

NOTE

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FOREWORD

Experience indicates that deliberately designed executive study programmes can enhance managerial productivity. The goal of such programmes is to encourage managers to move towards a vision of excellence and creativity through a process that links knowledge and attitudes to innovation and higher performance standards.

Although the definition of "top executive" varies in accordance with the system of public service which a country has adopted, certain basic characteristics generally apply. The term is used to denote officials at the most senior levels in the career service, usually in the top two grades. The key posts are in central and other government departments, provincial governments and in some cases, public enterprises and semi-autonomous agencies. Numerically, top executives represent less than 1 per cent of the entire public service. The group may include persons with significant differences in age, educational attainment, experience and training.

Top executives in government are responsible for the formulation of policy, the coordination and improvement of public administration and the general exercise of managerial control over departments and public services. They are also required to assist in the preparation of legislation and to ensure that governmental decisions are properly implemented. There is an added political dimension to their work manifested itself in public accountability and ultimate political control and direction. In most systems, they also affect the relationship between ministers and senior officials, the relationship between legislative and executive branches and the expanding role of committees.

Management in government covers a variety of activities, ranging from the running of an agency or department to the provision of advice. The majority of managers in a public service agency within a career civil service fall somewhere in the middle. Senior officials are thus responsible for policy analysis and development, for effective management and for the implementation of programmes and the realization of an organization's goals and objectives. To some extent, therefore, senior officials bridge the gap between the

purely technocratic and the purely political aspects of managing a State apparatus.

The material provided in this volume focuses on three interrelated aspects of senior officials' responsibility: policy formulation, the public management concepts and managing large organizations. There has been a growing realization that training for top executives has not received adequate attention because of lack of relevant study material in these areas. A number of developing countries are attempting to organize relevant courses. This study material should assist institutions in conducting them.

CONTENTS

	<u>Page</u>
FOREWORD	iii
INTRODUCTION	1
I. PUBLIC POLICY ANALYSIS AND DEVELOPMENT ...	4
Appraising policy environments	7
Policy analysis	14
Handling uncertainty	23
Policy learning	28
Decision-making in a crisis	31
Policy process management	34
Towards grand policy reasoning	39
Exercises	41
II. PUBLIC MANAGEMENT: PAST, PRESENT AND FUTURE	43
Key concepts for personal and institutional leadership	50
Achieving effective programme management .	63
Planning as executive power	83
The role of the executive in management effectiveness	94
The special case of retrenchment, or "cutback", management	107
Exercises	112

CONTENTS (continued)

	<u>Page</u>
III. MANAGING LARGE ORGANIZATIONS	118
The nature of the large, modern organization	121
Problems of staff and line	133
Improving creativity	149
Exercises	158
Bibliographies	167

INTRODUCTION

Objective

This study material is designed to provide an introduction to policy analysis, public management, and the management of large organizations for top officials who have considerable practical experience, but limited formal knowledge in these areas. In terms of present and future perspectives, by administrative staff colleges, management development institutes and similar organizations, it presents a programme of management development of about three days duration.

One of the purposes is to make participants more aware of the demands of the subject and the necessity to make a deliberate effort to upgrade their comprehension of the issues involved with the help of "professionalism", in the sense of the capacity to apply knowledge to action and to build bridges between abstract thinking and concrete issues.

Essentially, the objectives of this material are threefold: first, to provide top government executives with an opportunity to reconsider and reorder their experiences and to arrive at deeper understanding of the policy and management processes in which they participate, the problems involved and the challenges of improving them. Secondly, to upgrade the cognitive reasoning capacities of officials (although not too much should be expected from a three-day programme). Thirdly, to increase the willingness of participants to try and upgrade their capacities, with the help of explicated approaches, methods, modes of thinking and techniques. This involves, inter alia, making better use of relevant experts, demanding more through staff work, supporting improved management of the decision process, and redesigning organizations.

Application

The study material presents a number of main ideas, concepts, methods and proposals, organized by subjects which can be modified by the training staff to meet specific needs and conditions. It is praxis-directed, and application to concrete issues is its essence. It is based on two approaches: first, the exercises can be designed to "run in" the subject, as mentioned above. Secondly, in class, both during

the initial presentation of a subject and while discussing the exercises, efforts can be made to elicit accounts of the relevant experiences of participants and to evaluate them in light of new concepts, approaches and methods.

The study material may be augmented with broader policy-making and management improvement tools. For senior government executives it can and should accompany organizational reforms directed at better management, policy analysis and decision-making. In such cases, it is important to have most of the senior officials go through the programme. A more extensive executive development programme in these areas can be built up if the existing study material, serving as an introduction, is followed by additional study material going deeper into the areas.

Because of the exacting nature of the subject matter, it is imperative that resource persons be well versed in all the disciplines, with adequate practical experience. To help in meeting this requirement, some minimum essential readings on the study material as a whole and on additional subjects, as required, are recommended. With respect to participants, no preparatory reading assignments are assumed.

Exercises

In order to provide a practical and problem-solving orientation, each chapter contains a set of illustrative exercises to be completed by the trainees, either individually or as a group. The role of the trainer in going through the exercises should be that of a substantive supporter and facilitator. Additional reading and a thorough understanding of relevant economic and management issues will be required. The quality of the response to the exercises will be enhanced by a combination of reading the material and reviewing the bibliography, together with a discussion and presentation by the resource person. The formats of the exercises vary; they have been designed to allow diversity in the analysis of the content.

Bibliography

Each section ends with a suggested bibliography which should enable participants to go deeper into various aspects of the subject. The bibliography will

need to be enriched by the resource person in light of the nature and extent of the material he wishes to cover. As noted above, a review of the bibliography will enhance the value of the exercises.

I. PUBLIC POLICY ANALYSIS AND DEVELOPMENT*

This study material uses the term "policy analysis" to refer to approaches, methods, methodologies and techniques for improving discrete policy decisions, while the term "policy development" is broader and deals with the upgrading of intra-governmental policy-making as a whole. These are not strict definitions but rather clarifications, which permit flexibility in the uses of the terms as fitting specific contexts. 1/

In most policy-making there is heavy dependence on ad hoc and limited decisions, and analysis does not cover overall considerations. The term "grand policy analysis" indicates focus on overall national directives, macro-policies, and strategies.

* The material in this chapter was prepared by Yehezkel Dror, Professor Emeritus, European Institute of Public Administration, Maastricht (Netherlands), on a special service agreement with the United Nations, Department of Technical Cooperation for Development.

1/ The terms "policy sciences", "policy planning", and "applied systems analysis" are sometimes used to refer to more or less the same subject. The original meaning of "operational research" was similar, though nowadays it refers more closely to quantitative analysis, as do "management sciences", in some cases, "statistical decision-making" and "decision analysis". Certain terms, such as "policy studies" and "public policy studies", imply more of a behavioural approach, but some authors include in them prescriptive and normative concepts. Other terminology is used by various schools and authors, according to their political culture.

In languages other than English, terminology issues are often even more vexing, especially because of lack of a semantic distinction between "politics" and "policy" in, for instance, French, Spanish, German and Russian.

Policy analysis and policy development studies have many antecedents, but their proper history is short, starting in the main after the Second World War. Operational research, successfully used in the United Kingdom of Great Britain and Northern Ireland during the Second World War, to deal with complex security issues, was later enlarged to cover civilian policy. Harold Lasswell, a pioneer of such use, proposed around 1950 to establish a "policy science" discipline; at the same time systems analysis as a method of analysing complex issues was being advanced at the RAND Corporation in Santa Monica, California. Still, the idea of policy analysis/policy development as a distinct profession and subdiscipline crystallized only around 1968-1975, mainly in the United States, as reflected in the establishment of graduate public policy programmes at universities and the setting up of professional associations and journals. Most important of all, Governments began to recognize policy analysis and policy development as an important support for upgrading their policy-making processes, with the institutionalization of policy analysis and policy development units, processes, careers and training.

It is important to distinguish between three approaches to policy studies: behavioural, prescriptive, and normative. The behavioural approach studies policy-making as it is - for instance, in organization theory. The normative approach, as reflected in political philosophy and "advocacy" policy analysis, postulates the values which should be aimed at. The prescriptive approach is in between, providing recommendations on how more effectively to realize given values and how to improve value-choice processes.

The three approaches are interdependent. Thus, prescriptions and non-Utopian norms depend on underlying notions of feasibility, in the sense of realistic possibilities; furthermore, as we shall see, a main improvement strategy is to study actual policy choice behaviour and make recommendations on how to reduce weaknesses in it. Behavioural approaches - however hard they try to be value-free - depend on values in the selection of subjects and formulation of conjectures. And prescription assumes "effectiveness" and some notion of "rationality" as a value to be advanced, in addition to facing ethical questions of what goals to serve. Nevertheless, different streams

of policy studies belong in the main to one or another of these approaches.

This study material deals with the prescriptive approach to policy-making, concentrating on instrumental improvement in the sense of more effectively realizing goals, including the "meta-goal" of improving goal-choice processes. But many of the underpinnings of the study material are behavioural. And some values serve as essential bases, such as subordination of senior government executives to political superiors who serve as legitimate value judges.

The basis for a prescriptive approach to the improvement of policy-making is a philosophy of action, which deals with the question of how to upgrade the justification of practical activities, and a philosophy of judgement, which considers justifications for "making up one's mind". It is incorrect to consider the philosophy of science as the main basis of such improvement, both because the standards of scientific knowledge cannot be achieved in policy-making - however upgraded - and because the central mission of science is different in nature.

On a more operational level, policy analysis and policy development are by their very nature interdisciplinary, with all the difficulties that result from such a relationship. Economics supplies essential notions of "rationality" and cost-benefit thinking; philosophy provides approaches to value analysis; political science is essential for considering political feasibility; mathematics constitutes an important metaphoric language for analysing complexity; computer sciences serve as a main tool for simulation; engineering provides the systems approach and methods for risk analysis; operations research permits optimization of some solutions; and so on. But policy analysis and policy development are more than an aggregation of different disciplines: they constitute a distinct interdiscipline focusing on the instrumental/prescriptive upgrading of policy-making as a pivotal organizational and governmental process.

To illustrate the above considerations, let us consider the problem of uncertainty. Nearly all explicit policy analysis methods for handling uncertainty require explicit probability allocation to

future contingencies. But in reality, complex policy issues are characterized by inherent uncertainty, not only in regard to probabilities but also in respect of the qualitative shape of possible results, which therefore cannot be presented even in the form of alternative scenarios and certainly not with probabilities. There is very little to be found in most of contemporary policy analysis and policy development literature on how to upgrade such "policy gambles", though this is essential if they are to be made relevant to crucial policy issues; and in principle this is also possible.

The present state of the art of most policy analysis and policy development still has much to offer senior government executives handling concrete problems. But the limitations should be borne in mind.

Appraising policy environments

Alternative futures

Policy-making is a goal-directed activity, as distinct from purely cathartic and expressive activities, aiming at influencing alternative futures in desired directions. (Note the plural term "futures". There are always many possible alternative futures; therefore, didactically singular and one-dimensional terms such as "the future" should be avoided.) For effective policy-making it is essential to consider the possible futures that might be expected to emerge in the absence of deliberate policies, and then to design policies that reduce the probability of undesirable possible futures and increase the probability of desirable possible futures. Leaving for consideration in subsequent sections some related difficulties - especially uncertainty - the emphasis here is on the nature of policy-making as a continuous iterative process involving changing and often jumping realities, dynamic goals and variable policies - with the futures serving as targets for present decisions.

Some reconnaissance of the future, based on knowledge of the past and present, and some notion of the processes by which the future evolves from its past, which includes our past and present, are required for effective policy-making.

This view of policy-making as a future-influencing activity has far-reaching implications for the whole of policy analysis and policy development and underlies this entire section. The main presumption is the need to base policy-making on the greatest possible knowledge of evolving situations and their dynamics.

Evolutionary perspectives

The same conclusion is reached from evolutionary perspectives, in which policies are viewed as instruments for the better handling of shifting external situations. A mix between four main strategies is needed:

(a) Pre-adjustment to expected changes in the situation;

(b) Rapid post-adjustment to changes in the situation;

(c) Shaping of the situation to meet goals;

(d) Insulating select policy domains from the situation.

All four strategies depend on a correct grasp of the situational features, changes and propensities.

Most countries find it very difficult to shape the situation because they lack massive enough policy instruments (though international cooperation can help). Insulating themselves from the situation is also very difficult (though doing so may be essential for preserving a unique culture, for instance). Thus, the two main strategies for handling changing situations are usually anticipatory or post factum adjustment.

A second requisite of successfully handling a changing situation is a capacity for self-transformation, together with adequate self-continuity to prevent loss of identity, social disintegration and the abandonment of fundamental values.

Time scales

A main question in policy-making is what time scales to take into account. Prescriptively, the answer depends on three considerations:

- (a) The natural time cycle of a policy issue;
- (b) The impact of present decisions on the future;
- (c) Degrees of uncertainty.

The trouble is that a time cycle usually involves issues, and the impact of present decisions - especially important decisions - is likely to be long-lasting. Usually, the longer the time scale, the higher the uncertainties, which impose a heavy burden on present decision-making. (Ways to handle uncertainty are considered in a section below.) Whatever the difficulties, all significant decisions require taking account of medium-to-long-range time spans, 5-10 and often 20-30 years. Better policy-making requires longer estimates of the given situation, with due care taken to map all the many uncertainties and unknowns carefully.

To go one step further: major national development projects entail critical choices determining societal trajectories and evolutionary potentials. Hence, the need in grand policy analysis to engage in what might be called "thinking in history", which takes into account "social time", as contrasted with the much shorter time of current events, and "political time". It is one of the functions of senior executives to pay attention to longer time spans and to weigh them against the pressure of immediate concerns. To do so, explicit estimations of longer-range situations are essential.

Policy-making modalities

Policy-making modalities must fit present and expected circumstances. Thus, under conditions of harsh resource scarcity, policy-making should concentrate on essential issues (saving resources being a main one), while being itself very lean. When circumstances change slowly and smoothly, policy-making can be incremental in nature, proceeding linearly and in small steps; when circumstances shift

rapidly and turbulently, policy-making must be innovative and often proceed by leaps. When a country is doing well and has cause to expect continuing success, policy-making can be conservative, with a lot of "more of the same"; but when a country is declining and aspirations are increasingly frustrated, traditional policies constitute a cul-de-sac. Then very innovative policy-making is essential, with all its risks.

Because the modalities of policy-making are linked to current circumstances, a reliable appraisal of the given circumstances, within appropriate time scales, and a reliable self-appraisal of one's situation and trends are essential if the appropriate modalities are to be selected. Those modalities will, in turn, condition the very paradigms of policy analysis and policy development. Thus, in most developing countries, policy-making must be very innovative, while also being very conscious of limiting the use of resources.

Barriers to appraisal

Appraisals face formidable barriers - some of them very difficult to overcome. This is amply demonstrated by the frequency of security intelligence failures, despite their importance and the abundant resources allocated to them. In order to correct appraisals - even those dealing with the present and short-term future only - acquaintance with the main barriers is essential. They include - to move from the relatively simple to the complex:

- (a) Lack of statistical data and historical records;
- (b) Scarcity of professionals and units specializing in appraisal;
- (c) The distorting effects on the recognition of reality of historical experiences, emotions, convictions, ideologies and cultural contexts (what has been called, in part, "motivated irrationality");
- (d) The political and social costs of correct appraisal, including the sometimes real dangers of counterproductive self-fulfilling prophecies;

(e) A scarcity of knowledge and of the methods that permit correct appraisal of very turbulent realities, together with strong resistance to the explication of real uncertainties.

Policy-making based on incorrect appraisals of a situation is often very hard to correct. Yet, significant improvements in appraising situations are often feasible. In many organizations, elementary steps which contribute to better appraisals are often not taken. There is an amazingly widespread lack of systematic effort to appraise situations even when such an effort is obviously essential for minimumly rational policy-making and is not very difficult to undertake.

Proposals for improvement

Every organization should, as a matter of standard procedure, map its main, salient environments within appropriate time scales, with due recognition of uncertainties. Most organizations will need at least a 10-year look-out on their main environments, with alternative possibilities to be updated every year.

Individual senior executives should familiarize themselves with the main features of the policy-relevant environments in their country and organization (see below). When considering significant decisions, senior executives should select the time scales to be taken into account and then scan relevant environments, asking for suitable staff studies, as necessary. Also, they should support the setting-up of special environmental monitoring, look-out and appraisal staff units. At a more advanced level, policy-making modalities should be explicitly considered and adjusted.

Some exploration of concrete policy environments is essential for executives who wish to concretize the problems discussed above and to provide a setting for all of the modules by appropriate policy-making modularity. But organizations and countries operate in diverse environments, and policy issues relate to specific environments. This is true for developing as well as developed countries; although they are very different from one another in important respects, the vast majority share certain global environmental features.

Major global issues

A few major global issues are of particular importance in policy-making and deserve special attention. They include demography, geo-strategy, science and technology, economy, social values and demands, and domestic politics. To such broad issues must be added more specific ones relating to concrete policy contexts - for example, public order, health, employment and income.

The short descriptions below of some of these global issues, seen from the perspective of developing countries, will illustrate how they relate to setting policy-making modalities.

Demography is a major issue. Global population as a whole and the population of many developing countries are increasing significantly. While demographic predictions are notoriously unreliable in the longer run, present trends in many developing countries pose a major challenge to policy-making, especially since modern industry tends to be capital-intensive rather than labour-intensive and thus poses serious problems of employment.

Geo-strategically, the world is changing by sudden "jumps" which have not been predicted and are probably, in part, inherently unpredictable. Shifts in the former USSR and in Eastern European countries have changed the global political and security situation. At the same time, Western European cooperation is moving ahead rapidly. As a result, the potential for global conflict is reduced. However, local conflicts may be aggravated. The problems of Eastern Europe may receive priority in Western countries, with some diminishing of attention to the third world and its pressing needs.

The single most distinct variable changing the world is science and technology, which affects all domains of policy from security through economy to lifestyles and leisure-time activities. Some salient implications include radical changes in agriculture, thanks to biotechnology; the ability of quite a few developing countries to achieve significant capacities to kill with modern weapons; the shift of industry towards high technology, with major changes in human resource requirements and labour markets; the globalization of information and the mass media,

thanks to international information technology networks; and the potential for new types of organizations, including governmental ones, thanks to computers.

As the economic interdependence of countries increases, their economic autonomy decreases. Economic cooperation on a regional basis, as demonstrated by the European Community, can help groups of countries working together to increase their options.

Changes in social values are evident in several areas: the growing concern with ecology, the nearly universal support for human rights and democratic processes, and upswings in ethnic and religious beliefs. Along with them has come an accelerated growth in aspirations: populations expect a "better life", largely in terms of consumption but also in terms of collective goals.

All of these changes add up to a global Zeitgeist, mainly shaped by Western culture, values and developments, in which liberal values dominate. Yet, most of humanity lives in developing countries, in some of which, at least, this Zeitgeist conflicts with perceived needs and indigenous values and aspirations.

Policy issues are temporary because their dynamics are characterized by rapid change, including second-order change, or change in the patterns of change itself. Furthermore, it is not smooth but jumpy, with sudden shifts, a high chance of unexpected events and a potential for sudden turns, as dramatically illustrated by the USSR and Eastern Europe. Indeed, modern chaos theory can serve as a main metaphoric model of many change processes faced by developing countries.

Adversity

Despite many hopeful trends and significant achievements on global policy issues, domestic expectations and aspirations contribute to conditions of adversity. Some elements of this adversity are scarcity of resources (human as well as material), political cultures that are not conducive to development, socio-economic and political instabilities and, perhaps, most difficult and

demanding of all, scarcity of reliable policy compasses. In many developing countries such pervasive adversities are aggravated by factors such as rates of population increase greater than those of sustainable growth; periodic famine and hunger; and chronic weakness in the capacity to govern. Thus, policy-making must be characterized as policy-making under adversity.

Policy analysis

Prescriptively (and, some claim, behaviourally), all goal-directed decision-making involves four core elements which interact iteratively: values and goals (including negative ones); alternative options; predictions; and evaluators. Structured graphically, we arrive at a fundamental policy analysis scheme:

Values/goals

<u>Alternative options</u>	<u>Predictions of expected results</u>	<u>Evaluators in terms of values/goals</u>
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Application of this scheme, at various levels of sophistication, to specific decisions is the main task of policy analysis.

Decision-making involves much more, however, such as problem formulation, agenda-setting and resource allocation, which precede the decision, and political will, implementation and feed-back, which follow it. Policy analysis concentrates more on the core of the deliberation process, while policy development deals with the policy-making process in its larger and inclusive forms.

