with only occasional references to cultural patterns in eastern Germany where appropriate.

## **A MACRO-PERSPECTIVE: CORE VALUES IN POLITICS AND SOCIETY**

As public sector institutions are embedded in wider social and political habitats, the macro-level of political culture appears to be an appropriate starting point of our empirical analysis. At times, it was part and parcel of mainstream political culture research that the British and German cases represented distinct categories of national political cultures. In their seminal study on political culture in five nations, Almond and Verba describe the British case as a close approximate to their normative model of the civic culture, whereas in Germany they could trace strong elements of a more hierarchical and passive “subject culture” (Almond & Verba, 1963; see also Verba, 1965). In other words, the predominant British cultural patterns were praised for blending active and passive roles in the democratic process, thus providing the prerequisites for relatively stable and successful democracy. The “civic culture” is founded not only on a positive identification of the political system and a wholehearted acceptance of democratic values (including tolerance of dissenting opinions), but also on a comparatively high degree of political competence among the citizenry and a strong bias in favor of citizen involvement (“nation of joiners”). In stark contrast, the original data for the German case showed a considerable amount of political detachment with citizen inputs being limited to formal and institutionalized means of participation. Seen through Almond’s and Verba’s analytical lenses, the remarkable degree of satisfaction with democratic politics in post-war Germany was primarily interpreted to be more of a by-product of successful economic performance. Those cultural traits were also linked to the British and German state traditions regarding the historical development of parliamentary rule on the one hand, and a fully fledged state bureaucracy on the other: whereas in the late 1950s, the British respondents held the democratic institutions in particularly high regard, the German sample showed – in line with a deeply rooted “*Rechtsstaat*” tradition – higher esteem for the judicial-administrative institutions.

However, the stereotypical profiles of the British “civic culture” and the German “subject culture” are less than complete, nor can they serve as accurate descriptions of contemporary British and German political cultures (cf. Almond & Verba, 1980). For one, the British preference for strong



political leadership has often been insufficiently appreciated (see also Döring, 1990, 1994). Although this facet, which added a slightly authoritarian note to British cultural traits, had already been identified in Almond's and Verba's classical study, the authors chose to downplay this element in their original analysis. Intimately linked is the alleged "deferential" component of political life in Britain (see also Rose, 1965), which has eventually become the object of heated debates in political culture studies (see Kavanagh, 1971, cf. also Heath & Topf, 1987). Though a far cry from being a truly deferential society, significant elitist and pro-establishment tendencies are considered to be an integral part of British political culture: "Governments of any party can rely on a generally rather compliant electorate when it comes to implementing unpopular policies" (Jowell & Topf, 1988, p. 120). In other words, a marginal political majority can get British leaders a long way – a feature that may in fact help to explain the radical shift in public sector management under Thatcherite policies.

As for the German case, the contours of the political culture profile no longer seem to have any resemblance to the type of "subject culture" which was established back in the late 1950s. There seems to be every indication that the political detachment diagnosed decades ago has given way to much more participatory attitudes which are well documented in the body of literature on the "new politics" and the "new political culture" in Germany (see for example, Baker, Dalton, & Hildebrandt, 1981; cf. also Barnes, Kaase, & Allerbeck, 1979; Jennings & van Deth, 1989). As a result, the types of "detached" or "alienated subjects" as described in Almond's and Verba's work have only very limited, if any, descriptive or even explanatory power for contemporary Germany. This fundamental change was also recognized by Conrads (1980), who concluded from his database that the "participatory revolution" had left its marked traces on German cultural patterns which also showed a significant increase of system trust and commitment to pluralist politics.

Whereas German political culture apparently shifted towards the "civic culture" model during the 1970s and 1980s, citizens' attitudes in Britain moved in the opposite direction. As a case in point, the British sample ranged among the least politically interested as compared to other established democracies, thus showing clear signs of political estrangement (cf. Johnston, 1993). In 1990, 34 percent said they were "not at all" or "not very" interested in politics, while only 21 percent of the German sample members did so (Brettschneider, Ahlrich, Klett, & Vetter, 1994, p. 564). Following this route of interpretation, we can observe other signs for considerable political

alienation in Britain which have given rise to controversial debates over the “decline of civic culture” since the mid-1970s (see for discussion e.g. [Kavanagh, 1980](#); [Heath & Topf, 1987](#); [Döring, 1994](#)). Thus, it has been reported that levels of system efficacy – the belief that the system can and will respond to popular demands for change – like levels of political trust, have reached an unprecedented low in Britain ([Curtice & Jowell, 1995](#)). A similar trend has been observed with regard to personal efficacy, i.e. the confidence in one’s own ability to articulate a demand for change and to affect the political process. While the British political culture was traditionally praised for its high level of “citizen competence”, survey data from the 1990s showed that a growing proportion of respondents thought that they had no say in government or that government and politics were too complicated to understand ([Curtice & Jowell, 1995](#)).

More generally, German and British political cultures seem to have shifted on some important dimensions (i.e. commitment to and involvement in the democratic process) away from their original positions as described in Almond’s and Verba’s civic culture study towards the center ground. As mentioned above, the level of political distrust tends to be particularly high in Britain ([Borre, 1995, p. 348](#)), with 49 percent of the respondents in 1985 expressing distrust as opposed to 23 percent of the German survey participants. Indeed, in international comparison the German respondents – in keeping with the longstanding legalist tradition in the country – hold the judiciary in particular awe ([Gabriel & Brettschneider, 1994, p. 562](#); although, one should be quick to point out that the variance between Great Britain and Germany is only marginal). With regard to public bureaucracies, however, the findings generated by comparative survey studies certainly call for a re-assessment of commonly held views on the acceptance of and trust in public administration in Germany. In Britain and Germany, the civil service scores rather low in public trust, with no more than 44 percent of the British respondents saying that they trust the civil service very much, and even fewer than 38 percent of the German sample members saying so ([Brettschneider et al., 1994, p. 562](#)). Percentages are given for 1990. The figures for 1981–1983 are 32 percent for Germany and 45 percent for Britain. This story continued well into the 1990s as the World Value Survey produced similar results for the questionnaire item “confidence in the civil service” in 1999 (UK: 42 percent say “a great deal” or “quite a lot”; West Germany: 38 percent; East Germany: 34 percent; World Value Surveys, 2007). Most strikingly, however, the civil service in Britain ranks even higher in public trust than parliament, which seems to be at odds with the powerful standing of parliament in British history, and at the same

time stands in marked contrast to the German situation where trust in parliament is only exceeded by trust in the legal system and the police.

On the issue of general support for unconventional political protest, the figures for the German sample jumped from 21 percent in 1985 to 46 percent in 1990, which even surpassed the traditionally high British score (33 percent in 1990; 29 percent in 1985; see Borre, 1995, p. 348). Also, the British and German respondents seem to be, by and large, equally committed to values of liberal democracy as measured by their support for civil rights. Trends of this kind are also reflected in the general value shift from “materialist” to “post-materialist” values. Here, the distribution of “materialist” and “post-materialist” values in Germany and Britain follow identical patterns (Inglehart, 1977, 1990; Gabriel, 1994). This notable convergence anything but conforms with the conventionally suggested dichotomy between archetypical German and British political and societal norms. In this context, the underlying “individualist”–“egalitarian” dimension has received particularly wide currency as a cornerstone of the value structure of any given society. In 1990, popular support for more freedom of individuals as a preferable scenario of societal change was just a notch more widespread in the UK (41 percent agreed, 28 percent disagreed) than in West Germany (33 percent vs. 28 percent), while the East German sample – not surprisingly, after the collapse of the communist regime – stood practically unanimously behind the statement that more freedom for individuals should be allowed (82 percent vs. 7 percent) (see World Value Survey, 2007). In a similar vein, the questionnaire item about the merit of competition as an important value in society touches upon the “individualist vs. collectivist” distinction. We can safely assume that citizens in liberal-pluralist political regimes and capitalist market economies tend to have a penchant for the positive side effects of competitive environments. Consequently, the lion’s share of all respondents views competitive forces as a good thing, although their potentially harmful impact tends to be more appreciated in the late 1990s than one decade earlier. Given those similarities across the board, the differences between our samples are all the more telling and illustrative. Contrary to the established orthodoxy, it is the German sample that takes the lead in its approval rate of competition as is shown in Table 1.

The litmus test, however, is often considered to be the question: do people rank freedom over equality or vice versa if asked to choose between two alternatives? Indeed, in the early 1980s Germany stood out among the western European countries for being the only nation where equality exceeded freedom in popularity (39 percent supported the “equality” option; 37 percent opted for “freedom”). The British case was located at the

**Table 1.** Competition is Good.

	WVS 1990		WVS 1999	
	%	Mean	%	Mean
Britain	51	3.81	43	4.01
West Germany	59	3.25	48	3.62
East Germany	66	2.99	49	3.74

*Note:* Percentages are cumulative percentages of respondents who voted for options 1 through 3 on a scale from 1 (= competition is good) to 10 (= competition is harmful).

*Source:* World Values Survey, 1990/1999 (Online Data Analysis).

**Table 2.** Percentages of Respondents Who Rank Freedom above Equality.

	WVS 1981	WVS 1990	WVS 1999
Britain	69	62	54
West Germany	37	59	62
East Germany	–	47	43

*Source:* World Values Surveys, 1981/1990/1999 (Online Data Analysis).

opposite end of the spectrum, with 68 percent of the respondents voting for the “freedom” option. In 1990, however, a replication of the survey yielded rather different results, with Germany (59 percent support for “freedom”) ranking only second to Britain (62 percent) in international comparison and showing the least support for the “equality option” among all countries studied (see Harding & Philips, 1986, pp. 86–87; Brettschneider et al., 1994, p. 553; cf. also Ashford & Timms, 1992). As it turned out (see Table 2), this drastic swing was not just a mere reflection of the “peaceful revolution” in East Germany and eastern Europe at large, but represented a rather long-term trend. In the United Kingdom, the downward tendency for advocates of the “freedom option” continued, while in former West Germany that sub-group of the sample gained further ground – widening the gulf between samples from eastern and western Germany even further.

## A MESO-PERSPECTIVE: WHAT PEOPLE WANT FROM THE STATE

Defining the proper spheres of state intervention in economy and society is one of the most contested issues in public management reform. Accordingly,

much of the NPM-related literature has revolved around catch phrases such as “pruning back the state” or normative models of state activity as encapsulated in the “lean state” or “enabling state” labels. To what extent is this reform discourse underpinned (or even driven) by public sentiments in Germany and the UK? Drawing on the established (and yet questionable) divide between “etatist” and “non-etatist” state traditions, the starting assumptions seem to be clear-cut: whereas sample members from liberal-leaning Britain are expected to resent state intervention, respondents socialized in corporatist and state-centered Germany would give a higher priority to government services (see also Taylor-Gooby, 1998 and Mau, 1998 for a comparative analysis from a welfare state regime perspective).

As a first step, our investigation looks at attitudes towards the range of government responsibilities, focusing on core services of the established welfare state. Looking at comparative survey data generated over a period from the mid-1970s through the mid-1990s, we find widespread support for government activity in core policy areas. In fact, there appears to be a well-founded consensus in favor of “big government” among the countries under study, with the variance between nations being remarkably low (Huseby, 1995, pp. 95–96). However, the figures also indicate some significant changes from 1974 to 1985. Interestingly, attitudes in Britain and Germany were shifting in opposite directions: in Germany, attitudes were more supportive of a wide range of government responsibilities in the early 1970s and much less favorable in 1985 and 1990, whereas the British data reveal that attitudes have moved significantly towards a more “expansionist” view of government’s role in society (Huseby, 1995, pp. 95–96). Moreover, Britain and Germany switched places in the international “league table”: in 1974, Germany was among those countries that showed the highest level of support for government assuming a large range of responsibilities, while Britain had the lowest mean score. In contrast, in both 1985 and 1990 German respondents were the most hesitant in their support for improved mass welfare services, whereas the British sample scored on or even above the cross-national average (Huseby, 1995, p. 96; see also Taylor-Gooby, 1993).

To allow for valid comparisons over time, we can utilize the “index of state intervention” as designed by Kaase and Newton (1998, pp. 43–45) as a single, broad-brush measure of the preferred breadth of government action. The index is based on data from three rounds of the International Social Survey Programme (ISSP), asking respondents whether they thought it was or was not the government’s responsibility to: (1) provide a job for everyone who wants one, (2) keep prices under control, (3) provide health care for the sick, (4) provide a decent standard of living for the old, (5) provide industry

with the help it needs to grow, (6) provide a decent standard of living for the unemployed, and (7) reduce income differences between the rich and the poor. As the figures indicate, in both countries only a minority of respondents are hesitant to assume a government responsibility in most of the specified policy areas. As a matter of fact, in 1996 roughly two in three British sample members (70 percent) and every second German interviewee (55 percent) are in favor of an active role of government in at least six of the seven areas of state activity they were asked about (Kaase & Newton, 1998, p. 45).

Table 3 shows consistent attitudinal patterns inasmuch as answers from the British samples are generally more supportive of social and economic state interventions than responses from western Germany – a pattern, which has apparently been rather robust during the 1980s and 1990s. In both countries, the data also reveal a slight decline in public commitment to those government services of mass need, but this change does not appear large enough to conclude that attitudes were becoming explicitly “contractionist”.

Even larger cross-national differences are revealed when we disaggregate the response categories and consider only those respondents who think that government is “definitely responsible” for providing the services in question. The results (as indicated in Tables 4, 5, and 6) show that British sample members – compared to their German peers – prove to be much more enthusiastic in their support for established mass welfare services, which holds particularly true for the provision of health services (cf. also Döhler’s, 1990, account of the National Health Service, which considers the NHS part of the “collectivist” element in British political culture; in a similar vein also Mau, 1998).