Improving value judgement and goal-setting

Value judgement is based on subjective preferences, beliefs, ideologies and commitments. Its inner validity therefore does not depend on outside examination. But values (and goals) are critical to policy-making and are central to decision, deliberation and choice. Therefore, improving value judgement and goal-setting is imperative for bettering policy-making. The fundamental question is how to improve from an external perspective a process justified by and grounded in subjective preferences.

Looked at institutionally, the difficulty lies in applying professional criteria to an activity which belongs to the "legitimate judges of value" - that is, the politicians and the polity as a whole.

The way out of this dilemma is to make the field within which value judgement and goal-setting take place relevant to policy-making. Thus realistic visions can be professionally improved by evaluating their feasibility; value judgement can be upgraded by identifying value inconsistencies. Moreover, goal-setting can be bettered by checking completeness of goals in terms of underlying value judgements.

There are many ways of improving value judgements and goal-setting without unduly intervening with the prerogatives of legitimate "judges of value". But many of the relevant approaches are difficult to apply because of their methodological complexity and because of resistance to them. Thus, it is possible to help top-level decision makers to clarify their values and goals by subjecting them to a Socratic interrogation or, hypothetically, to psychoanalysis, but this is not practical and may have counterproductive effects. When made in a less presumptuous way, value and goal clarifications are useful to decision-making in an instrumental sense but often entail political costs. It is not surprising, therefore, that the subject of professionally improving value judgements and goal-setting (as distinct from morally trying to influence them by advocacy) is neglected in policy analysis and policy development literature and practice.

In this module some practical approaches are presented, but they cover only a small part of the possible and needed improvements in value judgements and goal-setting within advanced policy analysis.

Goal-setting principles

Seven principles for improving goal-setting are suggested in this module:

1. All options should be sensitivity-tested in terms of goals. When a number of options have more or less the same results, they are not sensitive to goal preferences. But when, as is usually the case, one option gives more of one goal and another option more

of another, then the options are sensitive to goal preferences. In such cases, an effort must be made to develop and invent additional options which are less goal sensitive, so as to reduce the burden of having to choose among goals that may all be important. This is usually possible only to a limited extent, and irreducible goal sensitivity requires a value judgement on which of many desired goals to set.

2. The goal should take into account major national values and aims. In this way, any tendencies towards "tunnel vision" and narrow departmental perspectives can be contained, and important "externalities" can be included within policy analysis.

3. Special attention should be given to goals which include outcomes to be avoided or outcomes to be realized. This is a substantive rather than a verbal differentiation of much significance. It is easy to arrive at agreement on bad situations that should be avoided. Under harsh conditions, the avoidance of bad situations is a priority and often very hard to realize. It may lead to a so-called "tragic choice" in which certain real, important values are sacrificed in order to save even more important ones.

4. The need for explicated time-preferences should be recognized. The choices are not only between goals x and y but between x now, more x in the future, and x now and y in the future. This is especially important in development policies, where future considerations can easily be displaced by pressing current needs unless explicitly recognized in goal sets. In the context of such needs, "lottery values" - that is, preferences between different bundles of risks and uncertainties - should be mentioned.

5. The dynamic nature of values and goals should be taken into account. Ecology preservation as a main policy goal illustrates this point well. When decisions with long-range impacts, such as large physical projects, are considered, an effort must be made to explore possible changes in the values that the projects will be called upon to serve. Since value and goal changes are largely unpredictable, elasticity, along with increased options for the future (such as investments in infrastructure and

preservation of national resources), should be added to all goal sets of long-range policies and decisions.

6. Goal-setting and goal choice should be considered in terms of "opportunity costs" as a central frame of policy analysis. In order to get more of one goal, one usually has to give up another goal - this is a fundamental percept. This involves application of economic thinking to goal-setting and goal priorities but goes further: opportunity costs stem not only from resources limits but also from internal and systemic inconsistencies between different values and goals. Thus, it is often difficult under development conditions to achieve more equality and at once realize a high rate of economic growth, because of inherent contradictions between them in prevailing socio-economic systems.

A further step in applying economic opportunity cost considerations to goal-setting is to engage in goal-costing, in terms of resources needed to move ahead with the realization of various goals in defined time periods. This is essential in order to distinguish between symbolic and ritual goal-setting and political uses of goals, on the one hand, which are important but belong to a different domain, and operational goals for policy-making, on the other hand. Care must be taken not to be too restrictive; otherwise, development endeavours may be constrained. The resource costs of goals must be taken into account for realistic policy-making.

7. Goal-setting should be related to the budgeting process. Factually, budgets express goals and preferences in real terms. Prescriptively, most budgeting processes are separated from explicit national and organizational goal-setting in terms of substantive outputs. This module does not deal with budgeting or with the need to relate budgeting, policy analysis and decision-making, as in multi-year outline budgeting in real terms, versions of Planning/Programming/Budgeting Systems (PPBS), zero-budgeting exercises etc. However, unless goal-setting, in particular, and policy analysis in general, are tied into budgeting, improving decision-making with the help of policy analysis faces another strong barrier. (Therefore, a module on budgeting from the perspective of improving decision-making may well be a good subject for related training efforts.)

Political problems

It is recommended that quasi-philosophic debate on the conceptual and logical relations between absolute values, instrumental values, goals, objectives, targets, etc. be avoided. The use of terminology to which participants are accustomed and limiting the subject to decision-relevant goal-setting - which requires elaboration of operational goals to serve as criteria for choosing between alternative policy options but does not require exercises in analytic philosophy - is urged instead.

It will be necessary to distinguish between explicit goals and non-explicated real goals (including political ones, such as gaining and maintaining power, which are legitimate and essential but not central to policy analysis). Political feasibility must be taken into account as a constraint - though an elastic one, depending on opportunities, changing situations and political skills. Also, since political support is essential, ways for building it up which depend on policy choices are to be considered, such as packaging a number of policies together so as to reduce their aggregate value-sensitivity.

On a more general level, this subject leads to the broad issues of political and policy analysis. It is impossible to understand the actual difficulties of policy analysis unless political costs and barriers are taken into account. Thus - to take another illustration - better decision-making requires that several options be taken into account, but political agreement is easier to achieve and maintain when there is only one option. In the context of goal-setting, there is much tension between the need for explicated goals for selecting more effective policies, on the one hand, and the advantages of ambiguous goals for recruiting support and maintaining coalitions, on the other hand. Unless the political difficulties and political costs of policy analysis are recognized, policy analysis cannot be advanced as far as possible. Due care should be taken not to provoke strong and justified political resistance.

Improvement proposals

All organizations should have standard sets of main goals, to be used with suitable adjustments in

all policy analysis. Avoiding negative goals should be a main policy directive, in addition to - and often preceding - realizing positive goals. Time preferences, lottery values and options should be included in the standard goal set. All options should be sensitivity-tested to goals and considered in term of goal opportunity costs, with an effort being made to develop less sensitive alternatives. Goals should be costed to reduce mix-ups between aspirations and operational policy objectives. Political feasibility should be included, along with policy resources and constraints. Problematic tensions between political needs and policy improvement approaches should be recognized so that policy analysis, including improvement in goal-setting, can be realistically advanced.

Systems

The essence of "systems", both in policy analysis and as a concept within "general systems theory", is that reality consists of multiple components which interact. In organization theory, this idea applies to issues of behaviour, such as the distinction between "open systems", which change their boundaries and absorb many elements of their environments while undergoing self-transformation, and "closed systems", which tend to ignore environments and are badly adjusted to them. For policy analysis one implication of the idea of systems is that an issue must be considered not in terms of single components but as a system, the future of which is shaped by close interaction with additional elements, which therefore must be taken into account.

For instance, when the impact of different police policies on the crime rate is being considered, it should be viewed as part of a broad public order "system", including economic situations, mass media, drug addiction habits, legal procedures, punishment institutions etc., in which the police force is only one variable. Thanks to such a perspective, the issue might be reformulated as a matter of public-order policies rather than police policies.

An even more radical implication of the systems approach is that upgrading any single component may impair rather than improve performance as a whole, because of negative interactions with other components. For example, increasing agricultural production in an outlying area without providing access to markets may depress the area. Therefore, "optimizing" a system by optimizing its components is of doubtful merit; improvement will be contingent on positive interaction between relevant variables. In order to decide which variations in which components will have a positive impact, the system must be understood. Or the system must be redesigned with a positive aggregation function. (Systems design and redesign is too complex a subject for this module. It needs and deserves a separate training module, especially when alternative economic systems are considered and overall societal transformation policies are on the agenda.)

Practical implications

The main practical purpose of the systems perspective within policy analysis is to broaden the set of variables that should be considered on a given policy issue and to make it possible to approach the system in a coherent fashion. Adding one or two layers of interrelated factors to the analysis will do a lot to upgrade the quality of the decision-making.

This applies, for instance, to costing. It is not correct to cost a single item, even if it looks central. In correct "system costing", all the costs of adjusting related additional items should be included. Thus, the costs of a factory include necessary investments infrastructure, human resource training etc. Furthermore, since systems operate in time, the overall life-cycle systems costs should be taken into account, with suitable time discounts. Thus, the cost of a building includes not only related investments in infrastructure but also maintenance costs over a number of years.

Policy coherence

Since different policy subjects influence one another, it is necessary to establish policy coherence, to ensure that the different subjects reinforce one another rather than contradict one another. This need stands in opposition to the basic organizational principle of division of labour, with different ministries and departments looking after specific subjects. If the subjects were mutually independent, division of labour would work well. But, since the policy subjects interact, division of labour tends to produce fragmented handling of closely related or even overlapping subjects. This is all the more the case with development processes, in which different policies should converge and mutually reinforce one another.

Interministerial coordination is usually helpful but inadequate, because an aggregation of ministerial perspectives does not add up to an overall systems perspective - hence the need for overall systems perspective units in Governments. Central agencies such as budgeting offices fulfil parts of the needed function, but their perspective is too limited. What is needed is a staff unit that specializes in coordinating major national policy issues.

Such a "systems perspective" unit must meet three conditions: first, it must be independent; secondly, it must be capable of understanding complex policy systems, in terms of professional knowledge, critical mass and access to information; thirdly, its findings and recommendations must be taken into account during actual policy-making. Usually, such a unit will have to be located in the office of the Head of State, so that there is a chance to meet these conditions, despite opposition by line ministries.

Comprehensive planning vs. shock strategies

The systems concept leads to a dilemma in development policy - namely the conflict between comprehensive planning and shock strategies. At a first glance the systems approach seems to support the idea of comprehensive planning, which tries to consider many variables and change them in an integrated way. But, three counter-considerations must be taken into account:

(a) Complex systems, such as those involved in national development, cannot be fully understood in detail and defy fine coordination;

(b) Transition phases on the way to development involve much turbulence. This makes comprehensive planning susceptible to counter-productive confusion;

(c) Harmonious and smooth change lacks the energy-mobilizing effects of chaos, which calls forth maximum efforts. Therefore, comprehensive planning may achieve much less than "antagonistic growth".

Modelling

In order to arrive at the necessary levels of systems comprehension, systems modelling is essential. A model constitutes a simplified presentation of relevant features of reality, existing or hypothetical. A model can be analogous, such as a wind tunnel; symbolic, such as a colour map; conceptual, such as a social science theory; or mathematical. Nowadays models are increasingly taking the form of computer programs which can simulate other types of models and add to them many dimensions, variables and dynamics.

The more advanced and reliable a model is, the more accurate its conclusions. Even when models are conceptual and qualitative, they serve to identify essential systems variables and to point out interactions that must be taken into account.

In an analysis of discrete issues, a system approach that takes into account interactive variables over time is essential. In policy-making itself, systems approach is also valuable in order to produce a coherent view of policies that have interactive effects.

Handling uncertainty

Handling uncertainty is of crucial importance for policy analysis in developing countries, but it poses formidable difficulties. The subject is not adequately covered in policy-analysis literature. Many of the essential ideas, concepts and approaches may come as a shock to those using this study material. This is desirable, since "opening minds" to counter-intuitive thinking should be a benefit of training.

A main point to be emphasized is that uncertainty is built into objective reality. The dynamics of change are not smooth and straight-forward but involve shifts, changes in direction, turbulence and jumps. Even relatively smooth processes, such as demographic ones, are notorious for their unpredictability. Many processes are much less regular, as illustrated by the ongoing transformations in the former USSR and Eastern Europe.

Metaphysical debate aside, from the perspective of policy-making, many important variables are in a state of inherent uncertainty which policy analysis cannot reduce, even with more data. The contrary is often true: improved policy analysis aggravates subjective uncertainties by showing that many assumptions which were accepted as certain are, in fact, uncertain. Of course, a strenuous effort should be made to reduce uncertainty. Much can be achieved by collecting reliable statistics and using advanced prediction methods. But even after all that is possible has been done, any mapping of future possibilities will include very large areas of uncertainty.

Modern chaos theory serves as a good metaphor here, with its idea that minimal differences initially can lead to radically different results and that closed deterministic systems often show quasi-random behaviour. This, as already mentioned, applies in particular to transition phases, including at least some phases of accelerated modernization.

Necessity, chance and choice

An essential perspective for policy analysis - and also for policy development and grand policy reasoning - is one that sees the future in terms of necessity, chance and choice. Many features are highly certain for the policy-relevant future - for example, large population increases in many developing countries even though exact numbers are unavailable. But many other features are uncertain and seem to be shaped as if by chance - for example, energy and commodity prices, international economic policies towards the third world, and some critical local issues of war and peace.

Choice intervenes in historic processes so as to influence them in directions that reduce the probability of undesired results and increase the probability of desired results. This is the basic logic behind policy-making as an attempt to influence the future according to changing human goals.

Essential concepts

Policy analysis does not require a knowledge of probability calculus or the ability to do complex probability calculations. Rather, what is required is an ability to think and "intuit" in terms of probability and related concepts. Literal thinking is also important.

Note that numeracy is essential in a senior government executive (that is, numeracy thinking, not technical mathematical skills). Since for most senior civil servants the demand for numeracy is anathema, it is all the more to be emphasized. Appropriate training modules should be offered and a suitable book on numeracy, as mentioned in the readings, should be recommended.

A basic package for handling uncertainty includes the following elements:

(a) Certainty, meaning yes or no, expressed as probability 1.0 or 0.0;

(b) Risk, in the technical sense of a known probability between 0.0 and 1.0;

(c) Quantitative uncertainty, in the sense that the shapes of future possibilities are known but no probability can be allocated to them; and

(d) Qualitative uncertainty, or the unknown shapes of future possibilities which cannot even be qualitatively described as alternative futures or scenarios.

In between are such concepts as "highly likely", "unlikely" etc. in respect of various risks. It is important to agree on the range of probabilities approximated by such qualitative terms dealing with quantitative parameters.

Predictive methods

There are four main methods of predicting future events. The first is extrapolation - that is, the continuation of past trends into the future. This can be done simply or with quite complex techniques, but the principles are one and the same. The second method requires modelling, whether in the soft form of a verbal theory or the technically advanced form of a complex computer model. The third method relies on the intuitive knowledge of experts, individually or in groups and panels, tacitly or explicitly, with the help of various techniques of expert interrogation (such as the oracle at Delphi). The fourth method is imagination.

Extrapolation clearly depends on the past as does modelling. Intuitive expert knowledge is more vague in its grounding, but is in the main also based on past experience. Imagination is different in nature, and its main uses are speculative, because no criteria exist for choosing between its many diverse products (other than, perhaps, past successes).

Therefore, there is no way to predict change in a useable way except by processing the past. Since the present epoch is characterized by turbulent change which does not depend on the past in recognizable or patterned ways, many policy-relevant discontinuous

contingencies are beyond the available prediction methods of extrapolation, modelling and intuitive expert knowledge. Still, professional use of those prediction methods, which constitute a distinct domain of professionalism, can help to reduce certain uncertainties and map others by, for example, distinguishing stable domains from unstable ones.

Formats for mapping the future

With the help of such prediction methods, certain formats for mapping the future can be worked out. These include:

(a) Documents outlining alternative futures with different time spans;

(b) Scenarios - that is, descriptions of change over time, in distinct phases, leading in stages to the alternative futures, with transitions between the various stages being considered in terms of possibility, probability, uncertainty etc.;

(c) Mapping of main areas as stable or dynamic, with special attention to surprise-prone domains;

(d) Lists of surprise possibilities, produced, for instance, by brainstorming of professionals and experts.

For most policy issues in developing countries look-out maps will show many quantitative and qualitative uncertainties, aggravated by uncertainty on future policies of the country itself. Some basic predicaments will be stable and quite certain, as dictated by the very situation of underdevelopment.

Improvement proposals

Since policy-making deals with the future, all decision makers must be capable of correctly reflecting on it. They must have, numerical thinking capacities and at least some sophistication with uncertainty. All senior executives must be familiar with the basic prediction method, their potentials and limits. All organizations should have a set of standard future-mapping documents (including alternative futures with scenarios), lists of imagined surprise events and indications of main domains of stability or discontinuity. In order to prepare such

documents, which are essential for policy analysis, special professionalized look-out units are required.

Policy gambling

Decisions made in the face of uncertainty are "gambles". When the uncertainty is in part quantitative and in part qualitative, they are in essence "fuzzy gambles" - that is the results are unknown and the changing rules of the game are unpredictable. Since most policy-making deals with uncertainty, both quantitative and qualitative, it constitutes - in part at least - a form of gambling, and countries, in making critical decisions, engage in "gambling with history".

The view of policy-making as gambling, often for very high stakes, is dangerous unless it is accompanied by a strong sense of responsibility which imposes demanding moral requirements. A danger exists that, if gambling is legitimized by professional and scientific arguments as the essence of policy choice, decision makers may become reckless and feel justified to view decisions as purely acts of subjective will and feelings. A denial of facts and an escape into various forms of mysticism, such as astrology, may also be reinforced. Therefore, an understanding of the nature of policy-making as gambling is essential, as is the integration of appropriate modes of reasoning into the decision maker's mental capacities, including intuitive behaviour.

A number of barriers hinder recognition of the true nature of policy-making as gambling. It is difficult, for example, for people to admit that important national choices are gambles. Political cultures and public opinion are not willing to accept the unavailability of certain risks. Studies in decision psychology indicate that the human mind has difficulty comprehending uncertainty unless trained to do so - that is, to follow an order of thinking, called a "protocol", as a control on intuitive responses to uncertainty. Finally, the behaviour of organizations and many small groups tends to repress uncertainty rather than map it and handle it correctly.

The combined effect of the true nature of decisions as gambles, the resistance to admitting that nature, and the behavioural barriers to handling it

effectively weakens much policy-making. Hence, the urgency to upgrade policy gambling.

The process involves two steps: relevant futures must be mapped, with recognition of the main uncertainties, quantitative and qualitative; and a choice in terms of value - called a "lottery value" judgement - must be made between the various bundles of uncertainties. A simple illustration makes the point: Let us assume that we have to invest 100 units and we have two options, with reliable predictions: option x gives a guaranteed income of 50 units while option y gives with probability 0.5 an income of 100 units and with probability 0.5 an income of 0 units. The expected value, as calculated in simple policy analysis, is the same for options x (50 units) and option y (100 multiplied by probability 0.5 plus 0 multiplied by probability 0.5 = 50). But the nature of the expected income from x or y is very different. Choice depends on one's attitude to risk: one can prefer 50 for certain or one can prefer 100 perhaps - this is a matter for subjective judgement in terms of lottery values. This applies to all decisions in the face of uncertainty.

Policy learning*

The general expectation, as expressed in slogans such as learning by "trial and error", is that policy-making is a widespread routine activity. But that is not the case. Policy learning (i.e., learning how to make policy) must be taught. Instruction should deal not only with policy consequences but also with situational changes that require novel responses, independent of former policies. In fact, policy learning is a difficult and uncommon process, often frustrated by non-learning and mis-learning. The

* Note to trainers: At this point, participants should integrate the various policy analysis perspectives, foresee the main implications for policy development and focus on practical implications, while reconsidering the policy analysis approaches discussed above.

Also, proportionally more time can now be devoted to exercises.

upgrading of policy learning must be closely tied into policy analysis, while also being aligned to policy development, such as through organization redesign.

Many barriers stand in the way of correct learning. The first barrier is the difficulty of recognizing reality. Political and bureaucratic competition strongly reinforce this barrier, pushing policy makers into a defensive posture.

A second barrier involves the difficulty of relating events to policies because of complex causal chains, and chance happenings.

A third barrier - very important in developing countries - is discontinuity in government, which, in the absence of good institutional memory, prevents, the accumulation of learning experience.

The fourth barrier is the organizational rigidity that hinders policy change even when the need for change is widely recognized.