A similar pattern of cultural dispositions emerges if we take the “degree” dimension of governmental activity into consideration. Do people want more or less government programs and spending? First pointers in the preferred direction of change come from the 1990 and 1999 rounds of the

**Table 3.** Index of State Intervention for Britain and Western Germany.

	ISSP 1985	ISSP 1990	ISSP 1996
Britain	6.02	5.78	5.76
West Germany	5.41	4.91	5.07

*Note:* The index runs from 0 (not in favor of government responsibility in any area) to 7 (in favor of state responsibility in all seven areas).

*Source:* Kaase and Newton (1998, p. 45).

**Table 4.** Percentages of Respondents Definitely Approving Government Responsibility to Provide Health Care for the Sick.

	ISSP 1985	ISSP 1990	ISSP 1996
West Germany	54	57	51
Britain	85	85	82

*Source:* Taylor-Gooby (1998, p. 63).

**Table 5.** Percentages of Respondents Definitely Approving Government Responsibility to Provide a Decent Standard of Living for the Old.

	ISSP 1985	ISSP 1990	ISSP 1996
West Germany	56	54	48
Britain	78	79	73

*Source:* Taylor-Gooby (1998, p. 63).

**Table 6.** Percentages of Respondents Definitely Approving Government Responsibility to Provide a Decent Standard of Living for the Unemployed.

	ISSP 1985	ISSP 1990	ISSP 1996
West Germany	24	19	17
Britain	44	32	29

*Source:* Taylor-Gooby (1998, p. 63).

World Values Survey. A first glimpse at [Table 7](#) reveals that the sample from western Germany, if compared to their British peers, is most outspoken in its call for more individual responsibility (also indicating an upward trend), while the number of eastern German respondents who wish to go further down that road is dwindling.

For a more specific discussion, we can again rely on the data generated by the ISSP surveys, which included a number of questions asking about the extent to which people wanted more state spending on a range of services (Huseby, 1995, pp. 101–102; Kaase & Newton, 1998, pp. 49–51). In general, calls for more government spending have been much more frequently voiced by British sample members – with the notable exception of environmental concerns, which the vast majority of German interviewees (in contrast to

**Table 7.** People Should Take More Responsibility.

	WVS 1990		WVS 1999	
	%	Mean	%	Mean
Britain	29.9	5.16	36.8	4.43
West Germany	47.5	4.20	49.1	3.92
East Germany	51.4	4.11	30.8	5.58

*Note:* Percentages are cumulative percentages of respondents who voted for options 1 through 3 on a scale from 1 (= people should take more responsibility) to 10 (= government should take more responsibility).

*Source:* World Values Survey, 1990/1999 (Online Data Analysis).

their British counterparts) felt very strongly about. Focusing on the “welfare group” of government policies (i.e. old age pensions, health services, unemployment benefits), at all three time points the proportion of “welfare seekers” was considerably lower in Germany than in Britain. In 1996, one quarter of the German sample members advocated “more” or “much more” social spending, whereas well above one half of the British respondents did so. These cross-national differences were most clearly brought into the open when the sample members were asked to choose between the options of reducing taxes or spending more on social services. In the late 1990s, 71 percent of the Britons opted for higher welfare spending, while 68 percent of the West Germans voted in favor of lower taxes (Mau, 1998, p. 31). Here, the clashes between West and East German cultural dispositions are most pronounced, with the attitudinal patterns in the *new Länder* taking the shape of the British distribution of responses (Mau, 1998, p. 31; Taylor-Gooby, 1993, p. 85). Admittedly, these findings partly reflect the relatively high standards of social welfare in Germany as well as the relatively high German tax burden on the one hand, and the draconian cuts in British welfare benefits on the other hand, but they nevertheless also throw some light on a more “collectivist” and “interventionist” component of British political culture.

Moving away from traditional service-oriented “welfare-statism”, we now turn to questionnaire items tapping the rate of support for more interventionist and consciously redistributive policies (cf. Roller, 1995), such as active labor-market policies or the narrowing of the income spread as Tables 8 and 9 reveal.

Not unexpectedly, policies of a more interventionist kind apparently appeal much less to the electorate than the services tested before which are mainly concerned with the issue of “social security” (particularly retirement



**Table 8.** Percentages of Respondents Definitely Approving Government Responsibility to Provide a Job for Everyone Who Wants One.

	ISSP 1985	ISSP 1990	ISSP 1996
West Germany	36	30	28
Britain	38	24	29

Source: Taylor-Gooby (1998, p. 64).

**Table 9.** Percentages of Respondents Definitely Approving Government Responsibility to Reduce Income Differences between Rich and Poor.

	ISSP 1985	ISSP 1990	ISSP 1996
West Germany	28	22	25
Britain	48	42	36

Source: Taylor-Gooby (1998, p. 64).

pensions and health services) rather than “social equality”. By and large, however, the overall trend of the analysis remains relatively stable. As for the government provision of jobs, the rates of approval are broadly on par with one another. If it comes to the responsibility to narrow the gap between the rich and the poor, however, people in West Germany showed a greater reluctance – notably in the 1985 and 1990 ISSP surveys – to embrace the more interventionist role of government, while British support for government action to narrow the gap between the rich and the poor consistently exceeds by far the West German level. It does not come as a surprise that support for an active role of government in evening-out socio-economic differences is strongest in eastern Germany. The number of East German respondents advocating the reduction of income differences, for example, surpasses their West German peers by 25 percentage points (Taylor-Gooby, 1993, p. 85; Mau, 1998, p. 30). Covering the time span of the 1990s, the World Value Survey revealed a widespread sobering trend across nations when respondents were asked to consider the value of larger income differences as incentive structures (World Value Survey, 2007). Between 1990 and 1999, popular support for larger income differences drastically melted away – from 43 percent to 19 percent in the UK, from 39 percent to 20 percent in the western German *Länder*, and from 64 percent to

**Table 10.** Incomes Should be Made More Equal.

	WVS 1990		WVS 1999	
	%	Mean	%	Mean
Britain	15	6.50	28	5.10
West Germany	20	6.20	22	5.38
East Germany	10	7.56	38	4.51

*Note:* Percentages are cumulative percentages of respondents who voted for options 1 through 3 on a scale from 1 (=incomes should be made more equal) to 10 (=we need larger income differences as incentives).

*Source:* World Values Survey, 1990/1999 (Online Data Analysis).

13 percent on the territory of the former GDR. While in the western German sample group advocates for and against larger pay differences roughly offset each other (22 vs. 21 percent), the balance in the British and eastern German samples are tilted in favor of a more equalizing trend (the UK: 28 percent call for more equal income; eastern Germany: 38 percent; see Table 10).

State management of the economy has been one of the dominant areas of policy debate over the last two decades, which have witnessed a revival of economic neo-liberalism. To what extent might those policy shifts been triggered or shaped by public sentiments in favor or against certain government intervention in the economy? In search for an answer, we turn to measures devised by Kaase and Newton in their analysis of the ISSP data from 1985 through 1996 (Kaase & Newton, 1998, pp. 45–47).

As shown in the Tables 11, 12, and 13 above, there does not seem to be any consistent “expansionist” or “contractionist” ideology underlying the preferences of the citizens towards state interventions in the economy. We find widespread consensus in both countries when it comes to evaluating government action in creating jobs or to subsidizing ailing industries – the overwhelming majority of the British and German samples (1996: 77 percent and 83 percent, respectively) would like to see a helping hand from the state in these cases. The issue of wage and price control appears to stir up more controversy among the samples, especially in the German case where – according to the 1996 survey – the group that favors both measures surpasses the group of opponents only by six percentage points (in the British sample the margin is 23 percentage points). In addition, there are clear signs that people – particularly in Germany – have become increasingly disinclined towards government regulation of business and too much government spending (1996: 53 percent in Britain and 82 percent in Germany). This

**Table 11.** Percentages of Respondents in Favor or Strongly in Favor of Controlling Prices and Wages by Law.

	ISSP 1985	ISSP 1990	ISSP 1996
West Germany	42	42	39
Britain	45	37	48

Source: Kaase and Newton (1998, p. 46).

**Table 12.** Percentages of Respondents in Favor or Strongly in Favor of Job Creation and Protection by Government.

	ISSP 1985	ISSP 1990	ISSP 1996
West Germany	67	73	77
Britain	73	75	83

Source: Kaase and Newton (1998, p. 46).

**Table 13.** Percentages of Respondents in Favor or Strongly in Favor of “less government regulation of business” and “less government spending”.

	ISSP 1985	ISSP 1990	ISSP 1996
West Germany	67	67	82
Britain	49	48	53

Source: Kaase and Newton (1998, p. 47).

finding is further underscored by results from the 1999 round of the World Values Survey research program. In that year, the questionnaire included an item about the desired state of firms and their relative freedom of government control and regulation (World Value Survey, 2007). While in both national samples the distribution was skewed in favor of less government intervention, the statement that the state should give more freedom to firms found strongest support among respondents from former West Germany (39 percent), with Britons (26 percent in favor) being more skeptical about deregulation of business corporations than sample members from the *new Länder* in what used to be East Germany (31 percent). All in all, however, the contours of the emerging picture follow the lines of the by

**Table 14.** Private Ownership of Business Should be Increased.

	WVS 1990		WVS 1999	
	%	Mean	%	Mean
Britain	32	4.69	27	4.72
West Germany	46	3.68	42	3.82
East Germany	64	3.08	25	5.06

*Note:* Percentages are cumulative percentages of respondents who voted for options 1 through 3 on a scale from 1 (= private ownership of business should be increased) to 10 (= government ownership of business should be increased).

*Source:* World Values Survey, 1990/1999 (Online Data Analysis).

now all-familiar pattern: the British sample emerges from the analysis as being consistently more sympathetic to state intervention than the West Germans.

An alternative route of inquiry is offered by the available survey results with an eye on citizen's attitudes towards state ownership of economic enterprises (see World Value Surveys, 2007; Taylor-Gooby, 1993, p. 87; Borre & Viegas, 1995, p. 253). To be sure, the overall level support for state ownership appears to be rather modest, but the discernible patterns of support for "welfare-statism" revealed in earlier analyses of attitudes to state responsibilities becomes visible again as illustrated in Table 14. As a rule, positive attitudes towards nationalization seemed to be more widespread in Britain than in former West Germany. In 1990, for example, no fewer than 30 percent of the British respondents (26 percent in 1985) thought that the electricity sector should be in the hands of the public sector, thus reaching the level of support for state ownership of public utilities in eastern Germany. However, only 16 percent of the interviewees from the "old" Federal Republic (1985: 19 percent) did so. Interestingly, attitudes in Britain appear to have shifted slightly in favor of nationalization from 1985 to 1990. It has been convincingly argued that this movement of attitudes can be understood as a reaction to Thatcherite policies. Thus, the rapid progress of a neo-liberal program, which involved the privatization of monopolies providing essential services, together with fears that this policy would generate more social inequality, might explain the change in attitudes towards during the late 1980s (see Taylor-Gooby, 1993; Borre & Viegas, 1995).

The more recent World Value Surveys have captured the development of public opinion towards privatization and nationalization of business corporations through the 1990s. Clearly, the data leave little, if any, room for fantasies about nationalization programs: favorable attitudes towards

more government ownership peaked in 1990 (in the UK) and the late 1990s (in the *new Länder*), and those peaks were indeed as low as some 15 percent. Although support for divestment of publicly owned enterprises outnumbers adherents of state ownership by a wide margin across the board, public sentiments seem to have grown mildly more skeptical in the British and western German samples between 1990 and 1999. By contrast, in eastern Germany – reflecting the unique historical situation – the pendulum has swung back from an enthusiastic pro-privatization stance to a much more sober evaluation of private ownership. By and large, however, members of the western German samples of 1990 and 1999 seem to see more need to shift the balance of business ownership from the public to the private sector of the economy than is the case with the British samples. Again, one could argue that this pattern merely mirrors the factual situation as the UK government, if compared to the German case, has pursued a more radical and comprehensive privatization and marketization strategy in the first place. And yet, one can hardly point to the cultural dimension as measured above if in search of an explanatory factor for this policy variation across between the British and German cases.

### **MICRO-PERSPECTIVE: “CULTURE AT WORK”**

Turning to the “internal dimension” or “micro-level” of public management, we start from the premise that national cultures will have a notable impact on the dominant styles of management within a given society. From this perspective both private and public organizations are “culture-bound”; they are imbedded in societal cultural patterns, which in turn influence the ways the organization deals with salient managerial problems such as authority, uncertainty, or participation. These emerging managerial styles, so it is maintained by an established strand of organizational research, carry an important national component which the organization can modify but not entirely change (see also Hickson, 1993; Tayeb, 1988; Randlesome, 1990; Joynt & Warner, 1985; Egan, 1997). It flows from this assumption that national “business” or “management cultures” will transcend the public–private divide, thus also making a difference to national public management styles.

A brief overview of cross-national work in organizational cultures and private sector management reveals some interesting tendencies, which in many respects echo the salient elements of the cultures’ stereotypes discussed above. This resemblance is most visible in Bendix’s distinction between

“entrepreneurial” and “bureaucratic” cultures, with Britain representing the former case and Germany the latter (Bendix, 1956, pp. 211–244). This early distinction still seems to be intellectually thriving. For example, Hickson alludes to Britain “as a culturally very individualistic nation” (cf. also Tayeb, 1993) and points, not without ironic exaggeration, to the “law of the jungle” situation, “where company management and (...) financiers are ever on the lookout for bargains. (...) A shifting capitalist battleground frowned upon in Germany, The Netherlands and Scandinavia” (Hickson, 1993, p. 253). However, there is also mention of the English as being more deferential towards authority, for instance, when compared to their Scandinavian peers. As for the German case, the “efficient forms of bureaucracy” and “its orderly and controlled organizations” are highlighted (Hickson, 1993, p. 256). In fact, specialists are believed to play a much larger role in German management than in other western European societies, and even private sector management in Germany seems to be more product-oriented rather than market-oriented (Warner & Campbell, 1993). Without laboring this point too much, there is some indication that the observed variations in national management approaches also seem to cover some distinct elements of public management reforms in the relevant countries: the market-driven concept in Britain, emphasizing the rights and competencies of managers, and the striving for internal, bureaucratic fine-tuning in Germany.

When looking for a systematic and comprehensive treatment of these issues, one must still largely rely on the conceptual framework and the empirical evidence generated by Hofstede’s path-breaking work on “culture’s consequences” (Hofstede, 1980; cf. also Hofstede, 1997). In this massive study of cultural dimensions across 40 countries, including Britain and West Germany, Hofstede succeeded in identifying four major cultural dimensions, which were linked to the differences between the dominant values in the national organizations. These four main dimensions in which country cultures differ were revealed by theoretical reasoning and statistical analysis, and were labeled power distance, uncertainty avoidance, individualism, and masculinity. In the following, we set out to decipher these indices, which were used as a yardstick to measure work-related values.

#### *Power Distance Index*

This index was designed to tap values related to human inequality and the distribution of power within organizations. In short, “‘power distance’

represents the extent to which the less powerful in a culture accept and expect that power is distributed unequally” (Hofstede, 1997, p. 2). The power distance index (PDI) was compiled from responses to questions which dealt with perceptions of the superior’s style of decision-making, and of colleagues’ fear to disagree with superiors, and with the type of decision-making, which subordinates prefer in their boss (Hofstede, 1980, p. 92). According to this concept of power distance, in countries scoring low on this index authority is less concentrated. As far as organizational behavior is concerned, in low PDI countries ideal-typical managers are more satisfied with participative superiors, subordinates evaluate close supervision negatively and show a preference for manager’s decision-making style clearly centered on a consultative, give-and-take style (Hofstede, 1980, p. 119). As shown in Hofstede’s study, these cultural characteristics also correlate positively with pluralistic societal and political structures, where competition between groups and leaders are encouraged and democratic politics are fostered (Hofstede, 1980, p. 135).

#### *Uncertainty Avoidance Index*

This cultural dimension is related to anxiety, need for security and dependence upon others – in short: the level of (in-)tolerance of ambiguity (Hofstede, 1980, p. 154). The three indicators that together produce the uncertainty avoidance index (UAI), are rule orientation, employment stability, and work-related stress. In fact, Hofstede presents an interesting list of connotations, which are normally associated with a low UAI and which also appear to be of particular relevance for students of public management. In terms of organizational behavior, in countries ranking low on the uncertainty avoidance dimension there can be found a stronger ambition for individual advancement (paired with a stronger achievement motivation), a greater acceptance for individual and authoritative decisions (which, however, at the same time goes hand in hand with a greater readiness to delegate responsibilities to subordinates), and more optimistic attitudes about people’s amount of initiative, ambition, and leadership skills. In a similar vein, low scores on this index are associated with the strongly endorsed views that managers should be selected on other criteria than seniority, that managers need not to be experts in the fields they manage, and that hierarchical organizational structures can be by-passed for pragmatic reasons. In broader societal and political terms, lower UAI scores were found to be positively correlated with a greater public assertiveness as

measured by stronger feelings of citizen competence, more tolerance for citizen protest, and more acceptance of dissent. Eventually, the effects attributed to the UAI also spill over into the realm of public policy making and public administration, since both the societal norm that “public authorities are there to serve the citizen”, and a by far less legalistic approach to public policy appeared to be typical for low UAI countries in the original study (Hofstede, 1980, pp. 178, 184).

### *Index of Individualism*

Hofstede’s third dimension was designed to describe the type of relationship between the individual and the collectivity, which prevails in a given society (Hofstede, 1980, pp. 222–239). At the organizational level, individualist values would result in a greater emphasis on individual initiative and achievement, a stronger belief in individual decisions and a larger emotional independence of members from their organizations. In the opposite case, managers are inclined to aspire to conformity and orderliness, to rate security in their position higher than having autonomy, and to choose duty, expertness, and prestige as important work goals.

### *Masculinity vs. Femininity*

According to this conceptual design, “masculine” cultures stand for greater assertiveness, and members of those cultures are expected to be more ambitious, concerned with money and “to admire whatever is big and strong” (Hofstede, 1980, pp. 279–297). These dispositions would translate into behavioral patterns in which individual earnings and advancement are the prime work goals and extrinsic motives are particularly important. In contrast, the label of “femininity” was taken to stand for a much less competitive approach: modesty, concern with personal relationships and desirable working conditions, as well as a greater sympathy for co-operation are typical connotations attributed to this cultural dimension.

As shown in Table 15, British and German cultural characteristics have much in common as far as the “power distance” and “masculinity–femininity” dimensions are concerned. Most importantly, however, the data reveal significant differences in the ability to cope with uncertainty. Here, the variance between both nations is most visible. Combined with the apparent, though less pronounced, discrepancy on the individualist–collectivist



**Table 15.** Managerial Culture on Four Dimensions: Index Scores and Relative Positions.

	Britain	Western Germany
PDI	35 (Low)	35 (Low)
UAI	35 (Low)	65 (Medium)
Individualism	89 (High)	67 (High)
Masculinity	66 (High)	66 (High)

*Source:* Hofstede (1980, 1997).

dimension, this cultural trait seems to have a noteworthy impact on the practices and policies of organizational management. Thus, it has been suggested that the peculiar German cultural cluster of “low power distance-high uncertainty avoidance” would lead in comparative perspective – other factors, such as task and size of the organization being equal – to organizational structures of the “workflow bureaucracy” type in which work processes are rigidly prescribed (preferably by formal rules and laws) (Hofstede, 1980, pp. 319, 382–385). So, it may not come as a surprise that a number of important features of the “New Public Management wisdom” seem to fall on more fertile ground in “low” rather than in “high uncertainty avoidance” countries.

On balance, however, the overall pattern revealed by Hofstede’s inquiries does not easily fit into the framework of Bendix’s categorization, which placed the British and German cases at the polar extremes of a continuum. Rather, the cultural dispositions seem to be in most aspects more or less homogeneous as the grouping of the countries in a lower, middle, and upper third of all countries studied worldwide suggests (cf. Hofstede, 1997). Here, one also has to add a note of caution as regards the shifting – and possible convergence – of cultural dispositions which may have occurred since the data were gathered in 1968 and 1972 – a period marked by specific historic events which brought in their wake significant value changes as shown by political culture research.

## **WHERE DO WE GO FROM HERE? SHATTERED MYTHS AND NEW AVENUES FOR RESEARCH**

Having reviewed a wide array of findings from survey research, we find the value of well-established distinctions – such as “state-centered” vs. “stateless” societies or between “individualist” vs. “collectivist” traditions – in explaining

the variance of British and German public sector reform profiles as highly limited. In important instances the general message that those classical images convey may even be misleading. It would be a grossly distorted picture if we depicted the “quintessential British outlook” – as still the cultivated conventional wisdom seems to suggest – as highly individualistic, market-driven, and at the same time embedded in a participatory political culture, while portraying the stereotypical German image as being susceptible to, if not longing for the idea of a strong state apparatus as the main provider of social order as well as public goods and services. Rather, we have witnessed a convergent trend – and in some relevant areas even a crossover – as regards the national patterns of general political values and the strength and vitality of civil society. The same line of interpretation holds true for demands for traditional welfare state services or government intervention in society and economy. In sum, there is “a close family resemblance of attitudes and values, with the British a little more supportive of state involvement than the Germans” (Kaase & Newton, 1998, p. 52). A slightly different perspective opens up if one turns to organizational cultures, which supposedly carry a distinct national flavor, too. At first glance, the observed “culture clusters” at the work-related level seem to accord better with both the popular images of British and German national cultures (with regard to the “individualist” and “uncertainty avoidance” dimensions) and, more importantly, with the common classification of “New Public Management” approaches in Europe. Indeed, this finding may help to account for the low standing of “managerialism” on the German reform agenda. Again, however, the emerging cross-national variations are not of a fundamental nature; rather, the differences are a matter of degree.

From what we have seen in the data sets, mass political and societal culture does apparently not serve as an effective root cause for public sector reform trends in our country cases. Do these findings render the culture research approach in the public management sciences useless? Quite the opposite seems to be true. The attitudinal concept of culture has proven to be a most valuable instrument in looking behind the veil of established myths about the nature of “Anglo-Saxon” vs. “Germanic” national characters. To do so, however, we need to keep the conceptual design as well as the methods we use to measure cultural factors (i.e. the prevailing value and attitudinal patterns) separate from institutional and structural elements of the politico-administrative system (such as the fabric of the state apparatus, the architecture of the party, and electoral system or the budgetary situation). It is only this methodological design that allows us to pit “cultural” and “structural” features against each other in order to

analyze their interaction. This interplay, of course, is no one-way street, but multi-directional: cultural dispositions may also be a function of structural or policy changes (culture as dependent variable). In addition to advancing the concepts of cultural research, we also need to both broaden and refine the empirical base of our knowledge about administrative culture, particularly if we look at the problem from a comparative perspective. This deficit is most painfully felt in the realm of work-related attitudes and values in public organizations. With an eye to Hofstede's line of research, for example, we seem to be on to something, but the empirical base of our interpretation is most precarious – lacking a profound basis of up-to-date findings from public sector organizations. As for the fine-tuning of our research questions and methods, we might gain further insights if we added to our collection of broad-brush country portraits more intricate and delicate sketches about specific sub-cultures – be they defined by regional identities (see for example, the clashes between samples from the western and eastern *Länder* in Germany), levels of government, policy sectors, or – most significantly – the distinction between mass and elite samples. In view of this full research agenda, we hopefully conclude that research on administrative culture – rather than being at its wits end – is just gathering momentum for a renewed start.

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## CHAPTER 13

# TRIGGERING CHANGE THROUGH CULTURE CLASH: THE UK CIVIL SERVICE REFORM PROGRAM, 1999–2005

Tony Bovaird

### ABSTRACT

*In December 1999, the UK Civil Service Management Board in Whitehall agreed upon a reform program focusing on six themes, all connected with improved managerial processes internal to the civil service and intended to complement the more externally oriented Modernising Government agenda set out in a white paper earlier that year. The purpose was to achieve major changes in the way in which the civil service was run – “step change” rather than continuous improvement. In May 2002, the Cabinet Office commissioned a research project to provide an evaluation of the Civil Service Reform program through four case studies. This chapter draws upon the findings of that study to discuss the extent to which cultural differences affected the outcomes of this ambitious reform program. In addition, it draws upon a set of interviews in 2005 which updated the findings of the research. The chapter suggests that four very different types of culture had important impacts on the way in which the case study organizations went about the process of addressing the Cabinet Office reform program, namely national cultures which differed greatly*

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*between the case studies, although they were all UK-based organizations; organizational cultures which differed greatly within each of the case study organizations; occupational cultures which crossed the four case studies, but usually with significant differences in each context; and sectoral cultures which in several cases provided particular barriers to change. The chapter shows how these different dimensions of culture were interwoven in the change programs of the four cases and explores the extent to which their progress on the reform agenda was affected by their particular cultural mix. It suggests that some “cultural stances” within these overall cultures were more difficult to change than others, so that reforms had to be re-activated on several occasions and through a variety of mechanisms. Finally, the chapter illustrates how, in the case study organizations which were most successful, a deliberate strategy was adopted by top management of highlighting the clashing internal cultures, in order to challenge the traditional positions of internal and external stakeholders, in spite of the risks involved.*

## INTRODUCTION

In December 1999, the Civil Service Management Board agreed upon a reform program focusing on six themes, all connected with improved managerial processes internal to the civil service and intended to complement the more externally oriented “modernizing government” agenda set out in a white paper earlier that year. The purpose was to achieve major changes in the way in which the civil service was run – “step change” rather than continuous improvement. This reform program has subsequently received much less academic attention than the “modernization” program which it was intended to complement.

In May 2002, the Cabinet Office commissioned a research project to provide an evaluation of the Civil Service Reform (CSR) Program through four case studies. This project was designed to encourage evidence-based learning across Whitehall by selecting examples of what were believed to be “good practice” in implementing the reforms, subjecting them to detailed “warts and all” scrutiny, and distilling lessons which might have wider validity across departments. This chapter draws upon the findings of that study to discuss the extent to which this ambitious reform program achieved its objectives and the extent to which cultural change played a part in the changes which occurred.

## METHODOLOGY

In consultation with the Cabinet Office, case studies were chosen to cover a range of civil service organizational structures and contexts:

- Two civil service departments, without any of their agencies – National Assembly for Wales (NAfW) and the Welsh Assembly Government (WAG) (which operated as one department), and the Department for International Development (DfID).
- A civil service executive agency (with some consideration of its relationship with its sponsoring department) – court service.
- A non-departmental public body, staffed mainly by civil servants but relatively autonomous from its sponsoring department – the Health and Safety Commission (HSC), with the Health and Safety Executive which supports and advises it (HSE).

In **Table 1** we provide a short description of the characteristics of these four organizations at the time when the case studies were undertaken.

In order to ensure that the mechanisms for change within the reform program could be examined in detail, the case studies were chosen as examples of organizations believed (by the Cabinet Office) to have made significant progress with the reforms – although it was accepted that they were likely to lie on a spectrum from “enthusiastic reformers” to “willing (but not necessarily very slick) reformers”. Because the CSR program looked mainly at the need to change internal factors, rather than external factors, we sought case studies in which there had been neither internal nor external crises which might have swamped the effects of the CSR program. The case studies cover a wide range in terms of political saliency – both NAfW/WAG and DfID are consistently politically newsworthy, but the court service (and even more HSC/HSE) only tend to get media attention when particular cases go wrong.