Upgrading will require a number of protocols and institutional re-arrangements:

(a) A first and essential condition for learning is that it should be disengaged from praise and blame; otherwise, it will be overwhelmed by interests and feelings;

(b) Institutional memories are another must. They can be in the form of a filing system - computerized, if possible. Also, transitions between governments should be arranged in ways that permit transfer of experience;

(c) Learning phases should be built in, with landmarks that encourage comparison of expectations with results at predetermined phases;

(d) Learning must be institutionalized with special protocols, such as self-evaluation studies, so that conclusions can be diffused and preserved in institutional memories;

(e) To engage in learning on major policies, it is necessary to undertake evaluation studies by units not involved in the policy-making and implementation processes, so as to reduce biases;

(f) Organizations should be redesigned in the direction of "learning organizations".

Innovative analysis

Most of conventional policy analysis is directed at identifying the best option from the available options. But quite a different approach is possible: to design, develop and invent new options.

Not only are these qualitatively different processes, but they may be antagonistic. Conventional analysis, with its dependence on skills and acquired wisdom, is a professional endeavour which can be learned and taught, institutionalized and translated into operational approaches, protocols and recommendations.

"Innovative" analysis involves creativity, which is extrarational, misunderstood, and not teachable or learnable. While it is possible to design organizations that are friendly to creativity, this does not mean that creative processes are institutionalized.

Innovative policy analysis is not a governmental process, for governments tend to repress options that contradict their traditional policy assumptions and orthodoxies. Many novel policy ideas come from extraestablishment sources.

Innovative options

Innovative options are often more needed than better analysis of conventional options. When environments and values change, the repertoire of available policy options based on the past, becomes inadequate and unpromising. This is the case on crucial issues facing most developing countries. Therefore, it is imperative for them to emphasize innovative options.

A special role is played by policy "entrepreneurs" - that is individuals who are very skilled at encouraging and realizing new ideas in the face of inertia and resistance, either originating the ideas themselves or picking them up from others. Politicians and senior government executives sometimes serve as important policy entrepreneurs.

Policy analysis should consider feasibility and implementation. But too often narrow views of feasibility constrain innovative thinking. In developing countries it should, at least in part, be oriented towards realizing realistic visions.

All other methods for enriching options must be explored. Comparative experiences should be fully monitored, and new policy options being developed in other organizations and countries should be studied. However simple this recommendation may seem, it is seldom applied: most policy decisions are made in ignorance of comparable experiences; usually a systematic search for relevant ideas has not been carried out.

More difficult is the encouragement of innovative thinking in certain organizations. Often, some structural redesign is needed, such as incentives rewarding new ideas or personnel rotation and renewal (including extended training periods).

Line organizations are usually too deeply involved in current policies to explore new options. Therefore, special policy research and development organizations - often called "think tanks" - are needed.

Decision-making in a crisis

Initial exercise

This subject should be started with an exercise, so as to give participants a "feel" for decision-making in a crisis before discussing it. The exercise should start after dinner and go on till midnight or later, so that participants experience at least some of the fatigue accompanying crisis situations. Participants should be divided into groups, so as to face problems of interaction. All groups do the same steps, as follows: Each group serves as a policy analysis unit activated in a particular crisis, such as a natural disaster, a run on the banks, a general strike or a security leak. Participants receive a description of the situation. After one hour and then every half hour, they receive additional information, describing the evolving situation in an ambiguous and contradictory fashion, as in real crisis situations. One hour before the end of the group phase, the flow

of information stops and each group is instructed to prepare a briefing for a top decision maker on the group's analysis, options and recommendations. Groups reconvene and present their reports. A short discussion is held. The next morning the trainers will present the subject, referring to relevant points which came out in the exercise.

The above proposal can of course be adjusted to local preferences. Trainers may wish to invite some person with experience dealing with crises to help with the exercise. But, running the exercise on the night of the second training day, in preparation for presenting the subject on the morning of the third day, is strongly recommended. In addition to helping with the subject-matter, the exercise constitutes an important experience for trainees and upgrades their learning from the module - all the more so, if trainers see to it that participants apply the policy analysis methods presented above.

The nature of crisis

Crisis is defined, for the purposes of this module, in the usual sense of the term in "crisis management", as a situation characterized by dramatic and sudden events which are significant and which require a very urgent response. A crisis is accompanied by a psychological sense of pressure and distress and much uncertainty.

Crisis situations are frequent in many developing countries. If crisis decisions are detached from policy development as a whole and are made on an ad hoc and or panic basis, overall national development strategies may be ruined and important opportunities missed. Therefore, it is necessary to ground improvised crisis decisions in both policy thinking and policy analysis.

The need to upgrade crisis decision-making is reinforced by the insight that crises carry not only serious dangers but also unusual opportunities. During a crisis many constraints are relaxed, and they often open "window of opportunity". Thus, a banking crisis may permit changes in economic policy unacceptable during non-crisis conditions. (Indeed, one should sometimes consider instigating a crisis as a way to break out of policy cul-de-sacs when everything else fails. Such and other advanced

aspects of crisis decision-making need special study material, which can be very important for participants engaged in handling crises.)

Principal approach

The principal way to improve crisis decision-making is to ground it in deep policy thinking. This implies

- (a) Depending on the overall quality of policy analysis and policy development;
- (b) Connecting crisis decision-making to overall policy thinking;
- (c) Using improvisation aided by adjusted and time-compressed policy analysis.

This implies, paradoxically, that in situations of frequent crisis, high-quality policy development is all the more essential since it can serve as a base and compass for ad hoc improvisations.

The improvisations can add up to a strategy that advances national development, with adjustments to particular crisis situations and, in part, by irregular but directional impulses. To achieve the needed grounding in deep policy thinking, the decision-making staff must be involved with overall policy development.

The first step is to prepare suitable crisis decision-making facilities, with safe communications, adequate rest facilities and suitably equipped working rooms. The preparation of contingency plans is essential.

Policy process management*

The present chapter clarifies the essence of policy analysis and policy development by presenting and elaborating on four models of policy development units: central policy analysis units; policy research and development organizations; advanced professional public policy training programmes; and national policy colleges. Such units are very necessary, in some combination, for developing countries but are absent, or underdeveloped, in most of them.

Policy analysis and policy development overlap. Policy analysis focuses on improving single decisions, whereas policy development focuses on improving overall policies and policy nets, which can be done in two ways. One, upgrading policy-making processes, involves improved policy process management and the redesign of organizations. The second, establishing improved grand policies, which guide the substance of discrete policies, involves the application of policy analysis and process and organization upgrading which serve policy development as a whole, to grand policies.

Policy process management applies to all levels of managements, from an individual senior government executive to a cabinet minister or head of Government. It ensures that the decision process includes adequate preparation, full consideration of all issues, implementation monitoring and learning. Although standard procedures direct the process in many countries, they can become overformalized and ignore important informal elements. Sometimes they neglect to order issues according to importance - with the result that more critical choices follow quite different - and weaker - processes.

* Having gone through the policy analysis material, experienced participants will find policy process management and organization redesign relatively familiar and easy subjects. The exercises can play a major role in exploring these subjects and operationalizing them. The subject of grand-policy reasoning is different and more difficult, but serves well to sum up the module as a whole.

Policy development, which deals with important choices which are usually non-routine, requires a somewhat different approach, with less emphasis on formal procedures and more on style and culture. Still, a number of elements can be postulated as essential for policy development, to be institutionalized in part and to be advanced as essential for "minimum of rationality" required.

National assessments of the main external and internal environments are essential for educating policy makers to adopt realistic views of changing realities and to serve as the basis for grand-policy analysis as well as policy analysis. These estimates must be well known by main policy developers but be prepared independently from them.

Agenda setting and attention allocation to major issues are a main need. Since actual agendas tend to be dominated by urgency, and since the time budgets of senior executives and top decision makers leave little time for policy development, it is necessary to look for "critical choices", which are expected to have significant impact on the future, to reserve for them priority status on deliberation and decision agendas, and to allocate to them large parts of available policy development resources, including organized brain power and the time and attention of top decision makers.

Policy development requires values, half-operationalized in the form of realistic visions, grand designs, umbrella conceptions of desirable and feasible futures etc. Without such value-goal guidance, policy development lacks a compass and will become too ad hoc. In addition, realistic visions serve to increase coherence of policies and are also useful for giving policy making and policy implementation a sense of purpose, in addition to serving essential educational and support mobilizing functions.

Political will and power concentration adequate for implementation are essential. While the present module does not deal with the political and power aspects of policy development, those must be recognized as pivotal, especially so in developing countries.

Implementation preparation, monitoring and control are also essential; otherwise, policies become empty symbols and decay into useless rituals. Therefore, upgrading of public management is integral to policy development and essential for its effectiveness.

To assure implementation and achieve policy learning, which is a must for policy development dealing with very dynamic and long-range national grand policies, an assessment of policy outcomes is all the more important. On the level of policy development this definitely requires independent policy evaluation bodies which report directly to top-level decision makers - with an emphasis on policy improvement and learning and not on finding "guilty" parties for non-performance.

Lastly, but central to this study, there is need for deep thinking about major policies on the part of all the important partners in policy development. It is necessary to provide suitable "deep grand-policy consideration" opportunities to senior politicians - for example, periodical, two-to-three-day retreats at which they deliberate on major policy issues, with the help of good position papers and top quality experts. Larger segments of policy elites should be involved in policy thinking with the help of national policy colleges, where mixed groups would spend a few weeks in residential facilities considering major policy issues. Societal deep thinking on main policy issues, with special attention to innovativeness, is an essential input into policy development, to be encouraged at universities, research institutions, among groups of professionals and suitable segments of the public at large and to be given top-level policy consideration.

It is in the machinery of government, in the broad sense of that term, where, after all, much of the needed professional deep thinking on policy issues must take place, with the help of policy analysis and grand-policy analysis. To do so, staff units are needed in most ministries, central policy analysis units near top decision makers are necessary, and special policy research and development organizations are essential.

Policy process management upgrading is essential for better policy development. This requires a

special function of "meta-policy making" - that is, policy-making on policy-making, which takes a comprehensive view of the policy process, evaluates it and is in charge of improving it. This function should usually be located in the office of the head of government. It should be staffed by professionals in policy development and organizational design.

Central policy analysis units

A central policy analysis unit serves as a professional island of excellence near the head of government and the cabinet. Similar but smaller units would work for other top-level decision makers. The central unit needs between 10 and 15 multidisciplinary professionals with broad experience. It should study the main decision items reaching the top level from a coherent and long-range national perspective, with the help of policy analysis tools. The unit could also serve as a crisis staff and take care of policy process management, and it should constitute a main liaison with policy research and development organizations.

If operating well, such a unit will add to the quality of decisions, but it will not be able to engage in deep study of complex issues. Also, since it is located near the corridors of power, it cannot engage in much iconoclasm or policy paradigm innovation.

Policy research and development organizations

To engage in deep study of major policy issues, including grand-policy choices, and to do so professionally with the freedom to innovate and present unconventional options, policy research and development organizations are essential. They need a staff of 30-50 full-time professionals, multidisciplinary and with broad experience, who study a few main national issues.

The most difficult problem of such policy research and development organizations ("think tanks" in the correct sense of that term) is to "square the circle": on one hand, they need independence in thinking, while on the other hand, they should be acceptable to top decision makers and enjoy good access to them. This is a difficult combination in

all countries, especially in many of the developing countries.

Advanced professional public policy training programmes

To improve policy analysis and policy development and to move into grand-policy analysis, suitable top-quality professionals are essential. Some persons develop the required knowledge and skills on the basis of conventional disciplines and outstanding individual qualities. But to assure a supply of needed professionals, advanced public policy training programmes are needed. They would be tough elite programmes admitting only the best of the outstanding students, who after finishing a first and second degree and, preferably, gaining some experience, would need to undergo another three to four years of study, combining theory and practice, at the end of which they would qualify as advanced public policy professionals. They would still need a few years of practice before being able to deal with very complex policy issues on their own. Their training would be comparable to that of medical doctors. (Is it strange to require public policy professionals to study as much as MDs?)

Much can also be achieved through crash programmes for outstanding professionals with a good background in conventional disciplines. But, to really achieve the needed levels of excellence, advanced public policy studies need institutionalization at universities or other institutes of advanced professional learning.

The absence of such programmes in nearly all developing countries is deplorable, especially since they do not raise difficult political issues (as do policy analysis units and policy research and development organizations).

National policy colleges

It is not enough to have a few public policy professionals, because the improvement of policy development depends on the policy elite as a whole. Therefore, the need for national policy colleges for mixed groups of young politicians, senior officials, party activists, trade union leaders, business entrepreneurs, mass media commentators, army officers,

intellectuals and academics etc. is acute. Such groups should spend some time together - say, from four to six weeks - in residential facilities, to consider main national policy issues.

These four suggestions further clarify the idea of policy analysis and policy development as expressed in paradigmatic institutions. But they raise the question of why, if improvement possibilities are so obvious, such institutions and the upgrading of policy analysis and policy development are so scarce.

Quite a number of answers can be offered: the relevant knowledge is underdeveloped; policy analysis, policy development and grand-policy reasoning impinge on politics - in the sense of who gets what and of ideological commitment - and are therefore suspect of "technocracy" and so rejected by many politicians. In handling problems of development, most of the effort - by both the involved countries and by external cooperation efforts - goes to improving particular policies rather than upgrading policy-making, even though the latter would be much more effective. And, most difficult of all, in some countries dominant political and social cultures inhibit the quasi-rationalistic bases of policy analysis and policy development.

Improvement proposals

Developing countries should set up, in a mutually reinforcing way, policy analysis units near top decision makers, national policy research and development organizations, advanced professional public policy training programmes and national policy colleges. On the two last proposals, regional and international shared programmes and colleges can meet needs.

Until such units are set up, and in order to supply essential staffs for them, intense crash programmes to train policy analysis and policy development professionals should be organized.

Towards grand-policy reasoning

Grand-policy reasoning deals with fateful choices, as epitomized in a saying by the Confucian Hsun-tsü: "Yang Chu weeping at the crossroad said,

'Isn't it here that you take a half step wrong and wake up a thousand miles astray?'" Strategies for economic development present such choices, which require approaches that go far beyond conventional policy analysis and put policy development to the test.

Clearly, this is a matter for advanced professional training, beyond the domain of most of senior government executives and impossible to take up in brief study material such as this. However, this material will conclude with some ideas from grand-policy analysis which are on the cutting edge of theory and practice and require participation of the most outstanding and creative professionals.

Select reasoning frames

To illustrate the subject of grand-policy reasoning (a term which I use often, instead of "grand-policy analysis", to emphasize the open and mainly reflective structure of appropriate approaches), a few "frames of thinking" might be mentioned:

(a) The rise and fall of nations and the success and failure of heroic historic enterprises are related to accelerated national development. Therefore, broad historic studies of such episodes constitute a frame for grand-policy reasoning in the context of national development strategies;

(b) "Thinking in history" becomes even more critical than in usual policy analysis, as mentioned above, and the examination of fundamental social processes is a must for justifying a national development strategy;

(c) Realistic visions are essential for national development strategies, as "value compasses" and for introducing the required long-time perspectives;

(d) Critical mass interventions are essential for making an impact on national evolution trajectories, with the need to select a limited number of guided change variables to be subjected to radical interventions, so that they serve as "locomotives of change";

(e) "Gambling with history" is of the essence in national development strategies, which face far-reaching qualitative and quantitative uncertainties. Therefore, advanced policy-gambling protocols are imperative;

(f) Conventional notions of rationality are inadequate for grand-policy thinking. National development efforts require some self-deception on the probability of success so as to benefit from self-fulfilling prophecy effects.

EXERCISES

1. Select a specific policy issue with which you are familiar and prepare 10-year outlooks for the related environments.
2. Identify from your experience the main decision failures resulting from an incorrect appraisal of a situation and suggest how to avoid such a failure in the future.
3. Identify the major adversities facing your area of expertise and their implications for policy-making.
4. Prepare a standard goal set for a country or organization; then, consider the difficulties you would encounter (costing and priority-setting) in having to allocate 100 units of resources among the goals. Include relevant time preferences.
5. Design a concept system model of a shared policy issue, with attention to main interdependencies. Consider how far systems perspectives are taken into account in handling the issue and what can be done to upgrade the coherence of relevant policies.
6. Prepare alternative futures of your main policy environments with a 10-year period; and prepare a list of possible surprise outcomes.
7. Process the list of surprise possibilities (see No. 6), according to the proposed protocol.
8. Identify from your experience policy failures which did not bring about policy learning. Explain why, and develop proposals to improve policy learning in the future.

9. Identify main policy issues for which all available options are clearly inadequate and which therefore need option innovations. Propose concrete steps to upgrade option innovativeness in your organizations.

10. Think of a government executive who was a significant policy innovator and consider what can be learned from his/her case for encouraging and supporting policy innovativeness.

11. Pick a concrete situation or national development process and evaluate the policy-making process, proposing improvements with respect to your own situation and immediate working context, to a ministry or similar entity with which you are familiar, or to national policy-making as a whole.

12. Review the main problematic areas of policy-making identified in this study material and reconsider your own findings in each given area.

II. PUBLIC MANAGEMENT: PAST, PRESENT AND FUTURE

Governments are primarily shaped by their political philosophies. They may be centrally planned, market-based, or mixed, and each will possess different forms of executive direction and control. The working dynamics of countries with single authoritarian leadership are entirely different from those of countries with strong legislative bodies and pluralistic leadership.

In some countries, strong historic patterns tend to have a great influence over how the governments develop public policies and programmes. In other countries, governments consist of an almost random selection of structures and techniques for governance, with many remaining in a state of unsatisfactory flux and experimentation.

Some of the important tides running in governance are as fundamental as political philosophy or historic patterns. One such tide was articulated clearly by Herman Kahn, the American futurist, in 1972 when he stated

"The proliferation of bureaucracies is one of the most striking characteristics of the contemporary world." 1/

The famed management expert Peter Drucker has also addressed the growth of bureaucratic institutions, noting that every major social task - economic, health care, social security, education, protection of the environment and so on - has been entrusted to large organizations. Our society cannot do without the services that institutions provide.

Both of these views lend clarity to what is happening to governments throughout the world. Old patterns of reliance on individual and family efforts to cope with pressures of society are having to be

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reinforced and supplemented by institutional action and control, and more and more of these institutions are governments.

Governments themselves are becoming more powerful. Their roles have gradually been expanded to subsume many problems in national life in which they were little involved in the past. Increasingly, health care, protection of the environment, housing, economic stability, economic development, and other aspects of the well-being of society are coming under the influence of government policy makers and institutions.

But part of this growth in government power is that governments are also becoming far more intrusive and interventionist in the lives and affairs of the nations' people and non-governmental institutions. This intervention produces strong division in the responses and attitudes of citizens. In many countries, the authority of the State is so great that it can - and does - simply overpower every other form of institution and interest and may dominate the life of people in ways that are heavily oppressive. Some institutions repel and repress citizens at the same time that they provide programmes. Recent events in Eastern Europe and China are exceptionally revealing about how powerful a grip governments can gain over their people and how extraordinarily difficult it becomes for the people to defend themselves against - or even complain about - repressive government institutions.

Yet, there appears to be a growing world-wide attitude that governments must necessarily step up their responsibilities to protect the public against threats and hazards evolving in modern society. For example, concerns about the environment and the protection of the world's natural resources have become universal and global. The perception that predominates is that neither individuals nor private companies can solve these global problems, that only national governments are powerful enough and possessed of the proper forms of authority and motivation to deal with them. In many cases, private companies are perceived to be the problem, while governments are cast in the role of "the solution".

Thus, one of the fastest growing trends in governments worldwide has been in the role of

"government as regulator", primarily in matters of health and the safety of citizens. Pure foods, safe drugs, clean air, pure water, disposal of hazardous chemicals, safe transportation, child welfare, labour protection - the list is long and growing for the areas of society in which governments are protectors of the people. And yet, each of these areas has within it the seeds of potential oppression. One of the most important challenges facing governments will be to exercise powers of regulation without repressing individual and private-sector freedom and initiative.

Governments are also becoming far more important as directors or modulators of economic performance and development. Here again, there are great differences of opinion as to the wisdom and validity of this form of government penetration and control of events.

On the one hand, communist Governments are having to face the harsh reality that they have failed to produce strong economic stability and growth, and this failure has hurt their countries, severely constrained the availability of resources to sustain effective government, and distorted the role of private institutions and individual economic initiative. Eastern European Governments and even China are painfully shifting back to patterns of greater private-sector strength in economic matters.

On the other hand, even in countries like the United States, Japan, and those in Western Europe with strong traditions of private-sector dominance of the economy, there has been growth in the role of government in economic affairs - up to and including domination and partial direct control. More and more, policies and actions will be most clearly understood by recognizing the government's role as economic in purpose and character.