A checklist of questions was formulated, which was meant to guide (but not to constrain) the interviews in each of the case studies. The case studies consisted of the following phases:

- Scoping of the case study with the Cabinet Office and staff from the case studies.
- Briefing from senior staff in the department, agency or Non Departmental Public Bodies (NDPB).
- Identification and analysis of key documentation.



**Table 1.** Characteristics of the Four Case Studies (in 2002, Unless Otherwise Specified).

	NAFW/WAG	DFID	Court Service	HSC/HSE
Type of organization	Devolved government (replacing Welsh Office in 1997)	Government department (replacing old Overseas Development Administration in 1997)	Executive Agency of Department of Constitutional Affairs (previously Lord Chancellor's Department) since 1995	Non-departmental public body (reports to Department of Work and Pensions, previously to ODPM)
Aim	NAFW develops and implements policies, which reflect the needs of Wales, as agreed by the elected assembly. WAG supports both the Assembly and the government of the Assembly	The elimination of poverty in poorer countries in particular through achievement by 2015 of the Millennium Development Goals	To deliver justice effectively and efficiently to the public Responsible for administration of the civil, family, and criminal courts (and, since 2004, magistrates' courts) in England and Wales	To protect people's health and safety by ensuring risks in the changing workplace are properly controlled
Political management	Headed by First Minister for Wales (also on Westminster Joint Ministerial Committee for devolved governments) plus Welsh Assembly Government ministers	Headed by Secretary of State (in Cabinet) plus a minister	Reports to Permanent Secretary, DCA, who in turn is responsible to Secretary of State	Commission is responsible to Parliamentary Under Secretary for work and pensions
Budget	£10,500 m	£4,500 m	£588 m	£204 m
Staffing	4,000 staff (up from 2000 at start-up in 1997)	2,800 staff (around 35% foreign nationals), almost half working abroad	9,600 staff (rising to 22,000 after magistrates courts merger)	3,900 staff, including 2,900 professional and specialist staff

Structure	<p>Unique in Europe, uniting executive and legislative branches under one roof</p> <p>HQ (headed by Permanent Secretary) and 3 Executive Agencies</p>	<p>Matrix organization with Permanent Secretary, three Directors General – one for (vertical) programs, one for (cross-cutting) policy and for corporate performance</p> <p>Two HQs (in London and East Kilbride, Scotland) and 67 offices overseas</p> <p>No Executive Agencies</p>	<p>Chief Executive reports to DCA</p> <p>42 areas within 7 regions</p>	<p>Commission has Commissioners from industry, the trades unions and other interests</p> <p>Many of its tasks are delegated to HSE, which supports and advises HSC but it also has 25 advisory committees</p> <p>17 Directorates cover all Great Britain (GB)</p>
Relationship to public	<p>Main relationship with public is through Executive Agencies</p>	<p>Main relationships are with foreign governments and multilateral organizations</p>	<p>Deals directly with public through local court services</p>	<p>Deals mainly with firms and other organizations, either directly or through local authority partners</p>
Key external problems facing organization during 1999–2002	<p>Need to improve service given to public, especially by Executive Agencies</p> <p>Need to forge new relationships with all other public agencies in Wales, and organizations in other sectors</p>	<p>Volatile international environment – e.g. wars, famine, natural disasters</p> <p>Relationships with foreign governments and NGOs</p> <p>Relationships with FCO and Treasury</p>	<p>Need to improve service given to public and other criminal justice partners</p> <p>Relationship with “home” department</p> <p>Image with service “non-users”</p>	<p>Significant increase in outcome targets after 2000 White Paper</p> <p>Employment growth is now in small firms, where H&amp;S has low profile</p> <p>Need to work in partnership, particularly with local authorities</p>
Key internal problems facing organization during 1999–2002	<p>Huge increase in number of tasks</p> <p>Need for rapid reorganization of previous Welsh Office arrangements</p> <p>Big increase in staff from very diverse agencies but with 50% due to retire within 5 years</p>	<p>Differential terms and conditions for “home” and “foreign national” staff</p> <p>Geographically dispersed offices</p> <p>Relationships between professional specialists and administrators and managers</p>	<p>Fixed resources at time of rising volume of work</p> <p>Tradition of bureaucratic administration rather than innovation</p> <p>Need to increase diversity of staff</p>	<p>Improving evidence base and Information and Communications Technology (ICT) systems</p> <p>Co-ordination between operational and policy directorates</p>

- Interviews (and in some cases focus groups) with a range of staff (between 15 and 25) and at least one external stakeholder. In each of the cases, we interviewed a range of top managers, key change agents, middle managers and front-line staff (including trades union representatives). Stakeholders included public sector partner organizations, non-governmental organizations and user representatives from the policy and delivery networks of the case study organizations.
- Preparation of a draft case study report for circulation and comment.
- Final case study preparation, taking into account all comments received.

The final report brought together findings from the case studies, drew overall conclusions in relation to each of the themes and highlighted some lessons from the case studies for the managers in the overall reform program. The report (Bovaird, Gaster, Loeffler, & Russell, 2002) was widely circulated throughout the civil service, discussed at a seminar of the Civil Service Change Agents Network and mounted on the Cabinet Office website. No restrictions were placed on the researchers by the Cabinet Office, either in terms of access or dissemination of the findings and the study has subsequently been presented at a number of national seminars.

During 2005, we have interviewed between three and seven key top and senior managers (re-contacting, where possible, those interviewed during 2002) in each of the case study organizations to explore the experiences of their organization in the subsequent reforms which were launched in late 2002. In these interviews, we focused on the extent to which this redirected program since 2002 appeared to have learnt the lessons of the original CSR program and whether it had raised the pace of change in the civil service. The overall findings from this follow-up study have been reported in Bovaird and Russell (2007).

## MAIN THEMES IN THE UK CSR PROGRAM

The CSR program, as formulated by the Civil Service Management Board (Cabinet Office, 1999a) reflected some, but not all of the issues identified in the previous section as common to public sector reform programs across the world. In particular, it was intended to achieve results in relation to six main themes:

- stronger leadership with a clear sense of purpose;
- better business planning;
- sharper performance management;

- dramatic improvement in diversity;
- more open service to bring in and bring on talent; and
- a better deal for staff.

These themes, heavily influenced by the priorities of Sir Richard Wilson, the then cabinet secretary (Wilson, 1999), were inward-looking, relating mainly to how the civil service goes about its business, rather than its relationships with the outside world (citizens and other stakeholders) or its “results” (the effect of internal changes on the services provided). There was a strong focus on issues of resource management, including human, financial, and other resources. These changes were intended in turn to lead to improved customer service through better management, motivation, development, and leadership of people. As Foster (2001, p. 742) has commented, “most of them would have been at home in a similar report on a large private firm”. In May 1999, the government had already published its *Modernising Government* white paper (Cabinet Office, 1999b), setting out the key themes of: vision, policy making, responsive public services, quality public services, information age government, and public service. This document set the scene for much of the CSR program, e.g. in its promotion of the value of public service (Massey, 2001). However, many of its key themes were about service improvement and working with external stakeholders. It was therefore much more policy- and customer-oriented than the CSR program.

## **CHARACTERISTICS OF THE MOST SUCCESSFUL ELEMENTS OF THE REFORM PROGRAM**

While three years was a relatively short period in which to judge the overall impact of the CSR program, the independent evaluation undertaken in 2002 demonstrated that there had already been significant improvements in the capacity of some parts of the civil service to deliver performance improvements in particular areas. Specific achievements attributed to the program by our respondents included:

- *NafW/WAG*: increased confidence in the organization, leading to an increase in tasks given to it; and a much improved grants system to Welsh farmers;
- *DfID*: explicit focus on development outcomes in priority countries, more joined-up working with rest of Whitehall in relation to millennium goals, and Investors in People accreditation;

- *Court Service*: better achievement of key performance indicators (KPIs) (e.g. court utilization); Investors in People accreditation and Chartermark award; more job applications from under-represented groups; higher “satisfaction” levels of stakeholders; better relations with the judiciary;
- *HSC/HSE*: major survey of external stakeholders; achieving 50% target for recruitment of women to new posts (in line with its new diversity strategy).

The major focus of the change programs upto mid-2002 had been achieving *shifts in organizational cultures and improvements to internal processes*. The need for significant cultural change was highlighted graphically to us by one respondent’s characterization of the traditional civil service model: “an emphasis on great intellectual power, not necessarily matched by social skills or managerial skills ... [providing] a role model for other, ambitious staff, ... transforming themselves to mimic the behaviors of top management, such as arrogant treatment of junior staff, little respect for the dignity of others”. Moreover, these cultural changes were clearly achieved in three of the four case studies, as mapped out in “cultural webs” constructed from interviewee comments. Moreover, these cultural changes were evident in many parts of the organizations, not just at and near the top, as is often the case in culture change programs (Driscoll & Morris, 2001). By mid-2002, change programs were therefore focusing less on culture change and shifting their priorities to target areas which would impact more immediately on service delivery – for example, partnerships, customer focus, ICT for services improvement and encouraging local initiative, and innovation.

The reform programs in the case studies were more successful when built around *local priorities* – but this often involved broader changes than the six national reform themes. In particular, the CSR and modernization agendas were often blended, rather than retaining the Cabinet Office labels. This local ownership had a number of consequences. It focused reform on the organization’s business needs; enhanced the program’s credibility within the organization; and enabled a better recognition of where the organization was starting from. As one HSE manager put it “It is much easier to sell changes internally if they are seen to be ‘business-driven’ than if they are perceived to be following ‘central orders’”.

Top priority in all the change programs had originally been given to the development of *leadership*. Two case studies provided good examples of inspirational leadership from top management over a number of years – and one illustrated inspirational leadership from the Secretary of State (although it was widely suggested by staff that this was an anomaly, both in the history

of this department and in Whitehall generally). Major significance was placed by top managers on recasting management boards, generally by making them smaller and more strategic, since they were seen to act as an important focus for accountability and leadership. However, improved leadership at lower levels of the organization was clearly harder to achieve – it was evident in two case studies, but hardly visible in the others.

*Change Teams* played an important role throughout the process in making the program visible, in encouraging and supporting work elsewhere in the organization, and in uncovering and disseminating the different initiatives occurring in the field.

*Successful engagement of staff in the change programs* was evident in all four case studies, albeit to varying degrees. Staff who became involved often did so almost accidentally – e.g. because of a desire to improve or remove some annoying procedure which held back their work – but in most cases they had found the innovation process interesting and had become committed to it. A key element in securing their participation was ensuring that they felt listened to. Major training programs had also helped, raising awareness of the reasons for change and providing competences to deal with the new demands on staff.

*An improved deal for staff* with better people management systems, better pay, and conditions (especially for the lowest paid and those who had suffered from anomalies which were now ironed out), and flexible working arrangements, played an important role in “getting staff on board” in change programs in all four case studies – an aspect of civil service change in the UK which has gone relatively unnoticed.

Although major emphasis was placed on *customer-focused* services, this had still only been implemented in part, even in the most fast-changing parts of the four case studies. However, this emphasis had been particularly important in attracting staff to get more involved in the reform process. Moreover, it had been instrumental in tempting organizations to embrace greater use of ICT, e.g. the court service’s new web-enabled services for users.

A key theme was improving *strategic focus*, together with an underpinning business planning system. Particularly important appeared to be the integration of different organizational plans and achieving staff involvement and ownership of them. More progress had been made where the organization had resisted implementing change on too many fronts at once (“initiative overload”). Moreover, a sense of balance has been necessary: “We know very well that the plan is *always* wrong! And so that using the plan ... needs to be flexible. Indeed, the effect of the Program and Project

Control process is that there is, as a matter of routine, discussion of how plans and projects need to be changed” (top manager in the court service).

A key message had been to *encourage staff to do things locally* where relevant, as long as their actions fitted with the organization’s overall values, and to get people to understand that they could do things themselves without having to seek permission from the “centre”. One vivid example was provided by the northern circuit of the court service, which had undertaken process redesign at court level, becoming national champions for change and providing a credible process consultancy to help other local areas achieve corporate targets.

### **AREAS OF THE REFORM PROGRAM NEEDING FURTHER ATTENTION**

Whilst the case studies demonstrated some achievements in important areas of the reform program, there were also areas where less progress had been made in the period upto 2002 and some areas where the reform program appeared to have largely failed.

The concept of *leadership at all levels*, although evident to some degree in the case study organizations, was still not well-embedded or widely understood by staff. As one respondent observed “The overriding disposition of staff in the department has always been to question the decisions of the leaders, rather than to attempt to provide leadership oneself”. Where it was understood and embraced, particularly in the court service and in parts of WAG/NAfW, there was evidence that an impressive momentum for change had been created and sustained.

Whilst recruiting staff from outside had become common at top management level, with much more use of open competition, less emphasis was placed on *bringing on staff*, leading to difficulties in staff advancement and succession planning, which was generally held to be poor in all case study organizations.

The field of *diversity* was regarded by virtually all of those whom we interviewed as critically important and, in each organization, it was stressed that substantial efforts were being made to improve both employment and user profiles (relative to the population profiles of the relevant catchment areas). Top officials emphasized that diversity issues were always taken into account in their policy making and working practices. However, diversity – interpreted in terms of both staff composition and service delivery – was not

a high profile element in any of the change programs studied, with the exception of HSC/HSE which had been in the vanguard of moving from “equal opportunity” policies to “diversity management”. Many of our interviewees in each of the case studies suggested that they would have wished to see more attention to tackling diversity issues. There was no suggestion from any of our interviewees that the diversity drive had so far threatened the tradition of civil service recruitment and promotion on meritocratic principles – although a small number expressed concerns that this might happen at some stage in the future, if the current drive continued and was successful. In DfID, there was general pride in the fact that ethnic diversity had been achieved at the very top – but staff in all case studies pointed out that many top managers were still “Oxbridge types”. Overall, there was general consensus that momentum had grown in tackling this issue since the start of the CSR but progress continued to be patchy.

*Performance related pay (PRP)* was widely disliked (“like bald men scrambling over a comb”, one respondent commented), although for an inventive array of different reasons. No issue in the reform agenda was so widely or so strongly held to undermine the basic principles of effective working in the civil service or said to have resulted in so much unnecessary effort; one top manager summed up the current PRP system in his organizations as “irrelevant to our core concerns, divisive within teams and unfair in the sense that the highest gains do not go to those staff who contribute most to the effective working of the organization”.

It was widely recognized that the civil service needed to become better at *strategy-making and business planning* and, specifically, at *performance measurement and management*. This is particularly interesting, given that the drive to systematic performance management had already been a keystone of the Financial Management Initiative (FMI) reforms in the early 1980s. By 2002, it appeared that there was general acceptance of the value of such systems but this acceptance was relatively recent and, in many places, had not yet worked through to implementation. Although more emphasis was already being put on *project and program management*, again it was widely accepted that there was still significant scope for improving these activities.

*Partnership working* and developing new listening and consulting relationships with stakeholders were issues which were shooting up the agenda by 2002, although it had been intended that they would be tackled from 1999 onwards. There was clearly much more to be done to enhance “joined-up” working at all levels, even within departments. Even in the most fast-changing of the case studies, only by 2002 was a real determination emerging to bring partners “into the loop” by designing key



organizational structures and interfaces: one respondent described the frustration of “not rowing equally with both arms”. It was widely recognized that lower barriers between departments and executive agencies, especially between policy development and delivery, would enable valuable sharing of expertise, whilst still maintaining clarity about ultimate responsibility for decisions – but it had proved hard to move from this recognition to genuine working in partnership. This also applied to working with external stakeholders – there were still problems in transcending organizational boundaries, even when this was agreed by all concerned to be vital in solving problems.

Although there was great enthusiasm for finding ways in which *ICT* might be given a stronger role in their work, few staff felt that they were familiar with or skilled in the use of *ICT* systems, beyond their utilization for standard processes. Even more worryingly, in spite of the government’s optimistic targets for e-enabled working, most staff lacked confidence that they were able to spot and to develop new uses for *ICT*. There was therefore a strong feeling that *ICT* was being developed somewhere else, *for the staff* rather than *with the staff*.

*Innovation* was still patchy and sporadic rather than systemic. There was concern in several case studies that hierarchical structures and processes still stifled innovation and reduced productive contact with service users and other external stakeholders. There was not a culture of process innovation, and benchmarking was not a major theme in any case study. Innovation was perhaps more consistent with the culture in *DfID*, partly because its different professional groups tended to operate as relatively independent “clans”, with a pride in their own credibility and a desire to keep up with (and often to lead) developments in international agencies.

## **CHANGES TO THE CHANGE PROGRAM: FROM “REFORM” TO “SERVICE TRANSFORMATION”**

As many respondents noted during our interviews, the only permanent feature of the modern civil service is change. Even as these cases studies were being undertaken, the rhetoric of “modernization” in the Blair government was being modified (“modernized”?). Partly because the “modernization” agenda was seen as having been only partially successful, partly because “modernization” had simply become an overused and therefore relatively ineffective term, and partly because a new Cabinet Secretary and Head of

the Home Civil Service (Sir Andrew Turnbull) took up the post with some different priorities, the overall change program was given a new label in late 2002 – “transforming public services”. Once again, expectations were high and the promises were radical and optimistic.

As outlined in October 2003 (Cabinet Office, 2003, pp. 5–8), it was intended that the next phase of reform would focus more on delivery, with a drive for change in the following areas:

- *strategy*, with each government department identifying and following through on four or five key priorities;
- more vigorous *challenge* on delivery of government targets, effective *problem-solving*, and a focus on the Prime Minister’s top *priorities*;
- a better *understanding of customers*, to put them at the heart of policy design;
- *improved connections* between central departments and front-line deliverers;
- better *leadership* and development of future leaders;
- *modern support structures* in human resource management, finance, communication, marketing, program, and project management and ICT;
- better understanding and management of *risk*; and
- *improved efficiency* by re-engineering back-office functions, reducing bureaucracy and improving co-ordination between agencies and inspectorates dealing with front-line staff.

It was suggested that progress so far, though real, was “nowhere near the scale ... we need to reach to meet public expectations of better public services” (p. 8). Nevertheless, this reshaped program clearly built on many elements of the original CSR program, particularly in respect of better leadership and more focused strategy (previously dealt with under the labels of “business planning” and “performance measurement”). However, the new program was also clearly more outward, incorporating key elements of the *Modernising Government* agenda, particularly customer focus and joined-up working. It also responded more directly than the CSR program to the Prime Minister’s clarion call for service improvement at the start of his second administration in 2001 (“Deliver, deliver, deliver!”). It built upon the experience of departments and agencies since 1999, where internal and external change agendas had typically been packaged and managed as an integrated whole, rather than separate initiatives. However this emphasis on delivery has also meant that top civil servants are now more personally identified with implementation of the government’s legislative program than previously. While this makes the civil service more credible to

government, it sometimes makes it more difficult for a full range of options to be surfaced with ministers or for politically unpopular options to be kept on the table.

Subsequently, several further reform initiatives have supplemented this “transformation” agenda (Cabinet Office, 2004a). A summary of these by Sir Andrew Turnbull (2004) promised to “lock in the values we have inherited” (specifically through a Civil Service Bill to establish a new legal framework) and to develop the roles of individuals, departments and the “center” of the civil service to improve delivery. This developmental agenda was to be achieved through an emphasis on visible leadership (working in teams and across boundaries); careers which involved more movement in and out of the civil service; staff development programs which fostered leadership and delivery skills at all levels of the Senior Civil Service (SCS); performance management; motivation of staff unlikely to become senior managers; promotion of workforce flexibility and fairness at work; the reshaping of independent inspection processes to be more user-focused, streamlined and proportionate in their approach; and a Professional Skills for Government program (Cabinet Office, 2004b) which was intended to ensure that future civil servants would be “specialists” more than “generalists”, supported by Centers of Excellence (to help set professional standards and develop professional capability, as well as providing some services collectively for departments). Interestingly, more specialization had also underpinned the 1999 reforms (Foster, 2001) but had received relatively little attention.

A further initiative with major impact has been the Efficiency Review (Gershon, 2004), which has emphasized the need for departments to slim down HQ staff in order to invest in delivering front-line services. It has also developed a new system of program management (including systematic Gateway Reviews for procurement). Each civil service department now has to draw up a Performance Partnership Agreement (Cabinet Office, 2004c) with the Cabinet Office, Her Majesty’s (HM) Treasury, and the Prime Minister’s Policy Unit, which identifies departmental strategy, targets, and delivery plans in relation to key priority outcomes to be achieved, including the requirements of the Efficiency Review.

How was this change of direction perceived in the civil service? In a series of follow-up interviews with the case study organizations during 2005, we explored whether the re-launched reform program was seen as a logical progression from the original CSR program, whether it responded appropriately to the weaknesses and failures of that program, whether it fitted better with the diverse needs and cultures of the wide range of central government departments and agencies, and, most importantly of all,

whether it was likely to be more successful in speeding up the rate of change within the civil service.

*Perceptions of the CSR Change of Direction, as Perceived in  
the Civil Service*

One of the most marked aspects of the recent responses from our four case study organizations is that, in the current round of reform, they do not feel “driven by the center” of the civil service, generally taken to mean the Cabinet Office, HM Treasury and the Prime Minister’s Policy Unit. Indeed, some senior managers in one of our case studies had not heard of OPSR (the Office of Public Sector Reform, supposedly a key unit in the Cabinet Office since 2002) or several of the recent initiatives mentioned above.

There was also a general sense that the SCS is now genuinely focusing on good management. In particular, all respondents felt that it was now widely understood in the civil service that “we can only deliver through people, so we must try to ensure that our systems support people management”. One top civil servant suggested that performance management was now taken much seriously in the SCS, as it became more common for poor performers to be “exited” but this change of attitude had still to be achieved at middle levels of management. Moreover, the greater focus on delivery was welcomed in all four case studies.

*Was it Seen as a Logical Progression from the CSR Program?*

All of the case study organizations felt that the CSR change of direction was appropriate, embodying as it did a clear commitment to “delivery”. However, in most of the case studies, the fact that they saw their change agendas as internally driven meant that they did not track closely the changes of direction in the Cabinet Office. As one respondent in HSC/HSE said “the relatively subtle changes which have taken place in the reform agenda between 1999 and now don’t seem worthy of close analysis from our end of the telescope”.

Nevertheless, there was general agreement that more recent initiatives did represent a logical progression from the 1999 CSR program, tackling its weaknesses and failures, but also injecting considerable renewed energy. However, one respondent suggested that the changes had been so broad brush that it would be surprising if any civil servant found them difficult.

Another, who had been closely involved in the re-shaping of the CSR program, commented that some new arrivals in the Cabinet Office and Treasury around 2002 were so dismissive of the previous CSR program that “they did not take time to do a SWOT analysis, so it was partly a matter of luck that the baby has not been thrown out with the bathwater”.

However, some respondents felt that not all the changes in the CSR program were sensible. DfID felt that the move from “generalists” to “specialists” might well be overdone. While it was appropriate to professionalize in some specialist areas, there is also a need to get people to become professional “in the business of the Department”. Moreover, it pointed out that it had been trying for some time to find ways of bringing in more entrepreneurial skills at senior level, but this was still not easy to achieve. The SCS is not easy for “operators” – there is still a huge emphasis on “brute intellectual brilliance”. Achieving this was actually being made more difficult because of the strong pressure from the Cabinet Office to push people around the system, in order to give them more managerial experience in a wider variety of contexts. DfID did not dispute that it could often be useful for staff to “go out” but stressed that there was little to be gained from irrelevant “out-postings”, which could make the SCS a less attractive career move for the kind of staff the Department wished to appoint from “outside”.

*Did it Fit Better with the Needs and Cultures of Central Government  
Departments and Agencies?*

There was general agreement that the current CSR program allowed more flexibility for the needs of specific organizations to be taken into account. This was perhaps most clearly the case with WAG/NAFW, which in any case had always insisted that the CSR program needed to be adapted to suit its particular circumstances, since it had a unique relationship to Whitehall. Increasingly, the focus of its reform program was on priorities, which it chose for itself, different from (although not inconsistent with) the priorities of the Cabinet Office.

HSC/HSE agreed that the change of direction in the CSR program did indeed fit better with its own needs. Nevertheless, it stressed that its own change program had generally not responded directly to the CSR program but rather to its own corporate priorities (partly driven by EU directives) and to pressures from its “home” Department to deliver Public Service Agreement (PSA) targets. For example, although in principle exempt from

the Gershon efficiency targets (as a frontline organization), it decided to set itself a major efficiency saving target anyway.

The case of HSC/HSE shows especially clearly (but the other case studies mirrored this to some degree) that even when parts of the civil service believe they are operating relatively “independently” of the “center”, they often find themselves responding to pressures which drive them in the direction which the “center” has decided. As the current reform program encourages all parts of Whitehall to believe that it can be tailored appropriately to their needs and priorities, it has achieved greater acceptance than the previous program. Nevertheless, one respondent who was closely involved in shaping the changes to the CSR program noted that this flexibility and “independence” is carefully constrained within parameters set by the “center” – under the revised CSR program there is much more co-ordination in analyzing the capacity of individual government departments, bringing together the thoughts of key players in the “center”, to ensure that more demanding, as well as more appropriate, challenges are set for them within the Performance Partnership Agreements. DfID echoed this, suggesting that for the first time, the “center” had managed to “get under the skin of our business”. As a tailpiece, a small number of examples were given where the “center” is still insisting on “one size fits all” policies which respondents thought to have been ill-judged – e.g. Treasury insistence that the Director of Finance must sit on departmental management boards, even when finance is not a problem in the organization.

*Was it Likely to be More Successful in Speeding Up the Rate of Change within the Civil Service?*

It was generally believed that the changes in the CSR program in 2002 were intended to speed up the rate of change, reflecting the frustration of ministers at the pace of public service reform. Moreover, almost all respondents believed the changes were likely to have this effect, although in all case study organizations they felt that internal drivers were more important.

Not surprisingly, in each case study organization some parts of the program were seen as more important than others. The court service, for example, believed that the professional skills for government program was especially likely to speed up change, by ensuring that senior managers, particularly in operational posts, had the right expertise and by sharing best practice more widely across the whole civil service. DfID placed less

emphasis on this, as it has always had a high proportion of professionalized staff, but welcomed the recent ability to provide more bespoke development programs for a small number of “high potential” staff, chosen competitively, rather than following the precept of “treating everyone the same”.

HSC/HSE stressed that most elements of its change program in 2002 had already come to fruition by 2005, based on internal drivers for change. However, it felt that the rate of change had increased, partly because of the increased emphasis on “delivery”, supported by the improved range of “central” activities (e.g. delivery unit performance reviews) and tools (e.g. Office of Government Commerce materials on program working). The attention to PSA targets and delivery plans was now more noticeable and spread further down the organization.

In WAG/NAfW, the CSR program has throughout been seen as a backcloth rather than as a key driver of change; while the rate of change has recently increased, this was due more to the political decision to merge quangos in Wales and to introduce a major new ICT contract.

Finally, one respondent suggested there was now a new factor ensuring that the revised CSR program was having more impact than the previous program – the increased personal challenge from the Cabinet Secretary to each of the other Permanent Secretaries, through the mechanism of Performance Partnership Agreements, discussed at head-to-head meetings.