Finally, another fundamental tide that is running in the affairs of government is the conflict between politics and management. A short historical perspective is needed to understand this point.

Throughout most of the modern history, until after the Second World War, governments were smaller, less extensive, less complex, and less sophisticated than they have since become. There was a clear and quite limited group or level of leaders who were political in character and who controlled governmental

policies and ultimately made governmental decisions. It really made little difference how the group came to power, since every political theory defines a similar political leadership and decision-making responsibility.

The bulk of the government is said to consist of a large group of public employees - a civil service - who are essentially professional in their outlook and background and who are motivated by the concepts, techniques, and ethics of "management" in their own professions, rather than in that of politics.

In most governments, the political motives and the managerial motives of governance are, in varying degrees, distinct and different. In some governments they are deliberately separate. In most governments, the different motivations produce both attractive cooperation and collaboration and serious disruptive conflict. These relationships are so varied and situational that they are very hard to describe in any general or universal way.

Today governments have emerged in which the older simplicities are long gone, and political and career leaders are struggling to define their respective roles in an increasingly complex set of relationships in which politics and management are really two different ways of dealing with the same responsibilities and programmes.

Present-day government executives must master four mainstreams of managerial knowledge:

(a) The political science/politician mainstream. Professional managers must come to understand and accommodate the motivations, imperatives and techniques of political policy formulation, and the political view of what constitutes effective programme management. Often, this political view is substantially different from that of the professional manager and appears "irrational" in pure management terms. This is the source of a good deal of conflict between the two points of view;

(b) The professional mainstream. Most public managers still derive from the professions such as medicine, law, engineering and education, and from the newer and more generic profession of public administration. They bring their professional ethics,

standards and guidelines along with them when they become public executives and managers. Many of the most important decisions about how to manage public programmes are direct reflections of the standards of these professions;

(c) The public administration mainstream.

Although relatively few public employees are formally trained in public administration, there is nevertheless a body of doctrine and practice stemming from the disciplines of political science and public administration that defines the special conditions and ethics of public service and the standards of conduct appropriate to the exercise of public authority and determines what are the essential differences between governments and the private sector;

(d) The "management" mainstream. Over the past 100 years, there has been an increasing body of theory, doctrine, and practice that has grown up around "management" as a professional discipline and as a distinct approach to the direction and control of all forms of activity, both public and private. In its earlier forms, management theory and practice focused on concerns for the organization of work into specialist tasks which could be highly optimized and on organizational relationships centring around structure, hierarchy, top-down authority, chain of command, and efficiency of technique. These ideas were highly relevant in work situations like production lines which were very routinized and disciplined.

Management theory and practice have evolved in two directions. one is based on the perception that human relationships in institutions are almost always far more significant and important than structure and process. This has led to the recognition that the role of the executive and manager is to find ways to optimize human resources so that individuals can gain the highest order or individual satisfaction and reward. This in turn is seen as causing the individuals to achieve the greatest possible results in terms of the goals and objectives of the institution itself and its leaders.

Secondly, modern management is increasingly seen as "situational" - that is, its best actions prove to be derived from the imperatives of each office in its own real situation, at an actual point in time, and

not from the application of some fixed doctrine or supposed immutable "best" system or practice.

The four mainstreams of managerial knowledge have been drawn together in different ways in government institutions. They present both problems and opportunities for the modern government executive. They are opportunities in the sense that the executive has available to him/her the richest and most varied array of policies and techniques for management of any executives in any environment. Government executives manage government affairs through the direct performance of civil servants; through extensive government contracting; through the use of a wide variety of government-owned or controlled corporations and public enterprises; through the widely varied techniques of public regulation; through the devices of public loans and loan guarantees; through tax policy; and through the issuance of public law and policy that can change how elements of society function.

But this very richness of executive choice is a challenge in itself. Public managers must function within a political system in which their power is so great that it must be constrained in many ways, some of which are dysfunctional to effective management. This is the "trade-off" in guarding public well-being. Government organizations are without doubt the most overwatched and overburdened institutions anywhere.

Many countries are simply too weak economically to generate the revenues for government sufficient to meet all citizen needs, and programme managers are forced to make undesirable compromises in programme delivery in order to survive within the limits of available funds. Poorer governments are also far more likely to be unable to pay the kind of salaries and benefits that would assure a civil service fully staffed and of the highest abilities. Where this is true, the workforce of the Government often consists of too many younger, less experienced, less skilled, or less motivated personnel. This means that far too few senior and experienced leaders must carry far too great a burden, while also attempting to provide for the development of staff.

This shortage of resources and scarcity of experienced talent often makes progress in management reform and programme improvement exceedingly slow to

bring about. The time perceptions are often of real importance. Political leaders, donors of funds, and clientele groups are inevitably impatient for results and are seldom really able to understand why change is so difficult. Truly effective change in developing countries normally requires longer than people expect, and the time periods for development objectives are often set more by a sense of hope and optimism than by operational reality. Finally, one thing seems certain: the pressure for effective government will be greater in the future than it has been in the past. From 1970 to 1984, the outstanding medium- and long-term debt of developing countries increased about 10 times in nominal terms. The rate of debt to gross national product (GNP) in developing countries as a whole more than doubled, from about 14 per cent to around 29-30 per cent.

At the same time, and despite these financial problems, public services have been expanding, and public management has been growing. Increases in services are always highly sensitive and politically charged. The "squeeze" from two directions keeps governments under constant pressure to look for policy or institutional reform, often where none really is possible.

One need only look at trends in world population to grasp what the pressures are likely to become in the future. There are now about 8 billion people in the world - a doubling of world population since 1900. This number will probably double again within the lifetime of the average adult, and up to 90 per cent of the growth will take place in developing countries. It is certain that developing countries will double their populations, from 3.7 billion to about 8 billion people. And there is little hope that this enormous expansion can be supported with present governments and current economic and social groundrules.

The ultimate leadership task in third world countries will be to meet this challenge. First and foremost, it will be a challenge of executive leadership. This study material is an attempt to present practical and feasible ideas about how that leadership can be developed and applied.

Key concepts for personal and institutional leadership

No senior career or political leader ever thinks that he or she will merely "preside". All see themselves as serving at the centre of authority and possessing a vigorous sense of leadership which will permit them to "get things done" and make a real difference.

But no management is more perplexing and frustrating than public management, and both kinds of leaders interpret their leadership potential in different ways. The political appointees regard their political roles and relationships as most important and tend to undervalue the internal managerial role. Careerists rely on their institutional base and their internal knowledge of operations and tend to undervalue the imperatives of the political agenda.

In the worst situations, these two kinds of leaders may become opponents instead of allies and view each other's motives with suspicion and resistance. Failure to find a common purpose is dysfunctional and can impair the success of the agency's work. Both politicians and careerists are accountable to the public, and the highest form of accountability is to provide effective service delivery.

It is not surprising to find that these two groups of leaders see different paths to their goals. Yet, one of the imperatives of public leadership is to see the common objectives of the two paths and make them become mutually self-supporting. This is a form of partnership. The ultimate authority to decide public policy rests with its political partners, but no matter what the form of government, the key to leadership is first and foremost to understand the public needs that justify the programmes of the agency and to devise the means for building consensus behind ways to meet those needs.

While most executives and managers see themselves as strong and innovative, this is not necessarily how the rest of the world sees them. It is perhaps useful to start a discussion of public-sector leadership by taking a frank look at what some of the less flattering studies have to say about executive behaviour:

(a) Leaders tend to be short-sighted. A characteristic commonly attributed to political leaders is that they think only in terms of immediate payoffs and short-term tactics. In elected governments, this is said to be especially true, because there is a compelling need to be responsive to short-term issues of high but brief visibility and to keep voters happy until the next election. Even when such leaders are capable of longer-term thoughtfulness, there is little motivation to invest time and effort in such concerns, and the preoccupation with short-term issues becomes all-consuming;

(b) Leaders are too authoritarian and unreachable. It is probably true that most executives in all kinds of organizations have the reputation of being too aloof, authoritarian, and unapproachable. In many cases, this may simply reflect their total preoccupation with their demanding responsibilities, many of which are never fully understood by the average employee in the organization. Even in private companies, it is becoming clear that such authoritarian aloofness is no longer feasible.

But the exercise of leadership in public organizations is doubly difficult in the sense that leadership must be exercised not only within the organization itself but also outside the agency with power holders in the total environment, and also with the public. Regardless of the form of government - democratic, socialist, communist - those in government authority have special status as holders of power over people, and the people have a strong need to break through the top-down authoritarianism and reach and try to influence the holders of power. Nothing is more corrosive in government than the sense that public officials are remote, unreachable imposers of authority. They are ultimately seen as oppressors;

(c) Leaders are self-serving. Even in representative democracies, where elected leaders are supposed to represent the people and carry out their desires, politicians earn the reputation of being mainly interested in holding power, in advancing their own careers, and in doing only the things that will get them re-elected. Career managers are often also seen as interested only in their careers, resentful of external pressures, resistant to change, and preoccupied with their own bureaucratic procedures;

(d) Leaders are arrogant. Many commenters about government have spoken about the "insolence of office", or the "corruption of power". While it is natural for leaders to be assertive, decisive, and confident in their own authority, at some point, these valuable qualities can exceed the limits considered acceptable in holders of public responsibilities. People expect and want their leaders to be human and humane in their public attitudes and to display more the attitude that public service is a public trust and that public leadership is also public service;

(e) Leaders are passive, insecure. Some leaders decline to lead. They "preside" over their organizations, lacking the strength of will or clarity of understanding to make the tough decisions or the difficult choices necessary to achieving results and keeping the organization moving effectively towards its objectives.

In complex political environments, the inability to lead may be the result of the sharing of power, such that many heads of organizations are unable to lead vigorously even when they are personally capable of doing so. In public organizations, this sharing of power and the conflict between political and career executives has unfortunately led to situations where vigorous leadership is viewed with suspicion and may not even be wanted. Bold ideas or proposals for change may be viewed by career people as risky and unrewarding. In governments where initiative is punished, it is not surprising that governmental executives and managers are not secure in their judgements or attitudes and turn passive or indifferent as a result;

(f) Leaders are secretive, uncommunicative. It has been said that being a public leader is like "living in a glass house" where every action is visible and watched and many people are ready to throw stones. At the same time, however, governments are notorious for concealing their affairs - their motives, their plans and their intended decisions.

In some cases, there are acceptable motives for keeping certain information closely held. Executives may not know the right answers and may need to search and analyse many options, considering and rejecting possibilities before the best answer is recognized. In other cases, when the private views of others are

sought, they must remain secret or they will not be freely given. In many cases, political plans are kept secret in order to avoid having them fall into the hand of political opponents.

But whatever the justification, government officials have a reputation for acting in secret and concealing their intentions from others, and this reputation in itself may create suspicion and opposition.

The above look at executive behaviour i.e. may seem unfair; yet it is a realistic basis for discussion of what constitutes effective leadership in public organizations. It would be naive and misleading for public executives to believe that they can count on public liking and support as they make hard decisions. On the contrary, it is more realistic to understand that governing is always difficult, and often unpopular. People do not have to like their governments, and they do not have to make themselves easy to govern.

One of the greatest challenges for the public executive is to learn how to deal with negative public attitudes, to work to improve them, and to succeed in accomplishing important objectives in the face of them. Public suspicion is a force in the external environment of an institution that must be understood and dealt with. Similarly, the internal management role of the executive may also contain elements of suspicion and conflict with employees and supervisors, and this too requires serious attention and accommodation. The rest of this module outlines some of the most important key elements of the executive leadership role and how to exercise them most effectively.

A key leadership task: defining public needs

Leadership in the political world is often an intense struggle to define and hold one's own policy or management position and to marshal enough influence and support to sustain that position and preserve the capacity of the organization to get things done.

The external environment beyond the executive's own organization is likely to consist of many factions or points of view opposed to the objectives of the

executive. Each conflicting force may claim that it represents the clearest assessment of what is "right" or what is truly needed. The motives may range from a sincere desire to promote the public interest to the exercise of self-serving power. Often the government executive feels helpless or overwhelmed by this conflict and is tempted simply to wait and hope that some "winners" will emerge or some answers will develop.

But no programme manager or political executive can ever afford to abdicate his/her own role in that manner, because to do so might imperil what he/she believes to be best for his own programme. Executives should, instead, lead such debates and find vigorous and compelling ways to advance their own imperatives. Agency executives have strong advantages in such debates. They deal from positions of (varying) strength in their own political structures. They have vital and direct access to the best knowledge of public needs through their own programme outreach. They have the best and most recent knowledge of how programmes are actually working and of what is good or bad about them. And, of greatest importance, they can control the plans of their organization and can place the organization on a course of action that will best meet public needs.

The point here is that seizing and keeping the initiative in defining public needs is a crucial form of public leadership. If the initiative is not maintained, it will slip away into the hands of others, who then appear to be dictating the pace and direction of action by "instructing" the agency on how to perform.

But in order to seize and maintain the initiative, programme leadership must, in fact, be willing to consider changes, large and small, that will make programmes more valuable and responsive. This requires the people within the organization to test or measure the needs themselves constantly and to make realistic judgements about what they learn. Any study of bureaucratic institutions will show how surprisingly difficult it is for an organization to study client needs and be realistic about what is learned. The capacity for self-delusion in organizations is very great, and leadership itself is not immune from it. This often accounts for the fact that people outside a government organization often

see its problems more clearly than those inside. This is why management consultants can come into an organization from the outside and give their customers valuable insights about their own activities.

In summary, public leaders may live in an environment of conflict and confusion, but one of the bedrocks of leadership is to develop and maintain the best and clearest understanding of the public needs that the programme must meet and to use that clarity of understanding to seize and maintain the initiative in defining the programme for the future.

Personal leadership characteristics

There is no clear explanation of why some people are good leaders and most are not. People of intelligence, ability and courage may still not have the capacity or the will to lead and may make their marks in other ways. Nor is there any magic formula or absolute answer about what would be effective leadership in any given circumstance.

Leadership is often "situational" - that is, it is achieved by some combination of the right people at the right time in the kind of organizational setting that calls for, and permits, leadership to be effective. Good leaders tend to be effective wherever they are, but this is by no means always true, and events may frustrate even the most highly skilled leaders.

Nevertheless, there are some personal characteristics of leadership which all leaders can exercise in public organizations and which are likely to enhance their effectiveness:

(a) Lead; don't "preside". It is very difficult to gain an adequate understanding of the dynamics of an organization and to identify the key points at which control of events can be grasped - especially for leaders who come into a government organization from outside. Most institutions are capable of running themselves, however poorly, and will not make it easy for any leader to gain control. There are countless examples in every government of leaders who arrive, succeed in influencing a few key policies or events, and then leave, never having penetrated or even recognized - much less directed - the great bulk of the activities in the life of the organization.

They find that having the title and occupying the office entitles them only to "preside" over the organization. But real leadership must be created through positive, active initiatives that penetrate the life of the institution and find ways to assert some degree of direction over all of its purposes.

(b) Leadership vs. "drivership". Many executives make the mistake of thinking that their own leadership role should consist only of demanding performance by subordinates and driving them to do more. They fail to see that any leadership role must work in both directions. Subordinate managers and supervisors need leaders and have a right to expect their leaders to do many critical things that the subordinates cannot do - to define or approve overall goals for the organization, to make the critical decisions that have not and cannot be delegated, to deal with the environment outside the organization, and to resolve conflict and stalemate within it. True leaders recognize that the surest way to promote leadership and high performance in others is to face up to and perform the leadership that only they themselves can provide. Leadership cannot be "demanded", but it can be motivated and encouraged by example and by genuine direction and guidance from the top.

(c) Be "strategic". Many of the important tasks in any organization or programme are reserved for top leadership. One of the most important is to develop and deploy an overall strategy for the organization - a combination of external and political goals, and internal and managerial tactics that lay out the future of the organization, allocate its resources, and establish its targets and objectives. In most public organizations, authority for this task is deliberately granted solely or primarily to its top leadership; and while subordinate managers can be made part of it, they cannot and should not usurp it.

This arrangement places a premium on the ability of top leadership to fulfil this strategic role on behalf of the whole institution. Whatever the other pressures that the leaders must face, he/she must find the time and the resources to become the strategist for his/her institution, for failure to do so can seriously hamper it and impair its performance. A "strategy" exists for every organization and programme, even if it is informal or poorly

articulated, and even if it is accidental or unintended. Managers want and benefit from positive, clearly articulated, strategic foresight and fear that, if it does not come from their own leaders, a less desirable strategy will be imposed from the outside or from the mere pressure of events.

(d) Cultivate the ability to decide. The sharing of power in government and the unceasing conflicts over public programmes create environments in which choices are seldom clear and the risks of making any decision at all are very high. This environment tends to make leaders diffident about taking the lead in making a decision and uncertain about the consequences of deciding. Yet, almost always, the act of deciding will benefit the performance of the organization and even facilitate public debate. Said another way, there comes a moment when uncertainty becomes too costly and action becomes a necessity. The leader must recognize that moment and somehow develop the means by which needed decisions can be made. It is more than likely that those decisions will require certain skills: focusing the issues clearly, and facilitating or manoeuvring the forces that will build consensus. Leaders must therefore cultivate such skills and build the analytical capability and external relationships to bring them to bear.

What is also needed, however, is the courage and confidence in one's own judgement to make such decisions and liberate the organization from its own uncertainty.

Institutional leadership

A second and very important obligation of leadership is concern for the health, well-being and effectiveness of the institution itself. The whole organization must rely on the leaders for such critical matters as employee development and advancement, the work environment and the capacity of the organization to fulfil its mission. Formal authority is placed deliberately in the hands of a few top officials, usually with wide latitude on how it may be exercised.

Because of this concentration of policy and management authority, most government agencies are very sensitive to their leadership, for good or ill.

A given organization can more or less run by itself, but a very high proportion of any changes must either originate with the top people or be approved by them. This means that the leadership of an institution have an obligation to meet the needs of the institution.

Said another way, there is a lot of attention in political/governmental structures paid to the issues of upward accountability - employees to their superiors, careerists to their appointed political leaders, and executive agencies to heads of State or legislative bodies. But this accountability in reality must flow in both directions. Leaders, both elected and appointed, must come to understand that the institutions they direct are important and valuable in themselves and that they must be deliberately maintained and supported and cannot simply be taken for granted. In their preoccupation with political or policy matters, many public executives undervalue or ignore this second obligation to institutions.

This point in no way reduces the need for upward accountability, but the concept of "two-way accountability" has many leadership dimensions.

Fighting for institutional resources

The ability of any organization to perform well is clearly linked to the resources committed to its performance. Political systems have the unfortunate tendency to promise bigger and better programmes and superior performance while simultaneously neglecting to provide the staff and other resources to make those promises come true. It is not uncommon in government budgeting to see planned increases in programme activity levels in the same documents that propose cutbacks in funds for staff, office space, travel funds, or computer modernization.

These anomalies can seldom be satisfactorily rationalized. Of course, they originate from two separate political motives: programmes increases are proposed because there are advantages in promising more - and in most cases there is genuine public need to justify such increases. But there is also political advantage in cutting administrative budgets and little client pressure to defend against such cuts or to point out how they will be detrimental in the long run. Somehow, budget evaluation never seems able

to link together in one clear presentation the match between larger programme intentions and greater management resources. Government budgets in all countries suffer from this problem. The "excuse" that is often advanced is that agencies are simply losing "fat" from their administrative budgets; the difference will be made up because agencies will be forced to increase their productivity or managers will somehow find ways to be more "efficient".

Programme managers are really caught in the middle in these exchanges, and they have found their own positions very hard to defend. Bureaucracies often are inefficient; some do contain "fat" in their budgets; and most organizations can be made more productive. The difficulty comes in knowing the difference between fat and substance, or in knowing that higher productivity can be achieved only by the investment of more resources. Serious mistakes can be made by leaders who are not sharp enough or sufficiently well motivated to determine where this difference lies.

Thus, leaders should feel obliged to spend enough thought and effort inside the organization to learn where it can be squeezed and where it cannot and to have a clear understanding of where increased output or superior performance can be achieved only with the commitment of greater resources.

Obviously it is easier to play the standard "game" of demanding greater output while cutting budgets, and many passive or indifferent leaders never rise above this level. It is perfectly appropriate for executives to be stringent and tough-minded in scrutinizing budgets and programme performance. But when it is clear that institutional resources are truly needed or that improvements in programme performance really do require more resources, the courageous leader will become an advocate for those resources and fight for them, rather than taking the weak course of least political resistance.

Creating organizational vitality

In every organization, there are two distinct personalities which exist simultaneously and in conflict. One personality can be called the institutional element. The organization and its people seek to be stable and secure; to survive and be

protected; to be comfortable and non-threatening. It is this element of the institution that is most bureaucratic in character and tends to resist change.

But a second element - the instrumental - also exists, and it seeks action and accomplishment. It wants to achieve and succeed and get things done. It is this element that is willing to be bold and innovative and will create or accept change.

Both of these personalities have equal validity and value in the organization and can exist at various levels in various parts of it at the same time. Thus, a project office managing a new construction programme may be highly instrumental in nature - assertive, hard-driving, tied to tight time schedules and impatient with constraining rules and regulations. At the same time, a procurement office may be very institutional - stable, largely based on procedures, oriented towards protection and the maintenance of carefully defined and enforced regulations and preferred processes for doing business.

Most organizations are a complex combination of sub-organizations whose roles may be primarily institutional or instrumental; the best organizations are those that balance the two personalities to best meet their needs. Leaders must learn to judge whether the balance is adequate. If organizations are too passive and bureaucratic, they can be deliberately changed to make them more active and instrumental, and leaders can initiate and direct this shift. For example, it is typical for staff functional offices (i.e. personnel, budget, administration, procurement) to become too protective and constraining and to frustrate the activist elements of the organization. By carefully reviewing their administrative systems and identifying ways to loosen their protective grip and give greater flexibility to managers, leaders can provide a greater latitude for action, without sacrificing their role as institutional stewards of essential protective systems.

As another example, special "project offices" have become a widely accepted organizational device for creating a new dynamic, instrumental unit to pursue challenging projects or objectives, free of the constraints of the more passive parts of the organization. Project offices may be given special powers and authority which they can exercise during

the finite life of a project and which permit them to charge ahead as forcefully as possible, while not permanently usurping or damaging the protective authorities of the organization.

The role of most leaders should be to create and motivate the highest possible level of organizational vitality and to galvanize each element of the institution to perform its designated role at the highest possible level of outcome - not to settle for passive performance. The discussion above gives some insight into why some parts of an organization are more defensive than others, and it points the way towards deliberate strategies for having an impact on each part. In most organizations, it may be possible to shift staff and resources into a stronger array of offices which are highly instrumental and at the "cutting edge", and to reduce or modify those elements that are excessively passive and protective.

Poor countries have poor governments, and poor governments are likely to have weak institutions, or at least institutions that are very underpowered in terms of the demands they face. Weak institutions have the greatest need for strong leadership, because they are more reliant on it and need greater skill in placing scarce talent and resources where they can achieve the highest outcome. In this kind of institutional environment, the capacity to create strong leadership centres of high instrumental capacity is an absolute necessity.

Motivating the "talent base"

The real sources of achievement and success in any organization are its people. To lead means in part to motivate each and every employee to perform consistently at close to the top of his/her own capabilities, but it also means a special attention to the ways in which the institution itself may prevent or constrain individual performance.

One of the perceived characteristics of bureaucracies is that they deaden individual initiative rather than encourage it. Bureaucratic systems and procedures tend to become forces to limit and constrain action rather than to aid and facilitate it. Public administrators are coming to learn that there is a great untapped potential for higher performance and greater programme output in the form

of the talented people in the organization who cannot or will not perform at the top of their potential.

Part of any failure to tap that potential must be attributed to agency leadership. Lack of leadership, spastic and transient interest in management operations, a lack of top-level help and follow-through on management problems - all contribute to lack of motivation on the part of employees to put forth their best efforts. The negative effects of rigid, heavy-handed, centrally controlled management systems frustrate attitudes and constrain productivity.

Instead of systems which unleash and motivate all managers, supervisors and individual employees, agencies slowly and guardedly permit a few limited changes, carefully constrained by central staff "protectors".

Many surveys in governments around the world show that government employees tend to like their jobs and believe them to be important and worth doing. But they also reveal frustration about the workings of management and the feeling that it is burdensome and ultimately negative and stifling, reducing effectiveness. This inevitably results in a loss of interest in higher performance or the adaptation to change.

The most powerful answer to this sense of frustration and lack of motivation seems to lie in the ability of agency leadership to create a new environment which seeks to shift the personality of the institution away from central process control and into the hands of a more motivated corps of agency managers and supervisors, all of whom are free to maximize their own performance and that of their workers. If the talent base of the agency can be empowered to affect its performance, enormous organizational and personal benefits become very achievable.

Leaders must realize that such a challenge to their management involves a belief that what results will be constructive. The great fear in governments is that greater freedom for managers will result in poor use of authority or greater mismanagement, including waste, fraud or the abuse of power.

But experience has shown that protective controls such as inspectors auditors and investigators - while very needed to guard the integrity of government agencies - cannot really prevent mismanagement and certainly cannot create managerial excellence. Only when motivations for honesty and excellence are positively created in the minds and hearts of all employees of the institution will there be a full and genuine curtailment of incompetent management in every sense of the term.

Achieving effective programme management

The most important responsibility of a public programme manager and the highest form of accountability of that manager to the public he/she serves are to deliver the results of the programme effectively.

"Programme" management in this sense is distinguished from the management of administrative systems, and it deals with the exercise of direct responsibility for the end products of the organization - i.e., the management of a hospital, the development and enforcement of a public regulation, the construction of a highway or water treatment facility, the provision of police protection, the delivery of retirement benefit checks to recipients, or the supervision of a national banking system.

Just as political officers are the keystone of the public policy formulation process, programme managers are the keystone of the effective implementation of the public's business. Such managers normally are, or should be, trained and experienced in the planning, direction and control of complex activities requiring knowledge of the concepts and skills of management. They may be either political or career people; the compelling issue is whether they are skilled in management.

In most governments, programme executives and managers tend to be career professionals. Their management skills need not necessarily be learned in government, but they must have a willingness and ability to function in the public sector and accommodate well to the special conditions that public management imposes; outsiders coming into government

cannot function well unless they are willing to master these public-sector management demands.

This section diagnoses some of the main problems of programme managers and discusses some of the most important roles, approaches and techniques successfully employed to produce a high likelihood of programme success.

The politics of programme management

The importance of public programmes and their high visibility and public value means that their management will be shared by political leaders and professional managers. This will be true irrespective of the nature or structure of the political system in a country and must be recognized as a critical part of programme management.

The key management role that the political leadership will almost always insist on controlling is that of interpretation and definition of the public need. This is the basic starting point for the design of public programmes and for the definition of their long-term purposes and even short-term goals and objectives. Politicians bring to this programme definition role a different and broader perspective than a professional manager might bring, and that broader perspective is very necessary in both initial programme design and in continuing management operation. Keeping a programme closely linked to changing public need is a vital executive role.

Most current management thinking and research concentrates on internal management of the organization and how to optimize its performance and programme output, and this is appropriate. Internal attention usually includes ways to anticipate events so that internal adaptation can be made or ways to avoid or control external pressures that disrupt or complicate the functioning of the organization. Thus, most organizations have a tendency to "internalize" their management and make it less vulnerable to its external environment.

But public organizations are seldom able to do this or to recognize that strong external influences are a necessary part of the total responsibilities of programme managers, and it is their positive obligation to their programme to accept and understand

these external environmental influences and to devise management concepts and systems that accommodate them.

The most important of these external environmental influences by far are national changes in society - economic, social, political - that any require the management of the programme itself to change. It is a principal responsibility of the political leadership in a country to track and understand societal changes and to "translate" them into policy changes with respect to the design of public programmes and the methods of their implementation. Most political leaders are well aware of this role and guard it carefully, but in the best of government worlds, the professional career programme manager should also be involved in tracking such changes and in devising strategies to accommodate them, not leaving that task to the political leadership alone. The total job of the programme manager thus involves dealing with the external elements just as much as the internal elements.

This sharing of programme management between the internal and external worlds and between the professional manager and the politician has proved to be a complex and difficult problem in governments all over the world. Political leaders bring a different set of motivations to this shared responsibility than do professional managers, and the political system frequently acts in ways that, in "pure" management terms, can be both confusing and dysfunctional. The more serious and complex the problem, the greater the pressure on the political system to propose or promise broader and more far-reaching solutions which the public and leaders in society outside of government will perceive to be adequate in scope to "solve" the public need.

It is scarcely surprising that many such promises later prove to be difficult or impossible to keep. Yet they are made highly visible and become expectations in the minds of the public. Programme managers then find themselves in the position of "middlemen", being judged on how well they meet public expectations.

There is a second major barrier to successful relationships between politicians and management leaders in programme design and management. It is the fact that, all too often, neither group understands

the real imperatives of the other. Professional managers may fail to recognize that political leadership must deal with many urgent needs other than those of their own programmes. Or they may not fully recognize the great difficulty and political risk of mandating taxes on a population that may be poor and struggling and that may not trust the government or fully understand its value. Managers tend to see their relations with the political leadership as a form of "contract" in which the needs of their programme are determined and stated; they then feel that they have the right to expect the resources to be forthcoming. But political systems are not like that, and nowhere is there a government that is capable of guaranteeing such a stable agreement about support of programmes.

In turn, it is unfortunately true that political leaders (whether elected or appointed) seldom really understand (or even care about) hands-on programme management and what it takes to make programmes function effectively. This can have two serious consequences. First, political leaders may fail to understand the degree to which they themselves are part of programme management. They undervalue this responsibility in favour of the pleasures and arts of policy formulation and debate, and they fail to support and assist the "on-the-line" programme manager in the execution of his role, even when such top-level backing is critical to programme accomplishment. Secondly, it is very typical in governments for the political leadership, particularly in legislative bodies, to become preoccupied with "accountability" and oversight. These are fundamental elements of every governmental system, regardless of its philosophy or structure, and each has devised its own form of oversight mechanisms, some better than others. The real issue therefore is not whether such mechanisms should exist but how they are applied; and further, to recognize that in too many situations, they are applied in ways that have a negative impact on the ability of programme managers to manage effectively.

In public management environments, such oversight is often too detailed and stringent and places an excessive burden on the line programme manager. The demand for "accountability" can become so intense that it shifts real authority and flexibility out of the hands of the programme manager

and up into higher levels of the political structure where even quite detailed elements of programme management are inappropriately controlled by political officers. It is probably a reasonable generalization to say that most political leaders simply do not understand management concepts, theories and realities. This emphasizes the importance of placing in the hands of programme managers sufficient authority to decide and flexibility to act. Failure to provide that authority can hamstring programme managers and hurt programme performance. Thus, the theories of political accountability and managerial authority can often be at serious odds with each other.

Programme management: a realistic diagnosis

If there is a realistic way to start understanding the management of public programmes, especially in poor countries, it would be to recognize that such programmes are likely to be underfunded and understaffed, and unlikely to be meeting the demands and expectations that society places on them. Most private profit-making corporations can limit the provision of their goods or services to those elements of society likely to yield a profit, but governments do not have that latitude. Certainly, the best governments do not, because they are motivated by a sense of equal service to all who are eligible. Thus, public hospitals can't limit their services to the rich but must extend their help to all who are sick, even when they cannot pay. Schools teach the rich and poor alike, as well as the smart and the dull. Public highways must serve the whole country and not just preferred locations.

But these realities place impossible demands on programmes. All young people cannot really be given a college education; all elderly cannot be comfortably retired; all illnesses cannot be successfully cured. In other cases, the highest source of frustration is the suspicion that public programmes might be delivered more effectively and successfully were it not for limitations on funding or the fact that the country is unable or unwilling to solve funding limitations.

The importance of this reasoning is that public programmes function in an environment where they will never be able fully to deliver what the public needs

and thus will constantly be seen as falling short of some conceptual "perfection". It is often the case that critics of government are inclined to compare the performance of a programme to some unattainable standard rather than evaluate it against the standard of how well the programme performs, given the realities of its resources and support.

Of equal significance in understanding public progress is to recognize how enormously complex most of them are. Many of the most difficult and insoluble needs of a country are the responsibilities of its government, and many of those needs cannot even be clearly defined or have agreed-upon goals established for them. How much health care is enough, and who is able to say which health needs are to be met and which will be ignored? Where does a government stop in its commitment to educate its people? Who can say how much economic development is enough? Any time a government enters into an area of national life like housing, agricultural development or resource development, there is an almost inevitable tendency to expect that the government role will grow and deepen. Once a government begins to help certain specific interests in society, other interests begin to say "if them, why not us?"

To go further, more and more governments in the world are finding that the growth and expansion and penetration of government is coming up against another limiting factor - the growing concern that government will become too powerful and too interventionist and ultimately paternalistic or autocratic. Even in rich countries where the government has proved to be successful in delivering the important public programmes, the fear remains the government will overpower the people and that the values of government will be overbalanced by its oppressiveness.

To continue this diagnosis, one need only think in terms of what bureaucracies in most countries are really like. Critics outside of government tend to dwell on how governments fail to perform or to meet public expectations. Those inside government tend to see their own serious efforts, hard work, and strong motivation to meet public needs. But they also see more realistically the limits within their own systems that prevent higher levels of success. Most bureaucracies, especially in poor countries, are simply not experienced enough or sophisticated enough

to deliver fully satisfactory programmes, even if they are not resource-constrained. The kinds of highly developed "comprehensive" executive skills needed to manage highly complex public programmes are very rare in any society, and it is especially rare to find skilled people who are willing to brave the rigours of public service. Therefore, most public programmes must be designed for implementation with a very thin layer of sophisticated top-level talents. Thus, the performance of the leadership corps of government executives and managers is exceptionally crucial and under intense pressure.

It is probably true that too high a proportion of public bureaucracies is poorly paid, understaffed, indifferently supported, and thin in places where high technical and managerial skills are in the greatest demand. This, in turn, means that staffs will be poorly motivated: they perceive themselves to be neglected or undervalued in the "system", poorly recognized for their efforts, and oppressed by their work environment.

Every government can and does have public programmes that are shining refutations of these generalizations and serve their public with a high order of success, but few public leaders should count on this. It is better and more realistic to seek to learn how to succeed as an executive or manager in the "worst-case" environment and to master the skills of how to move in the direction of higher performance by making the maximum feasible use of a limited and constrained base of talent and resources.

The problems of programme design

Any public programme must function in a political environment in which the political leadership makes the ultimate policy decisions. This is especially true where a new public programme is being created. Nevertheless, there is an important and often neglected role for public programme executives and managers in the government as such new programmes are evolving. Those individuals will probably have the best professional and institutional knowledge of how to make any programme most effective when initiated and how to achieve the maximum feasible programme result at the lowest cost, consistent with standards of quality and service.

Often, however, the political leadership will not appreciate this fact and will make decisions about the design of a new programme without consulting programme management experts. The political leadership tends to believe that, if the policies and intent of a programme are satisfactorily framed, effective delivery will follow as a matter of course. But the history of every government is replete with serious examples where this has not been true. Bad programme design can hamper or even destroy the effectiveness of the programme during its implementation, thus frustrating the best intentions of the political decision makers.

This is a management "truth" that applies in every government, irrespective of its political philosophy, structure, stability, or comparative wealth. It places two responsibilities on the principal actors in the programme design process:

(a) The political leaders, wherever they are placed, must accept the concept that programme design must include realistic assessment of how the programme will actually be implemented and they must be willing to build such considerations into the design itself. Such attention to implementation has valuable political advantages, if properly understood and accommodated. Effective design will more than likely help to ensure that programme results will be targeted to the segment of society that most needs its benefits, and thus the values of the programme will not be dissipated or wasted. There is the high likelihood that effective programme design will permit swifter initial implementation and reduce confusion, delay, and insurmountable barriers to effective service delivery. An effective design will certainly reduce programme costs and earn public confidence that the government is acting prudently and effectively. Finally, if a programme is properly designed in the first place, there is less likelihood that there will be embarrassing mistakes or "corrections" necessary in the future;

(b) Similarly, there is an obligation on the part of professional programme managers to insist on an opportunity to participate in the programme design, even if they are not wanted or sought out by the political decision makers. This is seldom easy and can often be risky and unsuccessful, but managers should nevertheless make serious efforts to be heard.

Politicians may well argue that the policy issues are already too complex or that implementation issues may suggest higher costs which are difficult to justify in an environment of scarce money and high competition from other public programmes, but these arguments can be refuted.

Professional managers can facilitate policy debates by becoming reliable providers of education for the decision makers, in the form of facts and analyses about organization management alternatives. Governments would be well advised to provide mechanisms for this education to take place. It can be driven home most forcefully by being conducted in the context of alternative cost consequences. At the very least, the educational process should identify the absolute minimum amount of resources - money, staffing, authority, organization - that will be needed for the programme to succeed. Failure to understand this minimum and to provide for it can doom a new programme even before it starts. A safe bridge or food for a starving child or medical treatment for the sick cannot be provided without an understanding of this essential concept. It is likely that the basic minimum requirement can best be defined by the professional manager on behalf of the political leaders. This illustrates why the professional manager has a special obligation to provide, explain and justify an assessment and even to fight for it if it appears that the political decision makers will not accept it. The executive/manager must often play the role of the "realist" in the debate.

At the next level, beyond the absolute minimum, there is usually a wide range of further alternatives for the design of programmes dealing with levels of service or help, the need for "quality" beyond the minimum, or for added features of the programme of varied value. The programme manager should help to define these options, or alternatives, with concentration on those elements that offer the greatest potential for improving programme performance or outcome. For example, what features would a State-owned airline need to add beyond basics in order to compete for passengers; or what supporting facilities would be needed to upgrade a public health programme? In public housing, are there amenities that can and should be afforded beyond basic structures? If so, what, and why, and how much? Many such improvements beyond the basic may be deemed

necessities, such as safety features on public buses or staffs to insure enforcement of vital public regulations.

At a further level of programme design consideration is the question of how much "quality" or "excellence" society can afford in public programmes. Programme managers must not fall into the professional trap of believing that if they could achieve superior results, the government would necessarily want them or fund them. In public programmes, there is little tolerance for opulence or "gold-plating" in order to impress. Every improvement beyond the needful must be debated and justified, and it is up to the professional programme manager to be frank about such issues. There is in every professional bureaucracy a strong urge to want to enhance the condition of its citizens and a strong professional urge to be seen to excel or to "deliver" in a superior manner. This urge must be curbed in favour of frank and searching decision about affordable quality for each public product or service.

Key roles of the programme manager

All executives and managers must recognize that they alone can play certain roles in their organizations. These include:

- (a) Giving direction to the institution;
- (b) Thinking through its problems and alternatives;
- (c) Setting objectives and pushing for their achievement;
- (d) Marshalling and deploying people and resources;
- (e) Directing and motivating employees;
- (f) Guiding and correcting the functioning of the institution;
- (g) Maximizing results;
- (h) Accounting for the performance of the organization back to the political leadership.

The section below discusses some of these key roles and how they can most effectively be achieved.

Setting goals and working for programme stability

In every organization it is exceedingly hard to foresee the future and predict the flow of future events. But managers have a continuing obligation to try and do just that, because anticipation of future change permits executives to initiate their own changes to keep up with their external world.

This need is particularly acute in countries where there is a high order of instability - political, economic, or social. Programme managers are usually not able to control these external changes and may have to rely on other parts of their organization (i.e., a planning office) or on their political leadership to help them understand and "track" important changes.

Programmes must be planned and managed as long-term activities. Some, like hospitals or schools, are perpetual. Others, like construction projects or economic development projects, may have finite time-limits, but those usually extend over many years. A lack of stability in the provision of resources or in the consistency of programme direction can have a serious impact on such long-term ventures. Lack of stability in financing, sharp budget cutbacks or periods of budget underfunding, shifts in programme emphasis, and other instabilities can cause havoc to stable programme delivery. Often, political leaders who are preoccupied with issues of short-term politics do not understand or appreciate the damaging nature of instability. If instability is protracted, the consequences can be very serious. It can lead to frequent redirection of the programme, the need for costly redefinition and rejustification of the programme with a great deal of uncertainty about whether the new leadership will agree with the previous definition. This can mean extended periods of uncertainty in the minds of programme managers about the fate of their programmes and even about their own situations. Protracted uncertainty of this kind increases the sense of risk for the manager and can stultify the sense of initiative and assertiveness for the whole programme.

There are several measures that must be taken to defend against such uncertainty. First and foremost is a clearly defined statement of programme goals and objectives and a clear formal programme plan. These are things that can be advanced to new leaders for their response and used as a basis for swift reaction. Vagueness and muddle coming from the programme manager is likely to produce vagueness and/or delay on the part of political decision makers. Lack of clarity can be interpreted as a suspicion that something is being concealed.

Another measure of real value is for the programme manager to make serious effort to educate new leaders. It is simply realistic to recognize that a new minister may not understand the programme very well and may also not be equipped to understand the management needs of the programme. If anyone should make a first move to overcome this lack of understanding, it should be the programme manager. Failure to meet this obligation can lead to protracted periods of uncertainty or even to potentially bad decisions.