## **CULTURAL DIMENSIONS OF THE CHANGE PROGRAMS**

The mapping of cultures which we carried out within the four case study organizations suggested that four very different types of culture had important impacts on the way in which the case study organizations went about the process of addressing the Cabinet Office reform program. (In no case did the civil servants involved see themselves as “implementing” that reform program, in that they did not accept that the Cabinet Office was, in practice, in a position to dictate the direction or content of their own organizational change programs). These four dimensions of culture were essentially orthogonal:

- There were *national cultures* which differed greatly between the case study organizations (the Department for International Development had a split HQ, partly in Whitehall and partly in Scotland, and much of its work was carried out in overseas offices, often by non-British nationals;

the Welsh Assembly Government was a devolved administration, which defined itself partly as “NOT the old Welsh Office of Whitehall”; while the courts’ services (an executive agency) and Health and Safety Commission (a non-departmental public body) were more conventional Whitehall organizations.

- There were *organizational cultures* which differed greatly within each of the case study organizations (all four case studies had elements of Handy’s “role” culture; DfID, WAG, and HSC had major groups of staff which could be characterized as working within a “task” culture; and DfID and HSC had key groups of staff who appeared to seek, if not always successfully, to work within in a “person” culture).
- There were *occupational cultures* which crossed the four case studies, but usually with significant differences in each context. In particular, the senior cadre of civil servants – the “Senior Civil Service” – had strong commonalities in attitude and behavior across case studies, as had the “business managers” who were becoming more important, but the power of these two groups differed greatly between cases. DfID and HSC both had a large group of economists and technical advisors who were able to contest decisions being canvassed by the traditional administrative class at the top of their organizations.
- In several case studies there were *sectoral cultures* which provided particular barriers to change. In particular, HSC had to learn how to carry out its tasks through and in partnership with local government, as opposed to its previous experience of imposing health and safety legislation directly on large industrial firms. Again, the court service had to accept the challenge of working much more closely with the police, probation and crown prosecution services in a “seamless” criminal justice system, while re-configuring its internal processes to interact much more intensively with local communities, especially to achieve its objectives under the “equalities” agenda.

As the previous discussion has shown, these different dimensions of culture were interwoven in the change programs of the four case studies. Moreover, it is clear from the findings reported above that the progress on the reform agenda in each of the case study organizations was affected by its particular cultural mix. For example, the importance of “national” and “occupational” cultures in DfID had ensured that some aspects of the reform program had enormous importance but had also brought enormous tensions – in particular, the international workforce in DfID ensured that there was great sensitivity to issues of workforce diversity but some of the



key occupations, especially in economics, tended to be dominated by UK-based advisors (and, though less markedly, by men). This had meant that diversity management was given a high profile in DfID, but this stance was regarded by many staff as essentially cosmetic. The fact that major steps had indeed been taken to achieve increased workforce diversity tended to be overshadowed in this atmosphere where reality clearly had lagged behind rhetoric.

A similar gap between rhetoric and reality was discernible in HSC, where the “person” culture remained very strong, and clearly remained (at least partly) appropriate in the relationships between HSC staff and private firms, where the sheer numbers of firms concerned meant that HSC tended to be “one person deep” in its relationships with most companies. However, in the new context of working mainly through local government in order to influence health and safety at work issues on the ground, there was a need for an entirely different culture of partnership working, which was quite alien to the “person culture” which still characterized some parts of the organization. This was compounded by the fact that the occupational backgrounds of HSC/HSE staff tended to be very different from those of the local government staff with whom they now found themselves working, so that it was difficult to forge agreed strategies and to arrive at the levels of trust which were necessary if the local authorities were to be given the full role envisaged for them in the national HSC/HSE policy and strategy documents.

In attempting to bring about cultural change throughout each of these case studies, senior staff found that some “cultural stances” within these overall cultures were more difficult to change than others. “Cultural webs” were developed for each of the four case studies, following [Johnson, Scholes, and Whittington \(2005\)](#) – an example for DfID is provided in [Table 2](#). As illustrated above, those elements of the “cultural web” which were particularly difficult to alter were the stories, symbols, rituals, and routines within the organizations. In fact, in the eyes of many senior staff, many of these persisted long after they were regarded as relevant or fair. However, these characteristics of organizational and occupational culture were generally not seen as proper issues for direct intervention – even though it was clear that more indirect cultural interventions (e.g. in organizational structures, power relationships, and control/influence systems were not having the desired effects, at least within the desired timeframes). Consequently, in several of the case studies, due to these culture clashes, reforms had to be reactivated on several occasions and through a variety of mechanisms.

**Table 2.** Cultural Web in DfID.

Component of Organizational Culture	Original (1999)	After First Phase of Reform Program (2002)
<i>“Core culture” or “paradigm”</i>	<ul style="list-style-type: none"> <li>• Outward rather than inward looking</li> <li>• “Management will look after itself”</li> <li>• Intellectually strong but focused on policy</li> </ul>	<ul style="list-style-type: none"> <li>• Still outward-looking but also conscious of need to manage itself well</li> <li>• Better communications</li> <li>• More team-working</li> </ul>
<i>Stories</i>	<p>“Large group of staff for whom no change would be acceptable, whatever its rationale, so that all changes have tended to be resented and resisted”</p> <p>When original decision was made to go for IiP, cynical reaction by some – just “trophy hunting”. When it had to be postponed, the reaction was “can’t even bag an easy trophy”. When it was finally achieved, the reaction was “will just fall back into old ways now they’ve bagged it”</p> <p>Senior staff put their own name on others’ work</p> <p>Ability to write good policy papers more important than social and personal competencies. “I don’t like to single people out for praise - don’t want others to think I’ve got favorites”</p>	<p>The new Permanent Secretary is “street-wise” – used to work in DfID</p> <p>He is more approachable – he does not get into the lift by himself! And he has made it clear that he is annoyed by the way some advisors behave toward one another. One Management Board member appointed from outside because she clearly had better people management skills than inside candidates</p>
<i>Symbols</i>	<p>Scots against the English!</p> <p>Different treatment of staff in London, Scotland, and overseas DfID in Whitehall was “group of old white men”</p>	<p>Improved treatment of in-country appointed staff</p> <ul style="list-style-type: none"> <li>• Work–life balance example of Permanent Secretary</li> <li>• Webcast to all staff by Permanent Secretary</li> <li>• Objectives of all top management circulated to all staff</li> <li>• Management Board minutes now published</li> <li>• Open plan offices</li> <li>• Direct B2 recruitment process was seen as a “slap in the face” for existing staff hoping for promotion</li> <li>• “Not as “gradist” as before”</li> </ul>

*Table 2. (Continued)*

Component of Organizational Culture	Original (1999)	After First Phase of Reform Program (2002)
<i>Rituals and routines</i>	<ul style="list-style-type: none"> <li>Disputatious – the debate is valued more than the outcome</li> </ul>	<ul style="list-style-type: none"> <li>Staff appraisal is now done very differently, to encourage more development orientation</li> </ul>
<i>Power</i>	<ul style="list-style-type: none"> <li>The Department used to feel it was a minor player in the FCO</li> </ul>	<ul style="list-style-type: none"> <li>Staff now believe that DfID has significant power on world stage and could wield more if it works better with governments overseas. Within UK, power is still seen to lie within the policy making process rather than the managerial process – but to a lesser extent than before</li> </ul>
<i>Structure</i>	<ul style="list-style-type: none"> <li>Very hierarchical, but also very strongly departmentalist</li> </ul>	<ul style="list-style-type: none"> <li>There is now much more emphasis on team working, although the London office is still seen as more hierarchical than Scotland</li> </ul>
<i>Control</i>	<ul style="list-style-type: none"> <li>Largely through hierarchical orders to staff, with some monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Much more cascading down through the organization of the targets in the PSA and SDA</li> </ul>

## CONCEPTUAL IMPLICATIONS FOR THE STUDY OF PUBLIC SECTOR REFORMS

Clearly, four case studies of organizational change within a civil service system only provide limited evidence for general conclusions. However, a number of implications emerge from these findings.

First, the move to “public governance” and away from “NPM” seems to have become quite far advanced in some aspects of the CSR program, e.g. in respect of a concern for diversity and a desire to improve the ability to work in partnership. While core elements of NPM are still important, they now share the stage with elements of public governance. Nevertheless, modern forms of multi-stakeholder policy networks have not yet achieved dominance in Whitehall – in line with the findings of Hood (1991), all case study organizations provided evidence of simultaneous pressures toward maintaining traditional bureaucratic forms of organization, consolidating experiences with NPM and experimenting with the newer “emergent” forms of governance.

Second, concern has receded that the reform program would result in private sector management methodologies becoming universal, however inappropriate. Not only has there been little evidence of this occurring in

the four case studies, but few respondents mentioned it as a potential future threat.

Third, the debate in the literature on whether “efficiency” would inevitably be privileged by the reform program at the expense of “quality” had little resonance in our case studies in 2002. The CSR program from 1999 onward had clearly emphasized service improvement and customer orientation. Since the Gershon report in 2004, efficiency savings have become much more important, but this is very recent.

Fourth, the *du Gay (2000)* conception of the attack on the values of traditional bureaucracy is not shared by most staff in the UK civil service, at whatever level they serve. Most of these values – “loyalty to those who are politically responsible, sensitivity to the public interest, honesty and fearlessness in the formulation and advice to government ...” (*du Gay, 2000, p. 144*) are still regarded as important and few of our interviewees appeared to believe that they had been seriously undermined by the move away from the “old public administration”. However, some potential threats were evident on the horizon – for example, a number of respondents referred to the damage done to confidence in civil service values by “news management”. Moreover, some respondents emphasized the increased role played by top civil service management in delivering government priorities (e.g. in one case study ministers are perceived to be running the management board), with the attendant difficulties of presenting alternative approaches to ministers in a way likely to be received with any real attention. Both top civil servants and many of their staff at other levels recognize that this development appears dangerously close to a “politicization” of the top of the civil service – but they are unsure what might be done to safeguard against this going further. We had originally expected that the attack on “civil service values” might be stronger in agencies and NDPBs and had chosen case studies in a range of organizational types to pick up evidence on this. However, few respondents suggested any important differences in values between these organizational types, other than a greater customer focus in the agencies and NDPBs.

Fifth, the case studies do not support the idea of a *convergence* of public sector reform programs. Indeed, there appears to have been substantial divergence in reform trajectories within the UK civil service upto very recent times, and the recent “unraveling” of the policy–agency split in the Department of Constitutional Affairs suggests that this divergence continues. As is often the case in strategic change programs (*Whipp, Rosenfeld, & Pettigrew, 1989*), significant autonomy was exercised by the case study organizations in the processes adopted, and their priorities were also quite

different. This resulted in very different profiles of change over time. This is perhaps especially remarkable in a notoriously “centralist” government system, at a time when ministers were widely thought to be particularly keen on establishing “control” over the direction of their departments.

Sixth, it is clear that several of the “strategies of reform” (Pollitt & Bouckaert, 2004) continue to run in the civil service simultaneously. Each case study demonstrated some characteristics of the “modernizing” strategy, while at least two embodied significant elements of “maintaining” strategies. There was no trace of the “minimizing” strategy but some units within the case study organizations showed an interest (albeit limited) in the “marketizing” strategy.

Seventh, the case studies throw some light on the longstanding debate over the role and power of the “center” of the civil service – the Cabinet Office, HM Treasury, and Downing Street (Massey, 1993). They suggest that the size of the core executive should not confuse us into thinking that it always gets its way in Whitehall and beyond. Rather, the very partial adoption of the CSR program upto 2002 provides evidence for the concept of a “differentiated polity” (Rhodes, Carmichael, McMillan, & Massey, 2003), in which governments have to work with and through complex networks of actors and organizations, avoiding the failures which occur when they become locked into power-dependent relationships and try to adopt a command operating code, which inevitably builds failure into the design of the policy. Indeed, the increased flexibility built into the CSR program since 2002 suggest that the “center” has (partly) learnt this lesson.

Eighth, change in the civil service can take a very long time – perhaps 20 years or more. It was clear that the key NPM concepts of business planning and performance management had not taken hold in any of the four case studies until quite recently. Furthermore, even where they were now welcomed (as they were quite widely in three case studies by 2002 and in all by 2005), these concepts were still regarded as rather novel and subject to a steep learning curve, although they had been part of Thatcher’s FMI from 1983 onward. Few of our respondents believed that much faster change was possible. One top civil servant did suggest that it was achievable – but only by “ruthless” change at the very top across Whitehall, something which was unlikely and which had been avoided in 2005 when a large number of top jobs became available and new appointments were made “but in the old mould”.

Finally, it is far from clear that the changes which have occurred are irreversible – but there is also little sign that they are being undermined by resistance from groups espousing “old public administration” values and

norms. Indeed, the overall impression which we carried away from these case studies was that the civil service is still engaged in a healthy debate on managerial practice, in which no single paradigm is regarded as paramount and no “one best way” is any longer regarded as gospel. While this may not be what the architects of the CSR program want, it is regarded by many senior staff in the civil service as welcome recognition of the need for pragmatism and experimentation rather than paradigmatic dogmatism and dogged imposition of “one club fits all” solutions.

Finally, there are some interesting commonalities between the case studies in how this slow but gradual move toward a new civil service culture has been achieved. In general, the case study organizations which were most successful in achieving the aims of the civil service reform program were those in which a deliberate strategy was adopted by top management of highlighting the clashing cultures which existed within the organization, in order to challenge the traditional positions of organizational stakeholders (internal and external). As the evidence above suggests, top management has been prepared to accept blame for some aspects of previous dysfunctional cultures and has deliberately set itself – and other levels of the organization – the challenge of making cultures more functional, in terms of the organization’s corporate strategy. This clearly worked very successfully in the court service and in NAFW/WAG. However, such a strategy entails a significant level of risk. It created more tensions and was less obviously successful in the other two case studies.

## CONCLUSIONS

The CSR program in the UK was just one initiative in the public sector reform cycle, which has already lasted over 20 years in the UK and given it a reputation as one of the main pathfinders in both the rhetoric and the practice of public sector reform. The findings in this chapter would suggest that this reputation is only partially justified, although the changes which occurred under the CSR program were real and important.