While good management information and reporting of date to top management is very necessary, it is probably true that the education of new political leaders will be achieved not by reports but by personal contact and discussion. Many successful programme managers make regular monthly programme management presentations or reviews in which ministry and other top people are shown reliable, consistent summaries of critical programme events and are given a chance to discuss them. These reviews can also be valuable to the programme manager in pressing his own needs for decisions.

Optimizing programme outcome

The most important task of programme managers - and the one that justifies their existence - is to manage the programme effectively and optimize programme outcome - not just units or output but real results that are effective in terms of the purpose and objectives of the programme. The most tragic failures for programme managers arise when they work hard and effectively to deliver the wrong things or dissipate public funds and staff effort on trivial or marginal results.

In the design of public programmes, serious issues almost always exist between professional managers and political leaders, and it is the political leadership that are likely to be in control, with their own motives foremost. At the very least, they will insist on interpreting the public need. They will also control funding availability and will introduce important factors dealing with public equity about which managers may have concern. For example, in the operation of a public bus service, the professional manager might confine service to the most heavily populated routes in order to optimize ridership and hold down costs. But the political leader might insist on service that goes into all areas of a city, even where this is "unprofitable" in pure management terms.

In addition, political leaders will demand that many forms of oversight and accountability be built into the programme design. They will be conservative about programme activities, even when, at the same time, they might be bold about policies or programme concepts.

At the heart of programme management is the need for constant, persistent, consistent attention and pressure on the institution to deliver results and meet defined objectives. Despite the importance of planning, the real job of managers boils down to paying constant attention to the effective flow of events in their organizations and to making a series of short-term decisions, modifications, dispute and crisis resolutions, and ad hoc changes aimed at keeping the institution dynamic.

But keeping the organization active and hard at work is not necessarily enough. It must also be kept focused on those outcomes that are of greatest value and payoff. It would be tragic, especially in poor governments with limited resources, to permit the organization to wander off into marginal activities or to waste scarce resources and effort on the wrong kinds of results.

The importance of cost control

There is no arena of programme management that is riskier than that of the control of programme costs, and this is especially true in areas like development management which are inherently large,

expensive, fast-moving, and subject to wide cost variances. There is also no arena in which a programme can lose public confidence more thoroughly or programme managers lose their reputations more swiftly. Cost control is not just the need to account for expenditures. It is far more fundamental, and it requires a firm understanding of the major elements of cost in a programme and how each must be controlled. For example, for most programmes, labour costs are a high proportion of total costs, and employment of unneeded people is not only very costly in current terms but proves to be difficult to deal with over time, since it is much easier to put people on the payroll than to remove them.

Cost control is therefore linked to effective operational planning. When programme plans are complete and thorough and when adherence to these plans is well disciplined, then the likelihood of adhering to planned costs is greatly enhanced.

This responsibility is often made difficult by the problems of cost estimation. It is simply very difficult under the best of circumstances to estimate future costs, and the more uncertainty existing in the programme, the more likely it is that future cost estimates will be inaccurate to some degree. This difficulty is not an argument against strong planning/cost estimation. It is a compelling argument for a steady, reliable cost estimation/cost control process that can be regularly updated and adjusted, as new and more accurate cost information is obtained.

There is an unfortunate tendency in public management environments to contribute to these difficulties of cost estimation - especially at the initiation of a new programme or project. A new economic development project, for example, will be surrounded by uncertainties about whether it is designed properly. In this uncertainty, there is a tendency to understate the likely cost in order to minimize the political difficulties of "selling" the programme. This tendency is always dangerous and often fatal, because, at some point, the realities of the actual cost will become known and there will be a sense that decision makers were either deluded themselves or sought to delude the public. Many so-called "cost overruns" are really symptoms of the fact that real costs were initially understated. But

it will appear to the public that programme managers are failing to do their jobs properly.

These problems of cost reality are much compounded in such things as development projects where there may be layers of government offices, contractors, subcontractors and suppliers. At each level there are natural motives on the part of managers to resist oversight, keep their data to themselves, and put the best face on their operations. It is the obligation of programme managers to cut through this resistance and put together the clearest possible picture of the actual costs of programme work.

The special problem of cost overruns

A special dilemma facing programme managers in every government is that of overruns of estimated costs. These problems can come about because original cost estimates were not sufficiently accurate or complete; they can also arise from unanticipated increases in inflation, or the costs of resources; or they can stem from inadequacies in programme management. It is also a hard truth that sometimes overruns are a reflection of the fact that politically it is often tempting to underestimate the cost of a programme or specific project so that it can be sold politically; programme managers often play this game themselves. But when reality catches up, the public embarrassment of a project overrun forces governments to pay for their capitulation. In any event, the great threat, especially in relatively poor governments, is that there are no funds to cover the overrun, and if the programme is to proceed, either services must be drastically curtailed or funds must be diverted from other vital programmes.

Overruns can also occur because of mismanagement or because of genuine difficulties in the conduct of complex, dynamic work. To avoid overruns, the programme manager should use any of the following devices:

(a) Maintain an "early warning" system to identify incipient cost overrun situations;

(b) Devise a complete overrun prevention plan to attack the overrun as early as possible. This should include special efforts to diagnose the root causes of overrun situations;

(c) Develop incentive/penalty techniques to motivate subordinate managers to take appropriate action;

(d) Use "change control" techniques to avoid the consequences of costly mid-project changes and "tinkering";

(e) Establish mandated productivity enhancement programmes to get the most out of all funds. These programmes, especially, need to be built into contracts and grants, where possible;

(f) Establish a fixed government investment for contracts and development grants in which it is made clear that no further funds will be provided beyond the initial funding. This will have the effect of creating strong motivations for tighter control of costs on the part of recipients;

(g) Give programme managers more latitude to shift funds from low-value activities to high-value activities. The technical authorities of fund transfers and reprogramming of money are politically sensitive but are valuable management tools for coping with unanticipated costs.

Scheduling problems

It is absolutely necessary in all forms of management endeavour to establish specific schedules for the delivery of results. Organizations need and benefit greatly from this discipline, even when they don't like it. This is equally true for a construction project, a new school building, or completion of the draft of a new government regulation. The discipline of setting a schedule is of heightened importance when the manager is dealing with younger or less experienced - or less well trained employees - because they may not feel confident in their own judgement or may be diffident about exposing their work to their superiors, and thus may tend to hang on to things too long.

Schedules are also critical when there are tendencies for bureaucratic delay or conflicts of technical or managerial judgement within the organization, or even when some element in the organization wants deliberately to hold up action to plead its own position.

There is no schedule control system that can preclude or even anticipate all of the events that might occur to delay programmes - genuine emergencies, unanticipated events, external interventions, failures of performance, or just plain mistakes. But this fact simply heightens the need for a disciplined schedule control system, and many such systems have been developed for large-scale programmes of all kinds. The programme manager should adopt and install one of these systems and then enforce it vigorously. If he does not do so, he can be certain that it will be neglected and schedules will begin to slip. It is a brutal fact of life that once schedules begin to deteriorate, the problems that the slippages cause tend to multiply and affect later decisions in the sequence of programme events. Once this form of deterioration occurs, it is exceptionally difficult to correct.

Schedule control is immutably linked to cost control. The longer a project takes to complete, the more it will cost. That is, if a project scheduled for one year and costing \$1 million is allowed to slip, each added month will mean that added costs will be incurred for the same result. This is not only a waste of scarce funds, but it may even mean that added funds will have to be taken from some other important programme, and painful decisions are forced back on the political leadership.

Technical performance

After cost and schedule control, the greatest imperative of programme managers is technical performance - that is, doing a job with adequate technical skill - be it teaching a child, treating a patient, constructing a highway. This is also a "quality control" issue. Is the performance of the activity or facility in accordance with planned or intended standards of quality, timeliness, and effectiveness?

Technical performance in programmes such as school systems, research laboratories, or operating theatres is very largely a function of the technical qualifications of the professional people involved. In projects such as facility construction, manufacturing plants, or water supply systems, the technical performance is also a function of design, testing, manufacture, and installation, and those are subject to intense management control in order to assure their technical performance and reliability. That control has been advanced to a high degree in engineering and construction management. Many of the techniques can be adopted for use in other kinds of programmes. Perhaps the greatest lesson is that the quality of a programme is not guaranteed even when the work is in the hands of highly skilled people; when less skilled employees are used, the need for a deliberate and effectively used quality control system is mandatory.

Programme evaluation

The manager of a public programme has at least four compelling reasons to evaluate his/her programme:

(a) To meet the professional need to achieve performance effectiveness - to fulfil one's own obligations to manage well and to meet the public's expectations for effective programme delivery;

(b) To provide realistic and complete accountability within the political system. Nobody likes to have someone else exercising such oversight, but this is an absolute necessity in governments. If programme managers do not evaluate their own performance, others eventually will. It is better to do it yourself than to have outsiders (auditors, legislative bodies, the press, public) "uncover" problems. Concealment is almost always bad in the end;

(c) To generate the justification for internal corrections or improvements, and the sooner the better. It is a serious abrogation of public authority to let potential improvements in public service languish for months or years because of a lack of will or skill in implementing them;

(d) To justify a return to the political level to seek help. Most public administrators don't like to admit they are wrong, or did not do the best thing the first time. But the ability to identify improvements and get them adopted is a vital element of any public programme, and one of the characteristics of the professional manager. Managers must recognize that significant changes can't be unilaterally undertaken. They must be taken back into the political arena for debate, especially where significant funding will be required. Therefore, programme managers must find ways to convert programme evaluations into the substance of new political consideration. Failure to do this can subject the programme to later political attack which can damage programme credibility and invite further external intervention.

Programme evaluations must be as frank and realistic as possible. There is no purpose served if internal managers delude themselves or their superiors when programmes are implemented by third parties outside the immediate organization - for example, a contractor undertaking a development project for a ministry - then the point of concentration for evaluation should be the performance of the contractor, and not just the ministry's internal staff. The main elements of such evaluations should be cost, schedule and technical performance, and the most effective technique seems to be a form of formal programme review, held at regular intervals (once a month or once a quarter). Such face-to-face reviews are more productive than the mere submission of reports, and they tend to be more humane and less bureaucratic. Their regular, continuing nature permits data to be compared from time period to time period, which is very revealing about actual accomplishment as opposed to intentions or expectations.

Programme accountability and reporting back

Every programme manager, whether enthusiastic or not, is well advised to take the initiative in developing genuinely helpful and timely ways to report back to the political leadership - to keep them fully and currently informed. This obligation is often resisted, because it may invite some intervention on the part of the leaders, but in the last analysis, such regular accountability is less risky than failure

to report. The programme manager always has problems to be solved, and some of those problems will be beyond his capacity to solve by himself. The help of his superiors will be needed, and it is advisable to bring problems forward frankly in a controlled environment for decision-making.

It is important to accept the premise that "accountability", which is most often regarded as a "bottom up" responsibility, is in fact a two-way responsibility. That is, a minister or other senior official should not just demand accountability from programme managers but should also recognize that he has his own obligation to act on what he hears and to support the programme, justify it, work for its success and make the necessary decisions, seeking necessary support for it in the external environment. One-way accountability is the enemy of frankness and openness. Political leaders must learn that using the processes of accountability only to criticize or to intimidate programme people leads to concealment, passivity, and the death of initiative. Two-way accountability can become a means for real team-building, cooperative efforts to solve problems, and greater confidence and mutual understanding in the exercise of mutual roles.

Planning as executive power

Planning is a powerful tool of executive leadership and management. Every level in an organization will, of necessity, have to do some form of planning, but planning has its greatest value and impact in the hands of an organization's executive leadership. It has so many valid purposes and can accomplish such a wide range of critical things that it often represents the most powerful tool available to executives, both within their organization and in dealing with the external environment.

And yet planning in the public sector has not risen to the high level of acceptability that it has achieved in the private sector, nor have public executives shown the same degree of skill in using it. This is true, in part, because the planning role is, as with so many other elements of public management, a shared role between political leadership and professional managers, and the motivations of these two kinds of leaders may be significantly different. Politicians generally want to be foresighted and to anticipate and plan for ways to deal with future threats or opportunities, but they are often resistant to structured and institutionalized planning coming from central planning organizations or from the ministries of government. They prefer to rely on the more familiar techniques of political bargaining, negotiation, and compromise which are the tools of political decision-making and are unwilling to rely on plans that seem to them technocratic devices which might constrain their bargaining.

Programme managers, on the other hand, tend to see planning as an institutional necessity - in many ways, the heart of the executive and managerial role. They find great value in the very institutional strength and reliability of the planning process which politicians are reluctant to accept. Thus, even where government organizations have created effective planning systems, there remains the problem of making planning acceptable to national political leadership. Too often, even well conceived and well articulated plans prove to be sterile and academic because they do not gain genuine acceptance in the give-and-take of political negotiation. When this happens, there is usually a related inability to link plans effectively with the political delivery systems of legislative authorization and budget formulation. Therefore, a

plan is not a plan until it is politically accepted and incorporated into the approved policies and resource allocations of the government's decision-making, and plans cannot be used by government executives for their purposes until this approval has been received.

In some governments, such approval cannot be achieved. In others, planning emerges from the political processes only partially and incompletely - so modified that its intent and values are heavily qualified and fragmented, and its capacities as a tool for programme implementation significantly diminished.

The actual results of the efforts made to gain political acceptance of executive planning and foresight are very much a function of how each government works, but there are many ways in which public executives in any government can improve their success. The starting point of this discussion should be the conviction that public planning can be valid and necessary in meeting both political and managerial imperatives, and that there are no insurmountable barriers to gaining mutual acceptance by both groups. But the history of public-sector planning also makes it clear that this is a difficult and sophisticated responsibility for both, and will not necessarily be successful.

Legislative bodies and political leaders almost always attempt planning at the level of broad sweeping schemes for major issues of national importance. But when it comes to making up explicit guidelines for the implementation of those broad schemes, the initiative must shift to agency executive leadership. This is especially true in poorer countries, because they have a compelling need to avoid the intolerable waste of public resources being misdirected. Poor countries cannot afford to dissipate the time, money, and governmental energy in stalemates, inconclusive results, or costly and inefficient reversals or abandonments of hard fought government initiatives.

Foresightedness and dealing with the external environment

Attempting to anticipate the future - a universal task for any executive - has proved difficult and often unreliable, especially in time-frames beyond two or three years. Executives

have learned not to place too much reliance on long-range projections of future events, especially in volatile economies or countries of heightened political instability. Many development projects, for example, have been undertaken in response to predictions of future markets or economic trends that never materialized or never lived up to their expectations. These inherent difficulties naturally have made public executives cynical about such future projections and wary of their use.

This wariness is undeniably warranted but should not become an excuse for abandoning strategic planning entirely. Most public programmes must be managed towards long-term results. Many require years of effort and commitment, working towards long-term objectives that permit focusing scarce resources on those outcomes which will best meet urgent and unavoidable public needs. Indeed, strategic thinking and planning is most critical in poorer countries which are not able to shrug off costly misdirections or provide new funding to recover lost initiatives.

Thus, like it or not, public executives must find a basis for reasonably reliable strategic planning so that they obtain the best possible grasp of what is likely to happen in political, social and economic spheres and so that they can interpret those future trends into an assessment of the effect they will have on the objectives and implementing strategies of the executives' own institutions. Executives have learned that this responsibility is primarily their own obligation and cannot be left solely to a professional planning office, even when it is a highly capable one. That is, a planning office can provide reliable data and an analysis and interpretation of likely future events, but it is seldom capable of seeing the kinds of threats or opportunities that can only be recognized by executive leadership who understand the whole environment of the programme and the external forces to which it must respond.

There are a number of critical opportunities for the uses of sound strategic planning in the hands of skilled executives:

(a) First and foremost, executives can and should shape their view of likely future events into the assessments needed to educate their own political

leadership. If there are future threats or better opportunities, the programme manager is almost always better positioned if he/she takes the initiative in making them known and understood in the top levels of government. And that includes the opportunity to accompany this "early warning" educational process with well designed proposals for meeting perceived threats or seizing perceived opportunities. This is one of the best ways to bring political motives and the management motives of executives into mutual focus and agreement. Public leadership is never better than when both can be seen as on top of tides running in public affairs and doing something about them in a timely fashion;

(b) This kind of foresight results in the development of a revised set of programme directions, and programme managers should not resist this process of political/managerial negotiation. In the end, it is far better to cause it, and to play a strong role in doing it well, than it is to be passive or to see change forced on the programme at later stages from the outside and in crisis conditions. Crisis responses in public programmes can often result in the programme manager playing a diminished role in what becomes essentially a political solution. Strategic planning is therefore an important way in which programme managers can maintain their credibility and involvement in the policy formulation process and in retaining as much as possible their own voice in the decisions that emerge;

(c) Programme managers should also recognize that any significant changes in their programmes stemming from shifts in future needs will require a period of time for education and persuasion and the creation of a new consensus for acceptance of change. This consensus-building is one of the most important roles of the political actors, and the more time and help they are given to go through the process, the better it is likely to be for all concerned. Political leadership needs clear, persuasive strategic analysis for this purpose, and it needs specific proposals about the best courses of action to sell those who must be persuaded. This is true under any form of government, whether it is the reaction of voters or of factions holding power in society.

As consensus is built, some of the conflicts in a given political/social environment will be resolved

or at least neutralized, thus reducing the likelihood of future resistance or stalemate in the implementation of changes.

Central governments in countries with weak private sectors nevertheless need to find better ways of bringing private-sector organizations into agreement with public programmes and of winning their support. Strategic planning is surely one of the best forums for accomplishing this purpose. Central governments also tend to outpace or overpower subnational units of state/provisional or local governments; but even where such local governments are weak, they should not be ignored, and whatever their implementing roles may be, those roles are likely to be better performed if local leaders become involved with and committed to new programme policies and strategies.

Strategic planning that is well grounded in the most realistic perceptions of future need also has the strong advantage of focusing debate on the most likely solutions. This focusing tends to reduce diffuse consideration of untenable alternatives, advocacy of less realistic "wish lists" from uninformed politicians or advocates, unrealistic sterile utopianism, and proposals that cannot be adequately funded.

At the same time, proposals arising out of strategic planning must avoid the mistake of being too rigid or even of being too specific. Many political leaders do not like overly structured professional planning, where the planners insist that they are "right" and their plans must be accepted. When agency executives advance planning proposals into the political arena, they should not only understand the need for flexibility in the ensuing negotiations but should have a good grasp of the range of their own flexibilities - where they can make concessions in their position, and to what extent. These "fall back" positions are a key skill in the arts of political negotiation.

Driving the internal performance of the organization

The goals and objectives of an organization will emerge from the broad strategic planning and political negotiation processes described above. The primary goals must be translated into secondary objectives -

implementation processes - and it is a key obligation of executive leadership to direct this translation. The key point here is to understand that the translation of policy strategies into operational planning should be seen by executives as opportunities and not just as onerous chores to be left to subordinates. Some executives unfortunately have a tendency to concentrate only on the excitement of policy and ignore the internal management role. But if top leaders are going to do more than "preside" as figureheads in their own organization, they must grasp and use the power of operational or tactical planning and use it to drive the organization and make it perform up to its best levels of productivity and accomplishment.

The results of public policy formulation and decision-making are often messy and confusing; they may conflict with existing policies or processes, or be vague, incomplete and difficult to implement. They may appear to demand more ambitious resources than can realistically be expected to be authorized. Political guidance is notorious for its failure to provide the money and staff to carry out its ambitions.

In such an environment, it is imperative for the executive and management groups to find a realistic way to sort out what can be implemented and to get it into action as soon as possible to avoid frustrating the national or client interest created by the excitement of the policy debate. A certain amount of disillusion is likely, but the greatest disillusionment - and the one that produces the most serious repercussions - is created when no action results.

The ability to control second-level policy planning and operational planning within each government agency is a precious advantage for the manager and should be utilized to its fullest. Planning is essentially a management tool and not a political technique, and where an agency executive is smart enough and swift enough, he may seize the initiative and become the force which controls much of the policy formulation agenda through the planning process. Programme managers must find better ways to convert their intimate knowledge of their programmes into this kind of policy/planning leadership. Thus, as managers develop plans, they cannot and should not keep them a secret. Instead, they should deliberately

shape them as a strong resource in public debate and education, aimed at building ultimate political and public consensus. This is true even if public debate forces a degree of compromise and concessions on the programme manager, because consensus is all important, and it is better to make concessions that achieve acceptance than to risk having disgruntled opponents who can hinder the programme later.

One means that has grown in value in many countries is the use of a prestigious outside "national commission" of leading citizens (or officials) as a vehicle for development of policy or planning proposals. Such commissions may work well if there are sharp and irreconcilable differences between strong political points of view and the political resistance is too great to produce consensus. They should not be "packed", nor should efforts be made to prejudice their conclusions. Their value is not merely to represent the opposing interests on an issue in a new forum but to come up with new solutions to break the political impasse.