The CSR program was presented as a means to achieve “step change” in the UK public service. However, the reality, as mapped in the case studies here, is much more varied. There were indeed some instances, in particular organizations, of what might be properly regarded as “step change” – e.g. we found radical improvements in the way in which NAFW/WAG managed the interface with its clients. On the other hand, there were many aspects of the change program, which still appeared to be in their initial stages, even in

respect of such a key issue as “joined-up” working with the rest of government. Moreover, it was only in 2002, after 20 years of rhetoric, that some central elements of the reform program (particularly business planning and performance management systems) were achieving a significant degree of acceptance and usage, and being regarded as valuable.

Consequently, the relevance and potential effectiveness of some hallowed elements of the original FMI and NPM reform packages can now be seen as heavily context-dependent. For example, the emphasis on “internal markets” and the separation of “purchaser and provider” were, by 2002, being seen as potentially damaging to the delivery of corporate and cross-cutting priorities and to the achievement of key governance principles such as transparency, stakeholder engagement, diversity, and fair and honest behavior. Indeed, some elements of the CSR program could be seen as correcting over-emphases or wrong turnings in the previous reform efforts.

Where top management was prepared to accept blame for some aspects of previous dysfunctional cultures and deliberately and explicitly posed the challenge of changing these cultures, as was particularly the case in the court service and in NAFW/WAG, tensions were created, which posed risks for strategic performance and raised issues about the right of different groups in the organization to insist on their perspectives, because of their position in the public governance structure. Nevertheless, we found that most staff, at all levels of the organization, was more comfortable when these issues were explicitly tackled (especially when some progress could be highlighted) than when they were covered up or avoided altogether.

It seems clear that the long-standing rhetoric of “revolution” and “step change” is misplaced, at least in the UK public sector. “Evolution” and “continuous improvement” are much more appropriate terms to represent the reality of the changes which are undoubtedly occurring. Change generally appears to work best by the dissemination of good practice from “islands of innovation” within the civil service itself. This is not to disparage what has been achieved or to suggest that the public sector should lower its sights in terms of what it wishes eventually to achieve. However, it is important that the civil service should pay attention to the evidence provided by its own “best practice”. The civil service knowledge base has few examples of meteoric changes. By constantly reiterating that only such changes are acceptable, the tangible and important achievements which are evident in many parts of the civil service tend to be undervalued at best and, at worst, dismissed as inadequate. Meteoric change in the UK civil service may be possible – even desirable – but experience suggests that it is rare and the insistence on it is likely to be counterproductive.

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## CHAPTER 14

# E-GOVERNMENT IN ASIA: HOW CULTURE AFFECTS PATTERNS OF ADOPTION

Clay Wescott

Asian governments are adopting e-government both to move toward regional and global good practices, and to reinforce traditional administrative processes. This chapter begins by framing the issue in terms of a broader debate on generic vs. local knowledge, and the emerging evidence that some categories of policy and institutional reforms are widely applicable across countries, while others need to be carefully tailored for a specific context. Advances in information and related technologies have stepped up the pressure from many quarters on governments to adopt common policy and institutional standards, while also providing some tools that facilitate the process. Yet these same technological advances have accentuated the importance of cultural differences, which can slow down or stop countries from adopting the standards unless there is careful adaptation to local context. After briefly examining these broader issues with examples from Asia, the chapter then narrows the analysis to focus on the impact of e-government on both types of reforms, and draws out some lessons and an agenda for future research.

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## BACKGROUND<sup>1</sup>

Nonaka (1990) makes the distinction between generic knowledge that can be applied in many similar contexts, and local knowledge that can be best applied in a specific local context. Israel (1987) and Fukuyama (2004) point out that “high specificity” tasks (i.e. with clear objectives, and using well-defined technologies) with low transaction volume are more likely to be performed successfully by organizations across a wide range of cultural contexts. In this spirit, Friedman (2005, pp. 313–323) observes that countries can benefit from the “flat world” through a combination of “reform wholesale” and “reform retail”. The former entails market-centered reforms such as privatization, deregulation, reducing trade barriers, and adopting flexible labor laws. A handful of leaders in each country have pushed through such reforms in a wide range of cultural contexts including the developed OECD countries, plus many others such as Brazil, India, Mexico, Russia, China, and other East Asian “tiger” economies. The latter entails upgrading infrastructure, regulatory institutions, and education and health standards. Unlike the former, the latter reforms cannot be instituted by a handful of leaders, but require broad changes at many levels of society. Although the end results in countries successful at “reform retail” have many similarities (e.g. healthy, well-educated citizens) the steps toward achieving the results are very different, depending on culture and other contextual factors.

Addressing the “reform retail” agenda is stymied by many challenges of adapting ideas to local situations. Batley and Larby (2004, pp. 5–6, 29–30) and Larmour (2005), for example, point out some key differences in context between developed and developing countries. First, the pace and nature of reforms in developed countries are designed and carried out by the respective governments, and with the democratic support of their electorates. By contrast, reforms in developing countries are often designed by international agencies, and not fully understood or supported by citizens. In some cases, these reforms may be carried out by bureaucratic and political elites with the intent of preserving their existing interests, although the eventual outcome could be different (Cheung, 2005, pp. 276–277). Second, common reform packages designed to address fiscal crises in developed countries are being transferred to a highly diverse set of countries, including transition economies, weak capacity and post-conflict states, post-authoritarian democracies, and Confucian meritocracies. Many of these developing countries have much deeper fiscal crises and sharper declines in public service than developed countries, yet programs often used OECD

country designs as models. Where programs vary, the reason is often more failure to meet negotiated conditions, rather than differences in design. In addition, chronic institutional weaknesses in many developing countries hinder reform effectiveness. For example, rivalries between planning and finance ministries lead to conflicts over fiscal goals, poor communication, and decisions on personal appointments and projects overlooking technical merit in favor of personal and political considerations (Nwagwu, 1992).

Wildavsky (1986) stresses the differences between formal, managerial budgeting in developing countries, and the informal budgeting that actually takes place, responding to their poverty, uncertainty, and differing political cultures. Jabbra and Dwivedi (2005) and Fukuyama (2004) question transfers of western models, drawing the language, practices, and values from business to the public sector, to non-western societies. There are very different interpretations of words like public management, efficiency, and transparency when translated into different languages, even among people with common historical and cultural traditions (Pollitt & Bouckaert, 2004, p. 18). Some keywords from the reform toolkit, such as accountability, have no equivalent in other languages (such as Spanish, Vietnamese, and Chinese (Pei, 1999, p. 100) in this case).

Brinkerhoff and Goldsmith (2004, pp. 163–185) find that patron-client networks thrive in the climate of scarcity and uncertainty common in developing countries and block reforms deemed harmful to the patrons' interests by resorting to violence, corruption, and playing off ethnic politics. The influence of such networks can only be addressed with a thorough understanding of the social and economic context in which they thrive. Assessment tools such as *Policy Maker* (Reich & Cooper, 2000) can help reformers better understand the array of interests lining up for and against specific reforms, and the opportunities for mobilizing decisive coalitions of interests to speed up reform.

Drawing on Mukand and Rodrik (2002), one can observe that generic knowledge that is the basis for policy and institutional transfers changes over time, for example the shift from merchantilism leading to free-trade in 19th century Europe, followed by protectionism in the interwar period, import substitution for developing countries in the postwar period, and the outward-oriented trade policies since the 1980s. Countries succeed in adopting these notions of best practice through a combination of experimentation and imitation. Countries that are geographically and culturally close to countries that have already adopted desired policy and institutional reforms are more likely to succeed in imitating these desired reforms than those more distant. Countries most distant from the policy and

institutional models may be successful with experimentation rather than imitation, thereby achieving an outcome closer to their “ideal”. The least successful reformers are those intermediately close countries that try to imitate, but where the imported policies and structures prove inappropriate.

## IMPACT OF E-GOVERNMENT ON GENERIC POLICY AND INSTITUTIONAL REFORMS

How do these concepts of readiness for reform relate to e-government? According to the [United Nations \(2005, p. 13\)](#) “E-government ... encompasses the capacity and the willingness of the public sector to deploy ICT for improving knowledge and information in the service of the citizen”. Successful e-government optimizes government operations while supporting human development by empowering human capabilities, providing opportunities for people to fully participate in the inclusive political process, and supporting values essential for human development.

E-government can fortify “good governance” practices such as managerialism, accountability, transparency and freedom of information, rule of law, and combating corruption. [Dutton \(1996\)](#) writes that e-government modernizes business processes by enabling more accurate, 24/7 responses to citizen requests, and linking transaction accounts in different agencies. This reduces costs, and allows harvesting of data from different systems, thus increasing the quality of feedback to managers and policy makers. [Heeks \(2001\)](#) gives examples across varying jurisdictions and bureaucratic cultures of similar, managerial reforms supported by information and communication technology (ICT), including improved effectiveness and efficiency of personnel management, parts procurement, accounting, health care, and claiming unemployment benefits. More recently, developed-country jurisdictions such as the US federal government ([Office of Management and Budget \(OMB\), 2005](#)) have made progress in getting agencies to work together across traditional boundaries, focusing on citizens rather than individual agency needs. Results include integrated systems for citizen benefits, business regulation, tax filing, disaster management, and civil service recruitment and training, with agency progress monitored quarterly through “red-yellow-green light” scorecards.

[Schedler and Schmidt \(2004\)](#) find that organizational fitness (e.g. quality management, incentive structures, and service orientation) are key enablers for e-government adoption. [Ross, Weill, and Robertson \(2006\)](#) find that

organizations go through four stages in constructing their enterprise IT architecture: business silos, standardized technology, optimized core, and business modularity. [Kaboolian \(1998\)](#) and [Silcock \(2001\)](#) describe such managerial processes linked to ICT as part of a global convergence to a standard reform model. Some theories of organizational change would also seem to apply across regions: for example, the importance of issue networks evolving to winning coalitions for successful ICT adoption ([Peled, 2001](#)).

E-government has a potential to enable better policy outcomes, higher quality of services, and greater citizen participation ([OECD, 2003, 2004](#)). E-Government potentially can impact generic policy and institutional reforms by improving government's interactions with citizens, businesses, employees, and intra- and inter-governmental relations. [Sin \(2003\)](#) identifies two levels – internal to the government and external to the government – where the impact of e-government can be expected. First, e-government can strengthen the pre-conditions of reform and performance by improving information sharing, internal communications and organizational alignment, interactions with employees, and internal training. Second, government can improve service delivery and innovation by transforming (digitizing) existing government processes so as to function more effectively and productively. By doing so e-governance might help to save time and money for government, businesses, and citizens among other benefits.

There are four broad areas where e-government can facilitate policy and institutional reforms. First, e-government can help by introducing modern knowledge management into government organizations. This goes beyond a mere electronic handling of information to how knowledge is created, shared, and used in policy deliberation. Although the notion of knowledge management is relatively new, government organizations have long used similar processes in order to make policy decisions and deliver public services. However, e-government helps to create a coherent framework that facilitates major knowledge management functions including knowledge capture, codification and storage, dissemination, and usage by enhancing the speed and efficiency ([Koh, Ryan, & Prybutok, 2005](#)). Governments can play a unique role in creating knowledge-based society and economy ([Nair, 2003](#)).

Second, several authors suggest that e-government helps to improve government's administrative efficiency by enhancing organizational structures and processes ([Kim, 2004](#); [Fountain, 2001](#); [Heeks, 2001](#); [OECD, 2003](#)). [Kim \(2004\)](#) claims that e-governance can serve as a strong catalyst for organizational change and facilitating reengineering processes and integrated services to citizens. As a result business process management may

become more operatively silent and bureaucracy may become more citizen-friendly. As OECD's (2003) report suggests, e-government can easily enable efficiency enhancements in mass processing tasks and public administration operations because internet-based applications generate savings on data collection, transformation and transmission, exchange of information, and communication with customers. In addition to these dimensions, Heeks (2001) highlights potential for improving the internal operations of the public sector by making strategic connections in government and creating empowerment. This becomes possible because e-government strengthens capacity to investigate, develop, and implement the strategy and policy that guides government processes by connecting arms, agencies, levels, and databases of government organizations. Also e-government makes transferring power easier, authority and resources for processes from higher to lower levels of government. As OECD (2003) point out, at the end all these changes might improve public service delivery by enabling governments to appear as a unified organization and provide seamless service.

Third, OECD (2003) and Torres, Pina, and Royo (2005) claim that e-government can be a major contributor to continuous reform process in many areas by improving transparency and openness, facilitating information sharing, highlighting internal inconsistencies, renewing interest for public sector reform agenda, and increasing pressure for reform by promising service improvements. Broader application of ICT and modern Internet technologies will increase the pressure for transparency and openness of government organizations; however, one cannot assume that e-government will automatically lead to good governance.

Fourth, many authors note that e-government can help to advance democracy. Heeks (2001) assumes by providing citizens with details of public sector activities, increasing the input of citizens to public sector decisions and actions and improving the services delivered to the public e-governance allows to improve the relationship between government and citizens. He also claims that by improving the interaction between government and business, building the social and economic capacities and capital of local communities, and strengthening institutional relationships e-governance helps to develop a civil society. OECD (2003) suggests that e-government can help build trust between governments and citizens by enabling citizen participation in the policy process, promoting voice and accountability, and helping to fight corruption. Kim (2004) supports this notion by recognizing a key role of credibility both for the government and the civil society. He assumes that e-government and information revolution at large is changing the political and administrative processes and increasing

reliance on credibility at the expense of power. Fountain (2003) suggests that citizens have special requirements for trust and accountability in their relationship to e-government. These requirements include: governments have to make sure that citizens trust in the fairness and universalism of government and citizens need systems that maintain their trust through reliable and secure provision of information and services (see also Norris, 2003).