Programme managers also find that a carefully controlled planning process is an excellent means for dealing with competitive or conflicting proposals coming from political sources, from bidders for contracts, or from seekers of grants.

For example, a United States transit agency gives grants to cities for the improvement of mass transit systems. It found that it was sometimes pressed to consider two or more proposals coming separately from competing groups in a city. As a national government agency, it experienced great risk and confusion in trying to decide which group to deal with and which proposals to take seriously. Its solution was to require single applications, involving all of the official interests, in which all feasible alternatives were presented and analysed. This "alternatives analysis" planning process stabilized the local political competition and assured the national government agency that all feasible possibilities were being properly considered.

Some of the major ways in which the power of planning can be used to control the internal performance of the organization are discussed below.

Converting policy into action

Public managers recognize that where a political system authorizes new programmes or makes substantial modifications of existing programmes, the change is likely to be expressed in general terms, and there are important second- and third-level efforts needed to convert it into more explicit courses of action. The first need is to convert broad policy into second-level policies which provide more detailed policy guidance for the organization. The deeper policy base then must be converted into operational planning, which has several purposes:

(a) To set international goals for the programme - for the next year, and for three to four years beyond. In finite projects, this is an excellent point at which to lay out detailed objectives and time targets for the whole project to its completion, officially reflecting any changes in original proposals caused by the political decisions;

(b) To link planning with service delivery realities. These decision-making processes often contain expressed goals or intentions that are more hope than fact or that propose levels of accomplishment that can't really be achieved with available resources. Internal programme managers can't afford to accept these unrealities, and they are key people in "cutting and fitting" the hopes to fit what can actually be done. In other words, it is as important at this point to be realistic about what cannot be done, as it is to plan what can be done. This step will probably become the starting point for "feedback" to top management about any critical resource shortages that may constrain programme accomplishment. The emphasis here is on the risk of not identifying these unrealities at the beginning and hoping somehow that they will work themselves out later. Most of the time they won't, and they will come back to haunt the programme manager later when there is less time to do something about them;

(c) Most organizations need to be forced to do second- and third-level planning to link their own "personal" plans and tactics to those of the overall institutional framework and to reveal their own plans instead of keeping them tightly held. This forcing is not popular, but the need for open and integrated

planning outweighs the tendencies of subordinate officers to protect their own positions;

(d) This planning sequence really emphasizes the urgent need to make second- and third-level managers the real planners in the organization and get them to agree to contribute to overall planning rather than to see it as something imposed on them.

One increasingly valuable tool at this stage of planning is deliberately to seek out external groups or other government offices that need to be involved in the implementation of the programme. This may include working participants such as contractors of grantees and also the beneficiaries of the programme. These voices may be either supportive or critical of the programme. Becoming participants in the planning effort lets them get their concerns across at a point when they can have the most value. This is likely to move them in the direction of support rather than opposition.

Building internal consensus

The executive leadership should be aware of the fact that most of the people in the organization simply do not understand what is going on at the top and what the policies and intentions are that the leadership are pursuing. Much of what may seem resistance in an organization is simply this lack of clear understanding. Therefore, a well-articulated plan which is formally made known within the organization will be seen as positive evidence of leadership and will be a more valuable form of guidance than occasional, random policy utterances. Employees do not like the feeling that the intentions of the top leadership are being concealed or that leaders do not think it worthwhile to tell employees what is intended. Announced plans form the basis around which consensus and agreement can be built within the organization. Employees feel "consulted", and each can better understand where his/her job fits into a more broadly conceived whole. Guidance tends to become direction. As each manager and staff official understands the plan, each can exercise his/her own initiative to do the next level of planning, consistent with the overall scheme. Even when people disagree with some element of the plan, the need to reach consensus draws them out and lets top management deal with the disagreements rather than

let them remain as festering sources of opposition or discontent. Such drawing out may often terminate or neutralize competing proposals or conflicts by showing employees that decisions have already been made, that further debate is not timely, and their support is now required.

Driving the organization

When employees are given clear and integrated direction in the form of a plan, executives have a clearer basis on which to demand the best possible response by their subordinates. Employees also have a clear basis on which to lay out their own action programmes and targets. They have less reason to argue or hesitate, and more reason to forge ahead. Executives can then demand action and set specific targets and time-frames. In cases where third-party management is involved, government managers can demand the same discipline from them. All of the disciplines of scheduling, ordering subsequent events and performance compliance, and the actual completion of work can be laid out in more detail. Managers can be held accountable for results, which can be compared in an orderly and documented way, using the plan as a benchmark for evaluation, rather than random and poorly understood bits and pieces. Thus, a good plan becomes key to the whole process of performance evaluation, because it answers the question: "evaluation against what?"

But this value is multiplied if performance evaluation is also accepted as a way to identify where performance is not meeting expectations or where events are unfolding in ways that the initial planning did not anticipate. Performance evaluation is often an "early warning" by which executives may learn where changes are required in the planning base. No plan should be so rigid or so strongly defended that it refuses to concede to the imposition of the "real world" facts of life.

The "early warning" aspect of performance evaluation may have another meaning. It may show that whereas the plan is sound and should stand, subordinate managers are not skilled enough or forceful enough to produce the necessary results. In that case, top leadership may have given themselves enough time and factual basis for deciding that changes in key personnel may have to be made.

Driving budget preparation

The ideal relationship in any organization - as defined by the best management theory and the best practical management experience - is one in which planning drives budget formulation and not the other way around. Unfortunately, it is common reality, especially in government organizations, that this ideal doesn't exist. The imperatives of the budget process make it so powerful that it overwhelms the better judgement of managers and becomes the determining factor in defining what a programme can really accomplish.

Nevertheless, no programme manager should ever concede this pattern. She should continue as much as possible to insist that programme imperatives are more crucial to programme success and valuable payoff for the organization than short-term budget compromises. The existence of a strong front-end programme planning process is the best defence in protecting the programme. In the absence of programme planning, the budget becomes the planning vehicle by default. In fact, in many instances, the absence of planning leaves the budget as the only plan. But bad budgeting distorts programme goals, undervalues the need for resources to optimize performance, and in the end is almost never cost-effective.

Where programme plans are well formulated, they can and should be used by agency and programme managers as guidance for the budget formulation process. This enhances the likelihood that the budget estimates which are prepared will come as close as possible to meeting planning objectives. Where reductions in estimates become necessary, they should be designed by programme managers and not budget examiners. Only programme managers have knowledge of where such cuts can be absorbed with the least damage. If cuts are very deep, so that the programme itself must be modified, they must be debated and agreed to first, outside the budget process, by programme managers and top agency leadership. When the modifications are agreed to, their budget consequences can be determined and a revised budget prepared. The role of the budget officer in this sequence is to advise the leadership about fund availability and limitations and to assist it in computing the costs of various programme alternatives. The budget role is not to demand that the programme be forced into

compliance with some arbitrary budget ceilings or constraints.

Similarly, in internal discussions as to how to bring programme costs down within available funds, a great deal of latitude should be given to programme managers to decide, in a balanced way, how to make cutbacks. The budget system should not create artificial cutback standards (i.e., an across-the-board percentage cut in personnel or a mandatory reduction in equipment purchases) which simply form barriers to rational programme decision-making. If the programme managers cannot be trusted to meet their obligations to determine cuts in their own programmes, they should be directed to do so, or be replaced. The budget process can be used as a forcing factor to make programme managers make decisions, but it should not be used as a vehicle to usurp their authority.

Role of the executive in management effectiveness

Most management theory about how to achieve high management effectiveness seems to assume that managers are free to improve their own performance and that the funds for management improvement will somehow be made available if they can be properly justified. But the starting point for any discussion of public programme management, especially in poorer countries, must be the recognition that in many governments public programmes are almost always unable to meet current public demand and will probably remain so. Thus, the management of these programmes is always "behind the power curve", constantly being tested against demands that can never be satisfied.

In addition, the "worst case" condition is that funds will constantly be in short supply, the staff of public agencies will be inadequate, and management will spend a good deal of their time "allocating scarcity" in deciding where to concentrate their limited resources and effort.

Therefore, the real definition of "management effectiveness" under these conditions is not a theoretical concept about the application of the most sophisticated and expensive management tools and techniques but rather how to concentrate limited resources on things that will provide the most effective service delivery, and this must be done

within a system that often applies political criteria rather than management criteria in deciding how the programme must operate. The paramount obligation of the programme manager is to maximize realistic, relevant service delivery, whatever the odds.

Any discussion of how to achieve management effectiveness should therefore start from a "worst case" scenario. Part of the worst case is the state of public staff and resources: one assumes that they are inadequate and that there will be constant problems and pressures because of the inadequacies.

There is a continuous interplay between those in the decision-making process who must provide money and who tend to feel that demands for "more" are somehow excessive; and those who present those requirements and tend to feel that those who control funds never fully understand them. But failure to provide adequate resources is often not a lack of understanding but a genuine inadequacy of resources, even where their need is fully accepted. There are "games" played within any bureaucracy about budget estimates and staffing allocations, but there is a consistent pattern of understaffing and underfunding in most governments.

There is an equally serious tendency in hard press organizations of government to be unable or unwilling to afford enough of the higher levels of skills; to have to rely on too many of the marginally skilled in filling the staff; and in being unable to afford the means to build the skills of those people who are already employed.

In such overburdened organizations, the consequence is not likely to be the achievement of uniform excellence. Rather, it will mean the expenditure of all of the energies of the institution in simply keeping up with the most imperative elements of day-to-day operations. There can still be performance of a very high order, but it is a portrait of organizations of limited effectiveness that do not have much capacity for significant self-improvement.

In this environment, many public bureaucracies have earned reputations for the following failings:

(a) Poor performance: a failure to meet the full range of public needs or to deliver adequate

service, stemming from lack of resources, lack of skill or motivation, and the problems of understaffing;

(b) Undue delay in getting action or completing administrative processes;

(c) Inability to plan adequately or anticipate problems;

(d) Inability to change or adjust to shifts in needs. In many cases, there may be a failure to understand that change is occurring and a tendency to cling too long to outdated policies or processes;

(e) Failure to make, follow, and enforce clear policies and rules, which confuses the recipients of support and raises questions about the fairness and equity of government treatment;

(f) Susceptibility to outside pressure, undue influence, or cooperation by special interests;

(g) Lack of sufficient skills or experience in the provision of services;

(h) Waste of scarce resources through fraud, theft, abuse of authority, corruption, or simple mismanagement;

(i) Indifference to the public; lack of sympathy, courtesy, or the desire to provide good service.

This assessment is not an indictment of the public service; it is intended to be realistic about what needs to be dealt with and to set the stage for discussing how problems can be solved. Few organizations want to admit or face up to their problems, nor do politicians want to admit that programmes that they sponsored and endorsed are not perfectly successful. It is not sufficient simply to list the various diagnoses, because they are symptoms of deeper impediments to effective management in government. It is necessary to study deeper issues in order to improve management effectiveness.

What are some of the most important issues that act as impediments to effective management?

Uncertain mandates

It is perhaps inherent in any political system that the definition of a public programme will be general and often vague and uncertain. Part of this uncertainty stems from the imponderability of many public programmes, where there is no clear "right" answer or total solution. How to control inflation, how to provide a university education, how to pay for catastrophic illness, how to do away with crime: these are questions with no definite answers.

But general and uncertain political policy formulation creates a gap that needs to be filled, to the extent possible, in the form of second- and third-level policy and programme definition that answers such questions as What is really wanted or needed? What results are actually expected? How should results be achieved?

While policy leaders can live with these uncertainties, managers find it very difficult to do so. Programme executives must therefore take the initiative to fill the "mandate gap" and eliminate vagueness where possible, either through their own authority to formulate second- and third-level programme policy and objectives or by returning to the political leadership and requesting greater clarity and precision of definition. The best tools for this work are the planning system and the deliberate generation of specific policy position papers which analyse the next-level policy needs and stake out defined policy positions. There is great value in making external interests (citizen groups, beneficiaries, private-sector leaders) a part of this process of firming up the programme mandate, goals and objectives.

Government complexity

Most governments over the past 20-30 years have been "growth industries". They have expanded their roles, broadened their responsibilities and deepened their impact. This has added so much to the complexity of government that it has been difficult for the work force to keep up.

Many public policy problems have no real solution, or the solutions are beyond the capacity of available resources. Some problems require years and

years of effort in order to be solved, and the public can be very impatient for faster answers. This means that public managers are often in an almost untenable position: the public expects more from their programmes than they can ever deliver. Where politicians or managers make promises without thinking about the feasibility of implementation, they simply add to their burdens by creating public expectations that cannot be met.

How can this growth in complexity be dealt with?

Both legislators/policy makers and operating officials must learn to accept the fact that government systems have a tendency to make larger commitments than they can fulfil. Somehow they must be educated to resist the tendency to write vague, hopeful, "promissory" notes on the future. Politicians and executives must work more closely together to reflect the limits of operational reality in the policy and planning processes.

Complexity itself is an issue. Bureaucracies tend to add more and more detailed commitments to their roles - many of which are marginal in value. Bureaucracies can and should adopt a new philosophy - especially in poor countries and overburdened governments - that "simpler is better" and "complexity is the enemy of effectiveness". Clean, simple programmes that concentrate on the essential needs for service delivery and strip away the marginal, the ineffective, and the unimportant are ultimately far better public programmes and are easier to justify.

Peter Drucker, the noted American management expert, says that failure to abolish non-performing programmes and programme elements accounts for many of our worst (public) problems and that failure to learn from results may very well, tomorrow, endanger programme performance.

Service institutions need, he claims, to be subjected to performance tests. They need people who focus on performance and results.

Demand for "equity" in public programmes

It is right to insist that all recipients of public programme benefits be treated fairly and equitably - that all people or organizations in the

same circumstances receive the same benefits. But public programmes are full of examples where differences in the status of people or institutions warrant different treatment by government. For example, difference in assistance made available for poor people as opposed to those with adequate incomes; or small businesses vs. big businesses. When public policy demands that all people be treated "equally", this is often interpreted to mean that they all must be treated the same. This is not correct, and such an interpretation drastically reduces the effectiveness of programme managers. It hinders the use of skills and knowledge of real public needs to design and implement programme elements that take into account real differences in those needs and make more precise and effective assistance available. In the United States, for example, formula grants to the 50 states have often resulted in the states with the greater need getting too little, while other states get too much.

Programme managers should insist that they be given the programme authority and flexibility to "put the money where the problems are" - to improve programme effectiveness by using their skills and programme knowledge to make these sensitive but valuable categorical decisions. In the last analysis, this is the greatest programme "equity" of all.

Shared responsibility and accountability

One of the most vexing problems of governments throughout the world is inherent in the fact of shared responsibility in public programme authority. Even in countries without effective legislative bodies, this sharing of authority exists, and what often emerges is that shared authority means that nobody is really in charge and nobody is quite sure who is accountable for results. Diffusion, confused authority, and muddled accountability can thus mean no accountability.

It is argued that this sharing of authority is inherently desirable since it is a means to diffuse political power and give more elements in society a role in determining the course of government action. Professional programme managers do not seek to influence this issue except to the extent that they do not want to be left without adequate authority to execute their defined role as implementers of public programmes. Said another way, it is detrimental to

programme effectiveness if the political system fails to allot to managers enough power to do their jobs and produce programme results.

Centralist responsibility

In the face of these accountability/responsibility problems and the other uncertainties of government administration, many governments believe that the right course of action is to rely heavily on a few central officials or organizations of government to exercise heavily "centralist" control over the total government apparatus.

This centralist tendency seems to be regarded as the best means to improve responsiveness to central direction and accountability of ministries and agencies to central authority. But managers point out that if such central control is excessive and/or unwisely applied, it can have serious negative impact on the motives and reactions of executives and managers all over the government establishment. Central control automatically creates a vested interest in control systems and procedures and a rigidity in attitude about changing these procedures.

If central agencies overcontrol and become preoccupied with control systems, managers and employees become frustrated, feeling that they have lost an essential degree of their own authority to systems controls that are too remote and unreachable. As a result, they feel that "the system" reduces their own effectiveness and impairs their ability to serve the public.

The critical elements of leadership in management appear to wither in the fact of a preoccupation with process. The picture that emerges is not just a loss of authority but a loss of motivation towards high performance or adaptation to change. Management systems are not management! Systems regulations and constraints can help avoid some negative results, but they cannot produce achievement and success. All too often, the history of centralist government control is that overregulated and overburdened processes have stifled individual enthusiasm and initiative and have substituted rigid central control for individual flexibility and innovation.

These tendencies to overcentralization can be avoided or reduced in the following ways:

(a) Work towards policies at the general government level which deliberately point central agencies and authorities away from detailed regulation and control of the internal operations of agencies and towards management policy leadership and performance evaluation. These two roles are the legitimate responsibilities of central staffs and can be of great value in sharpening agency performance;

(b) It has proved very beneficial for top leadership in governments to "set the tone" for their civil service by frequent statements that they encourage high performance and that efforts of individuals to improve management are wanted and encouraged. But these expressions must be sincere and they must be accompanied by actions which show that the leadership is willing to consider changes in central management systems to respond to good ideas and suggestions for systems improvement;

(c) Serious effort must be constantly made to keep central management systems simple, understandable, free of bureaucratic detail, and quick and easy to implement. Nothing in government has become so symbolic of "bureaucracy" than its failure to keep its own management systems effective. This is particularly true of external systems which affect the public (such as applications for benefits, approvals of all kinds, or the application of governmental regulations), and it is true in all forms of government.

Government executives should pay far greater attention to the details of how each programme is delivered. Nothing will serve the public more directly than to have these delivery services operate simply and swiftly, and nothing hurts the reputation of a programme and its managers more than when this fails to be true.

But this point is important: efforts to keep governments processes effective must be deliberate and constant. There must be some person or organizational element in every agency that is responsible for leading this constant effort to streamline and simplify all management systems, both internal and external. Top leadership must continue to help this

kind of initiative. No one expects state ministers to spend much time on such process matters, but at least they can signal support and give occasional backing so that people throughout the organization are forced to take such efforts seriously;

(d) The internal leadership for keeping management effectiveness in high gear must be line managers; it probably can never be staff officers who supervise management systems. The greatest potential for releasing a government bureaucracy from the grip of overburdened and overregulated systems is to place a whole new concentration and emphasis on optimizing the role of the manager. Centrally directed projects for reform should be designed to encourage and support a far larger set of initiatives throughout all agencies of the government, but in the hands of, and under the direction of, the local managers who are directly in control of operations and who should know best how their operations need to be improved.

This does not mean that central agencies or directors should abdicate their responsibilities for central direction. What it really means is that their control ought not to be exercised over detailed operations but should be elevated to a more sophisticated level of policy direction and setting of government-wide objectives. The ability of central authority to provide this kind of guidance and direction is the hallmark of executive success - not their ability to meddle in details.

Strictness of legal constraints

There is another characteristic of government administrative systems which is very complex and difficult to describe but which has serious consequences for management effectiveness. There is a tendency in legal oversight to demand that once a requirement is formally directed (in statute, by regulation, or by executive command) it is necessary to further elaborate legal or regulatory forms for enforcing strict compliance with such initial direction. Thus, a statute which defines the general purpose and objectives of a new regulatory authority seems inevitably to lead to additional, more specific and categorical regulations defining ever more detailed procedures and requirements. This in turn requires the enforcement mechanisms to secure compliance with such procedures.

This same thing happens with the creation of a new programme. The law will usually provide a general definition of purpose and intent, and the specifics are left to programme managers to work out. But in fact, there is a history of substantial additions made to such laws where political leaders choose to delve into procedural details - in part to "lock in" procedures of which they approve and in part to "lock out" processes or decisions that they do not like.

The point is that governments are beginning to realize how extensively this kind of more specific management concerns has been absorbed and rather rigidly mandated in law and regulation, and how the loss of this flexibility tends to hurt the role of the manager. Instead of simple management systems and processes under the managers' own control, programme managers often face a body of far more complex processes, defined to meet political concerns, which are imbedded in law or regulation in such a way that they are extremely difficult to change. The more that laws penetrate operational systems and the more that these laws mandate strict procedural adherence to rigid controls, then the more difficult it will become for managers to exercise any ability to change their programmes to meet changes in public need.

It appears to be relatively rare to find political leaders and lawmakers who have the experience to understand and appreciate the need for management leadership and operational management decision-making. When lawmakers are uneducated, indifferent, or even hostile to such needs, the career staff become very reactive to these attitudes and come to believe that their advocacy of management reform is likely to fall on deaf ears, or even to be highly risky.