There have been dramatic examples of ICT enabling mass political action that helped topple regimes in Thailand (1992), Indonesia (1998), and Philippines (2000). There are also examples from non-democratic countries on how ICT is being used to improve government efficiency and effectiveness, and to better inform and seek feedback from citizens. Indeed, ICT-enabled managerial reforms in Hong Kong in the 1990s were motivated, in part, by a desire of the colonial administration to implant an effective bureaucracy to counter anti-democratic practices in the soon-to-be Special Administrative Region of Hong Kong (Cheung, 1996). Yet this does not mean that ICT-enabled managerialism will be a key enabler for political democracy. Democracy will come to countries as a result of many forces, only one of which may be ICT (Wescott, 2007; Kalathil & Boas, 2003). Harris (2004) notes that although e-government remains a process under development, the early optimism that e-government would transform the relationship between citizens and government has been tempered recently by greater skepticism. After comparing evidence derived from 191 countries worldwide from 1997 to 2000, Norris (2003, p. 3) concludes that on balance e-government has “greater potential for deepening pluralism and representative democracy, by promoting government transparency, and by improving public satisfaction with the delivery of routine public services, more than by stimulating new forms of civic activism”. United Nations (2003) compares cumulative changes in the Corruption Perception Index of Transparency International from 1998 to 2002 for a number of countries with their record in e-government progress. The results of this analysis are inconclusive and one cannot claim that there is a positive relationship between these two indicators.

## **TRADITIONAL INSTITUTIONAL AND CULTURAL PRACTICES THAT MEDIATE E-GOVERNMENT ADOPTION**

While e-government has helped some jurisdictions to adopt common policy and institutional structures, other jurisdictions adopt e-government in ways



that reinforce traditional bureaucratic structures, cultures, and links from administration to citizens and politics, with the intent of making these traditional forms more responsive (Wescott, 2007). On the positive side, Holliday (2002) points out that networks of trust and cooperation in societies with Confucian backgrounds could provide favorable, institutional underpinnings for network-based ICT-enabled reforms. A survey from the Republic of Korea shows that citizens expressing concerns to public officials online are less restrained by traditional notions of deference to authority figures than in face-to-face interaction, and are more willing to challenge them (Lee & Gong, 2004). ICT is also enabling the archiving of “social and cultural memory”, and providing affordable channels for indigenous groups to distribute cultural artifacts (Little, Holmes, & Grieco, 2001). However, Salazar (2001), Ranerup (2001), Benjamin (2001), and West (2000) point out that expected benefits are often blocked by traditional bureaucratic forms, technical difficulties, and insufficient attention to the information needs of communities. For example, ICT systems can only fully deliver on their promise if different offices and people are willing to share information, which is often not the case (Landsbergen & Wolken, 2001). Likewise, introducing ICT may have little influence on deep-rooted bureaucratic traditions. Japanese local government administrations, for example, have much smaller workforces relative to population than in western, developed countries, while having more extensive responsibilities and larger budgets. The reasons have to do with historical factors, such as social structure, traditions of voluntarism, and contracting out, and not to managerial factors such as a desire for greater workforce efficiency or more extensive use of ICT (Naschold & Daley, 1999).

A number of studies, such as United Nations (2003), OECD (2003), Ebrahim and Irani (2005), Margetts and Dunleavy (2002), and Lam (2005), explored barriers to e-government adoption. These studies note hardware and software related barriers together with cultural and policy related barriers. Our focus here is only on cultural and policy-related barriers.

Fountain (2003) argues that while the sweep of ICT offers unprecedented opportunities for the advance of governance and society, one cannot assume that ICT alone can foster such benefits and change the way in which government works by affecting organizational practices and structures. Institutional, structural, and cultural rigidities are powerful enough to block changes that might be induced by ICT in the absence of a leadership strategy that attacks complacency and builds a powerful, guiding coalition (Kotter, 1996, pp. 4–7).

United Nations' e-government survey 2003 offers two composite indices that comparatively rank countries in the world with respect to e-government: (1) E-Government Readiness Index (EGRI) and (2) E-Participation Index (EPI). The analysis of the components of these indices allows to identify some barriers for e-government development. The EGRI is a composite measure of the generic aptitude of government toward e-government (Web Measure Index), basic ICT-related infrastructure development (Telecommunication Infrastructure Index), and human capital development (Human Capital Index). The EPI is a composite assessment of 21 citizen informative and participatory services and facilities. Whereas the components of the EGRI assess barriers related with government's behavior and readiness and the digital divide, the components of the EPI assess barriers related with people's ability to engage in dialogue with their government as consumers of public services and to participate in the political process as constituents. Detailed analysis of these indices shows that, in general, developed countries have fewer barriers than developing countries in all of the above-mentioned areas. However, some emerging and developing countries, such as Chile, Mexico, Argentina, Brazil, Philippines, Republic of Korea, and Turkey have made much faster and more effective progress than their peers in reducing barriers to e-government integration.

OECD (2003) highlights legislative and regulatory barriers and budgetary restrictions, in addition to government's readiness for e-government and the digital divide. Such barriers can impede the uptake of e-government by inhibiting data sharing and collaboration between government agencies and imposing excessive (or not adequate) privacy and security measures. Moon (2002) also finds that lack of personal capacity and legal issues (such as privacy) together with financial and technical constraints can put barriers to the progress of e-government at local government level.

Margetts and Dunleavy (2002) provide more detailed analysis of supply side (government) as well as demand side (citizens) cultural barriers to e-government development. On the supply side, these barriers are derived from organizational cultures, values, lack of organizational demand, and channel rivalry. These barriers include: poor IT culture, formality, uniformity, hierarchy, robustness, organizational demand, etc. However, social exclusion, domestication, low expectancy of a government, solemnity, imbalances between governmental and societal use of ICT, and transaction costs of change might create demand side or citizens-related cultural barriers to e-government progress. Vittal (2001) provides four sources that give rise to cultural barriers to e-government in the Indian context. These are

the government's culture of secrecy, corruption, seniority, and lack of imagination.

Another factor to consider is the extent of digital divide. The term "digital divide" refers to the unequal and disproportionate access to the tools of ICT in a society between those with ready access and those without such access or skills. Within boundaries of countries, the digital divide often described by age, sex, level of education, urban versus rural areas, and income level (International Labor Organization (ILO), 2001). As Cullen (2003) pointed out, there is a debate, in the literature, as to whether the "digital divide" is primarily due to socio-economic disadvantages, or other factors such as culture and policy also make difference. However, the evidence suggests that there is very strong correlation between socio-economic status and ICT use, suggesting that the former greatly influences the latter (Cullen, 2003). Campbell (2001), using data from 36 countries, finds a positive correlation between the number of Internet hosts per 10,000 persons and per capita income. The study also finds that developing (non-OECD) countries as a whole not only have fallen behind the industrialized countries in the spread of ICT, the size of digital divide is widening. Nevertheless, differences in per capita income do not fully explain the digital divide. The International Labor Organization's World Employment Report 2001 found that progress in three policy areas, including education and skills, industry and trade, and infrastructure, can help developing countries to make substantial improvement in digital economy. Successful experiences of countries like Malaysia, China, Estonia, and Chile show that adequate policies in those areas can not only help to narrow the digital divide, they might help to improve governance (ILO, 2001).

Lertner (2003) argues that in order to make e-government a meaningful agent of modernization for public service delivery and good governance, one must focus on socio-cultural transformations and abandon technological bias. Following this notion, Saxena (2005) promotes a "governance-centric" (or citizen-centric) approach to e-government instead of techno-centricity focusing more on the outcome or impact of e-governance in public service delivery rather than simply on its outputs. This view assumes that quality for government services is different and, therefore, focuses on the government's capacity to serve the needs of diverse groups, based on age, health, income, education, proximity to major urban centers, and so forth. The evidence supports that transparent e-government implemented by utilization of governance and political processes and using effective (outcome-driven) structure and technology allows to improve public service delivery and promotes good governance.

## EXAMPLES FROM ASIA

Some examples of successful e-government development in some Asian countries are presented below, showing both tendencies toward generic standards, and toward reinforcing traditional norms.

The survey on e-governance in municipalities worldwide, conducted jointly by the e-governance Institute of Rutgers University-Newark and the Global e-Government Institute of Sungkyunkwan University, Korea, and co-sponsored by the UN Division of Public Administration and Development Management and the American Society for Public Administration, ranked five Asian cities (Seoul, Hong Kong, Singapore, Shanghai, and Tokyo) among the top 10 cities (Holzer & Kim, 2004). Jakarta was also ranked among the top 20 cities. However, not all Asian countries have advanced equally in promoting e-government. The UN study that uses e-government index to track the progress of e-governments among UN members shows that countries in the region are at different stages of e-government development. Five Asian countries score 2.0 and above, the highest score being 2.60. At the lower end of the scale, eight countries of the region score 1.0 and below, the lowest score being 0.67 (United Nations, 2002).

Cho and Choi (2004) provide the evidence of how e-government helped to combat corruption in the Seoul Metropolitan Government. In early 1999, the government adopted a reform measure to combat corruption related to processing civil applications for permits, registrations, procurements, contracts, and approvals, called the OPEN system, an e-government innovation. The new system is an e-government innovation, which provides web-based online services to citizens placing transparency and accountability in the core of service delivery by providing open access for anybody, anytime, and anywhere to file applications and monitor the review and approval processes on real time basis until the decision on the application is made. The citizens embraced the innovation immediately and users of the online service have grown rapidly. According to survey results, both users of the service and the city officials who provide the service have favorable opinions on corruption combating effect of the e-government innovation.

Saxena (2005) presents a couple of successful examples of e-government, based on a citizen-centric vision, in two Indian states – Karnataka and Madhya Pradesh – that helped to mitigate corruption in public service delivery. Saxena notes that in India, the transfer of teachers of primary schools is a critical public policy issue because most teachers want to be assigned to schools in urban areas or close their own villages. Since demand

for transfers is significantly higher than available opportunities, corruption, and influence played important roles in the decision-making process in the previous system. There were a lot of contradicting transfer orders, teachers were disgruntled, and the needs of schools were often sacrificed. The government implemented a new system of computer-aided counseling of teachers for transfers in 1999, which identifies surplus posts and teachers for transfer to schools with a shortage of teachers, creates database of and publishes all openings, and helps to make a decision. In this example, e-government helped to adapt an existing institutional practice to modern requirements by introducing transparency, openness, fairness, and rationalization.

Yong and Sachdeva (2003) provide evidence based on implementation of e-government into the practice of the record of Rights Tenancy and Crops (RTC) in Karnataka, India. This innovation computerized over 20 million records of land ownership of 6.7 million farmers carried out by the Department of Revenue in Karnataka. As reported by Yong and Sachdeva (2003), it helped to modernize the entire process of RTC and eliminated delays, harassment, and bribery existing before the innovation was introduced. Now farmers can obtain for a fee of Rs. 15 (US\$0.32), a printed copy of RTC online at computerized land record kiosks in more than 140 offices around the state.

Arun, Heeks, and Sharon (2004) presents findings from two ICT initiatives in South India that provide the evidence of how appropriate targeting in ICT initiatives might produce significant impact on women's employment, income, and social roles. These two cases are drawn from states with similar geographical characteristics and involve women with relatively similar educational backgrounds. The first case, a "gender-blind" market-friendly ICT initiative of the state in Kerala gave short-term benefits to women in relation to employment and income. However, "gender-blind" forces have been eventually translated into requirements for flexibility and workloads that reinforce gender inequalities. Contrary, another gender-focused highly interventionist ICT initiative in Kudumbashree, despite the lower short-term impact in employment and income generation, has brought about positive changes to livelihood outcomes and empowered women by breaking down some of the social, political, and even institutional bases of gender inequality.

One challenge facing many countries is that English is the lingua franca of ICT; there are an estimated 2,200 languages used in Asia, and only 20% of Asians can use English. Making e-government widely accessible to citizens requires addressing this challenge. Asian writing systems are varied and far

more complex than English, and designing digital fonts for any one of them a massive challenge. Yet progress is being made. For example, the Urdu language with 60 million speakers in 20 countries uses a character based, bidirectional, diagonal, non-monotonic, cursive, context sensitive writing system with a significant number of marks (dots and other diacritics). In 2003, after 18 months of work by a five person team funded by donor agencies, a character-based font was released that can allow Urdu speakers to use their language in computer applications (Wescott, 2007).

Finally, Holliday (2002) points out that regional advocacy initiatives can play a role. Among a number of policy initiatives taken in the region in the wake of the 1997 financial crisis, the important policy initiative, the promotion of ICT (launched by the Association of Southeast Asian Nations (ASEAN) and supported by its partners in East Asia), had some positive impact on e-government progress in the region.

## **CONCLUSION AND SUGGESTIONS FOR FURTHER RESEARCH**

This brief overview gives some emerging evidence that e-government adoption can help some jurisdictions move toward common policy and institutional standards. In other cases, cultural and organizational differences can slow down e-government adoption and common standard setting, unless there is careful adaptation to local context. The e-government experiences in Asia-Pacific have improved our understanding of what works and what does not, what practices are transferable, and under what conditions. However, rigorous monitoring and evaluation of reforms is rare, with few jurisdictions measuring the performance improvement and citizen empowerment attained, nor the value-for-money achieved by necessary expenditures. Innovative mechanisms such as the US government's scorecard system may provide lessons for stepped up assessments of e-government elsewhere.

Fully cognizant of the methodological challenges, including the need to address different cultural contexts, greater investment is needed in more extensive assessment of how to achieve high performance by the Asia-Pacific public sector through e-government. Such work would lead to better prescriptions, and a better return on the considerable investment in e-government by governments and international agencies.

## NOTE

1. This section draws in part from the author's work for the World Bank as part of an evaluation of the Bank's assistance to public sector reform.

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