The only approach likely to succeed in improving this pattern of political rigidity is an educational and persuasive one. That is, those executives and managers of government programmes whose performance is really impaired by this statutory or regulatory rigidity must somehow find a way to show lawmakers and decision-makers how what they do can hurt the achievement of best results in programmes and their delivery to the public. Often, programme managers are seen merely as "bureaucrats" and are not believed; they are suspected of merely trying to ease their own burdens. In these cases, it is often those outside of

government who are adversely affected and who become increasingly frustrated and unable to understand why decisive action is so slow or why needed changes never seem to get made, who may become better "educators" of the political leadership than government officers and may be valuable resources for programme managers to cultivate.

Service delivery assessment

Just as executives in an agency must apply strong continuous pressure to simplify and improve management systems, so also must they constantly evaluate the performance of their major programme activities. The real purpose of such evaluation is not to refine internal administrative practices. Instead, it must be constantly oriented towards real impacts outside the agency. The real basis of programme evaluation is not staffing or computer utilization or organizational structure but whether clients are effectively served, patients treated, unemployment reduced, roads built, students taught ... or whether a thousand other programmes had successful outcomes.

One important new approach to this evaluation of programmes has been extensively developed in the United States Department of Health and Human Services, under the title of "Service delivery assessment". It started from the premise that the size and complex nature of the Department's many programmes and the many organizational layers between the Secretary and the actual delivery services were preventing him from personally understanding how well service delivery was taking place. There was a sense of frustration that the agency's own managers, for various reasons, were too protective of their positions and were unwilling and unable to be sufficiently frank and revealing about how well their programmes were performing, especially if there were problems.

The Secretary initiated a series of special service delivery assessment teams, made up of talented people from the Department itself but not from the specific programme to be studied. The teams went into the field and studied programme performance directly. They did not rely on paper studies, audits, international statistics, or even the views of the managers directly responsible for the programme. Their loyalty was to the Secretary, and they delivered

their evaluations directly to him without prior review by programme managers or staff offices in the Department. In some cases, the presentations to the Secretary were private. In others, they were made at staff meetings, and programme officials were present.

The value of this service delivery assessment programme proved to be two-fold. First, by going directly to the actual point of service delivery and talking to people most involved (both government supervisors and affected citizens), evaluations were more real and practical and often more penetrating and revealing. Secondly, by bringing the assessments directly to the Secretary, the teams cut through many layers of internal control which tended to soften, blur or even eliminate much of the hard reality of programme assessments in the past.

This process had another invaluable consequence. It made clear that the top political leader of the Department was serious about wanting to know how well the services of the organization he directed were being delivered. It gave high credibility and impact to the whole business of programme evaluation and made it clear that frank programme evaluation was a required obligation of programme managers all over the Department. It also dislodged some of the old inertia not to evaluate or not to reveal the results of evaluations to the top leadership.

This process was often difficult or embarrassing within the organization. Many programme managers felt that it showed lack of confidence in their stewardship. And yet, these managers had all along been subject to external evaluation in the form of auditors, budget reviews, and other forms of oversight. After a time, the discipline of more open and insightful evaluation was more fully accepted and became a regular part of the normal programme management process of accounting to agency leadership.

Vulnerability assessment

The United States Government is committed to a programme for the assessment of its programmes that has proved to have both political and general management acceptance. It is called the Vulnerability Assessment Programme, and it arose from three growing perceptions:

(a) Most management systems developed by managers for their own programmes were initially designed to get the work done and were not really designed to protect against fraud, waste, failure to implement mandated processes correctly, or even simple mismanagement. It was found that many of the failures of these systems were because they were so vulnerable to misuse;

(b) Even systems that were well designed initially deteriorated with age and from uncoordinated changes which were allowed to creep in. Therefore, it was felt that a thorough reassessment would bring these systems back up to full effectiveness;

(c) The introduction of new computer technology and the changes in systems and controls to take advantage of the technology had made most processes an ineffective patchwork of old and new elements.

There was a strong political concern that administrative and management systems were too vulnerable to misuse and that a comprehensive programme of correction was called for. A new statute mandated that each agency undertake such a programme under the banner of "vulnerability assessment". What it has involved is a careful step-by-step review and analysis of all major systems and procedures of an agency that involves the use of funds or the commitment of decisions or actions by the agency. Its central concern is with financial transactions. When and by what authority can an agency commit itself to the expenditure of money? What are the steps by which funds are obligated, committed, approved, certified, expended, and audited? In what ways are each of these steps vulnerable to some form of misuse? Are protective measures against fraud or theft adequate to prevent these actions? How would those who want to misuse a process go about doing so? How could systems be made invulnerable to such misuse?

Within each agency, every programme manager and director of an administrative office has the primary responsibility for conducting this kind of vulnerability assessment. Thus, each manager has an opportunity to put his programme through this discipline and discover how his/her own programme is vulnerable. But in order to make the whole agency assessment comprehensive and sufficiently rigorous, it has proved usual for the Inspector-General or the

chief auditor to supervise the programme for the whole agency and assure the agency head that the programme managers have been sufficiently zealous and penetrating in their analysis. It is a formal responsibility of the agency head, defined by law, to report the results of these vulnerability assessments to the Congress each year and to certify in writing that his internal management procedures are no longer vulnerable or that corrective action is under way. Not unexpectedly, there have been some problems with this kind of venture. Some agencies have been accused of generating more bureaucratic paperwork than real penetrating assessment. Others have paid lip service to the practice but have been weak in their execution of it. In some notable cases, agencies have experienced very serious problems with fraud or theft, even after conducting a vulnerability assessment. But overall, it is felt that the concept of vulnerability assessment has provided a valuable central theme around which to build an important management-effectiveness tool for those executives with the courage and the motivation to use it.

The special case of retrenchment,
or "cutback", management

Governments are not able to avoid situations in which programmes must be retrenched, or cut back, in scope or impact. This is a world-wide government problem, and even relatively rich countries experience it from time to time. But its impact is most serious and difficult in poor countries which have less margin for error and where shifts in economic tides can force drastic, rather than marginal, retrenchment.

In situations where some form of retrenchment is likely to be forced on a government, there is a tendency to forget some facts of life about how feasible such cutbacks may be. There are two arenas in which retrenchment can be applied - in programmes, and in institutional and administrative costs. As in the rest of this discussion, "programmes" means the substance of government activities, such as schools, roads, hospitals, pension benefits and so forth. Administrative costs apply to staffs, buildings, maintenance, supplies and equipment, travel, and the other costs of sustaining the operations of government. It is obvious that public pressure and political choice would much rather see cuts taken in

administrative costs, but there is a real limit to such squeezing, and this limit is reached very quickly in poorer governments. It is bitterly ironic that the best managed and most cost-effective organizations in any government - those institutions that keep themselves most efficient and fat-free - run the risk of being the worst hurt in any serious cutback.

A similar logic runs in substantive programme areas as well. Those that have most closely and carefully linked themselves to the most important needs and have avoided an overburden of marginal or wasteful activities are the very programmes that risk being damaged by indiscriminate cutback pressures.

This argues the need for two important understandings about the feasibility of retrenchment, and the application of retrenchment.

First, it is false to believe that serious shortfalls of revenue for government activities can ever be met solely by cutbacks in administrative or institutional costs. Administrative reform cannot finance budget deficits, because they are a relatively small percentage of total government expenditures. If the political leadership does not understand this fact, they may be tempted to think that they can avoid the political risks of cutting programmes by making disastrous cuts in management capability. Programme managers often feel helpless and ignored this kind of crisis, but in fact it is urgently important that programme managers construct their own defense against the threat of unwarranted cutbacks.

In the fact of retrenchment threats, what can programme managers do?

They can develop and advance special and more forceful explanations of the importance of their administrative resources in the execution of the programmes themselves. Clearly, a hospital cannot operate at all if it has no doctors or nurses, but only programme managers have the expertise to show how even small reductions of staff result in deterioration of some elements of hospital capability and quality. What elements of service must be sacrificed and how deeply service will be hurt are technical and managerial assessments that programme managers have every right to define in their own defense. The purpose of such a defense may be to persuade decision

makers that no substantial retrenchment is feasible. Or it may be to make it as clear as possible what the real consequences of cutbacks would be at various levels, so that the political consequences can be understood.

Ultimately, it may be necessary in any government to face up to a retrenchment. At that point, the programme manager must be prepared to meet this need with a strategy or plan for mitigating its impact.

To some extent, the adverse impact of mandated retrenchment can be lessened by the designation by the agency head of a special cutback management official to head a planning and implementation effort. The following represents several key elements of what cutback management should try to accomplish:

(a) A cutback management officer, if used, should be senior enough to exert real leadership, should report directly to the agency head, and should be given power to make many decisions within the organization below the level of the most important. But essentially a cutback manager's most important role would be that of inducing all other managers in the organization to face up to hard retrenchment decisions;

(b) A system must be set up at the beginning of any cutback effort which makes it clear that actual cutback accomplishment will be pressed, and that subordinate managers will be held accountable for making serious efforts to achieve concrete results. The longer it takes to make any cutback, the worse the pain will ultimately be;

(c) Sometimes outside support, temporary help, or outside consultants can be used for limited periods either to help the programme manager plan his strategy or to provide temporary help in service delivery. In other cases, shifting of personnel (with or without retraining) can fill critical service delivery gaps and make sure that key performance is maintained;

(d) To the extent that flexibility exists, consideration should be given to whether cutbacks should be made "across the board", or through targeted cuts on a programme-by-programme basis. In all cases,

even targeted cuts that are mission-threatening must be avoided at all costs;

(e) In all cases, the actual savings that are possible or likely must be closely calculated. Where two cuts of equal seriousness are possible, the one that yields the greater saving may become the necessary choice;

(f) In other cases, temporary terminations of work for finite time periods may be possible and save enough to avoid permanent termination in the long term;

(g) Top level officials should not assume that they are smart enough to decide where cuts should be taken. Listen to the concerns and recommendations of field level operating managers, whenever possible. This point assumes, however, that these subordinate managers are properly motivated to face up to the need to act responsibly and are not wilfully trying to avoid responsibility or obstruct the retrenchment;

(h) There must be a full and frank determination of which activities are really crucial and which are of secondary priority. It should also be determined which activities the organization does most effectively and which are less well done. Activities with a consistently poor level of achievement may be relatively more expendable. No activity, however time-honoured, should be left unscrutinized. Some activities may be interrupted for a period of time without fatal results. Programmes which serve a relatively small or less critical clientele may warrant a lower priority for retention;

(i) Finally, it should be recognized that any significant cutback will be perceived by managers and employees alike as both personal and organizational threats. Protected uncertainty and confusion can only breed a loss of motivation and a deterioration of performance at the worst possible time in the life of the organization. Every effort must be made to make the impact as clear as possible, to involve people in planning and implementation discussions, and to set definite time-frames in which important actions will be in force. A return to "normal" programme operations, as soon as possible, will reduce the total retrenchment impact.

Notes

1/ Herman Kahn and B. Bruce-Biggs, Things to Come (New York, Macmillan, 1972), p. 88.

EXERCISES

Key concepts for personal and institutional leadership

Discussion topics

1. Delve more deeply into the differences in philosophy and motivation between political leaders and professional career leaders:

(a) Their values and sense of their roles;

(b) Their rewards and payoffs;

(c) An inventory of best and worst political attitudes about management matters and how they differ from professional managers' motives.

2. The text notes that political officers usually need to be educated about understanding and paying more attention to management matters. What if they simply refuse to become interested? What strategies and techniques can be developed to break through their indifference?

3. Consider further how public programme leaders can deal with external forces (public, business companies, client groups) and make them more supportive of the objectives of their programmes.

Case-studies

1. Devise a scenario for a transition of (political) power in a government; develop a strategy for career managers who want to promote and facilitate a good, swiftly evolving relationship with the new political leadership. This exercise can be conducted as follows:

(a) The group can be divided into teams with different targets. For example [for the information of the instructor], the following teams are recommended:

Team one: Prepare an outline of the kinds of leadership, direction and coordination systems that should be used between the political leadership and the senior career managers.

Team two: Prepare the outline of a briefing for the new political leadership on current unresolved problems, "hot" issues, critical events for the first 60 days of new administration.

Team three: Planning; prepare a briefing on the planning system and a summary of current plans in force, with discussion of whether the plans and system will be retained or changed.

Team four: Prepare a briefing outline for current and future organization, management, and human resource issues, problems, and recommended solutions.

(b) Each team then can present its proposals to the full group for discussion, critique, and suggestions.

2. Consider the case of professional programme managers in an agency who are not being consulted on policy questions and are being shut out of policy decisions. What strategies could they use to reinsert themselves into the policy discussions?

[For guidance of the instructor: Potential solutions include the following:

(a) Conduct of regular staff meetings as means to exchange views between political and career leadership;

(b) Use of budget review sessions to iron out differences of view;

(c) Use of planning system, need to set plans for the agency and its programmes;

(d) Development (either solicited or unsolicited) of special policy papers to force consideration of policy problems, and get answers on new policy;

(e) Deliberate scheduling of special meetings with clientele groups to get reactions on their issues;

(f) Scheduling programme review meetings with contractor management to achieve agreement on management problems;

(g) Use of special consultant studies or other evaluations to achieve policy agreement.]

Achieving effective programme management

Discussion topics

1. How can politicians be made more interested in and knowledgeable about the practical problems of programme management?

2. Discuss some of the elements of programme design that can prove harmful to programme implementation.

3. Discuss the best ways to keep political leadership informed, with a minimum risk of losing control of future planning.

4. Discuss in more depth techniques for enforcing schedule control discipline.

Case-studies

1. Design a programme review system between a government director and a contractor management team; what would be the objectives of the review? What subjects or presentations would it require? How would it be conducted? This exercise could be accomplished by forming the group into teams, each of which would prepare its programme review design. Then, the designs would be presented to the whole group and critiqued.

2. Define the essential elements of a programme cost control system. Design controls and figure out how these controls could be vulnerable. This exercise can be carried out in the following manner:

(a) In a first session, the group can be broken into teams and each team can design its own version of a cost control system for a typical project (participants can use their own knowledge of projects

or a specific project description can be prepared by the faculty).

(b) In a second session, the cost control designs can be exchanged between groups and each group can then critique the other team's design. Specific points of vulnerability can be identified and approaches to protection and prevention proposed. Each critique can then be presented to the whole group, and time can be left for final summary discussion of the best ideas.

Planning as executive power

Discussion topics

1. Discuss how your agency(s) do internal planning:

(a) Relationships between strategic planning and operations planning;

(b) Relationships between operational planning and budget formulation;

(c) Who does the best job of planning and why?

(d) Who does the worst job of planning and why?

2. Discuss examples (from the experience of participants) in which the failure to plan effectively resulted in serious management failures or problems.

3. Discuss the proposition that first- and second-level executives and managers should be the real planners in the organization.

Case-studies

1. Organize presentations by several participants on the uses and techniques of planning at the national policy level in their countries:

(a) What planning organization is used and why?

(b) What planning techniques are used and why?

(c) The relationships between central planning and the agencies of the government; how is agency planning linked to central policy planning?

Then explore the ways in which agency executives and managers do, or do not, participate in this policy level of planning.

2. Ask one participant to make a presentation describing a serious planning problem in his/her agency. Lead a discussion about how to correct and upgrade the agency's planning capability.

Role of the executive in achieving management effectiveness

Discussion topics

1. Discuss further practical examples from the experience of participants which illustrate the conflicts between central agencies of their government and the line agencies. Attempt to identify solutions to these conflicts.

2. Discuss why political officials do not want to allow greater flexibility and individual authority to line managers.

3. Discuss the theme "Management systems may prevent some forms of bad management, but they cannot create good management".

4. Discuss further the concept of "two-way accountability". Specifically, define more fully the objectives that the political leadership owe to assuring the effective management of agencies and their programmes.

Case-studies

1. Assume that the group is asked to design a service delivery programme for an agency. Prepare and discuss a draft plan for the conduct of such an assessment for a selected programme (e.g., an economic development project or the operation of a hospital). Include in the plan:

(a) A statement of objectives; what will be assessed;

(b) The kinds of evaluations to be made: internal agency data analysis, management interviews, interviews with clientele, consultations with external interests, use of audit reports, etc.;

(c) The kinds of people who would be employed to conduct the assessment, and from what sources;

(d) How and to whom the SDA assessment team would report its results;

(e) How the agency head would handle the implementation of the report.

2. Develop a proposal for the design, installation and conduct of a "vulnerability assessment programme" for a typical agency. This proposal could include the following elements:

(a) How will priorities be set for the programme?

(b) What are the principal elements to be studied in each case? Costs? Authorities? Financial controls? Potentials for fraud, theft? Effectiveness of management performance? Others?

(c) Who will lead each assessment project? Where will other members of the team come from in the organization? What kinds of skills would be needed?

(d) To whom would the results of these assessments be presented? Who else would be present? What format would be most effective?

III. MANAGING LARGE ORGANIZATIONS*

Nearly 20 years ago, a study done in the United States for the Secretary of Health, Education and Welfare concluded that what the workers want most is to become masters of their own immediate environment and to feel that they and their work are important.

This idea has been reaffirmed by many more studies since that time. Men and women all over the world are working well below their capabilities - and in the process are doing many things not wanted of them.

Organizations were originally created in order to relate the work of one person to that of others. They were meant to integrate, not suffocate, individuals. That they have not always been successful is evident around us.

The quest for better organizational systems is an issue not only in the developed countries but in the developing as well.

All countries have bureaucracies. Whether the countries are large or small, rich or poor, developed or developing, they depend upon bureaucratic systems of administration to do the things they require.

Such systems are not limited to civil government. They are also characteristic of both the military and the private sector. Armies from the beginning of history have developed such systems. As the private sector has grown, so have bureaucratic arrangements to serve it. Large corporate assemblages in Western Europe, Japan and the United States testify to their merit.

Bureaucracy has made possible a standardization and quality of product and services which could not otherwise have been achieved. It has assured us of regularity and continuity. It has encouraged

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professionalism. It has offered career opportunities to some of the best and the brightest among us. But it has not been without problems or costs.

Bureaucracy means bigness. As the demand for goods and services has increased, so has the size of the organization that is needed to meet it. Large management systems are in many ways quite different from smaller ones. Patterns developed by the Industrial Revolution no longer work well in large organizations concerned with the performance of services rather than the manufacturing of goods. Bigness and complexity have placed new burdens upon us, and some of them are very costly ones.

Supplying services is quite different from producing goods. Even in those corporate structures that are involved with manufacturing, we find that a substantial number of positions are concerned with service, and in countries such as the United States, as many as three quarters of all the jobs are devoted to that end. Meeting such needs calls for an approach different from that used in the more traditional factory system.

Bureaucracies are constantly discovering new needs and requirements and new objectives. If left to themselves, they expand - but rarely contract. This may be a characteristic of the system - one which Governments, with a variety of objectives to serve, must watch closely. No agency, public or private, can be permitted to exist without proper oversight.

For a variety of reasons, bureaucratic systems are likely to be self-serving. Employees who have committed their lifetimes to bureaucracies - and know their intricacies intimately - can be expected to defend them strongly and, more importantly, to serve their own prerogatives. They are also masters of the techniques for doing so. As a consequence, bureaucracies are as close to permanent as any human institutions can be.

While all organizations depend basically on the individual to do the work, the individual may be submerged in the clutter of conflicting authorities, rules, regulations, customs and practices which are the hallmark of the modern organization. The individual becomes anonymous and behaves in alienated and sometimes anarchic ways. These limit creativity,

individuality, efficiency and productivity, and of course, increase costs. The results are by no means limited to an ever-increasing financial burden but include other side effects, including dysfunctional behaviour.

In a variety of ways, large bureaucratic organizations become power centres in their own right. They tend to monopolize sources of information in order to ingratiate themselves with selected clients, to become "authorities" in themselves, and finally - and sometimes inevitably - to become sources of major political power. Events of recent years in a variety of countries have demonstrated the phenomenon of entrenched bureaucracies which have successfully resisted ideas and opportunities that their publics badly needed.

While bureaucracies are a considerable improvement over much of what preceded them - organizations founded on favouritism, inexperience, nepotism, corruption and even cruelty - they have hardly resolved our problems. As they have grown in size and complexity, their shortcomings have been revealed.

The above criticism of large civil governmental organizations is equally applicable to military organizations and also to the private sector. Most military systems are noted for their wastefulness; their preoccupation with orderliness, however defined; their autocratic behaviour; and their preservation of the status quo. These objectives are not useful to most developing countries.

The same criticism applies to large, private-sector corporations. The marketplace traditionally has been expected to prevent such failings, but it often does not do so. Where there are significant monopolies and a lack of competition or where trade restrictions apply, the marketplace does not serve the purposes for which it has been touted. Protected private-sector organizations often behave like large public establishments. One can only conclude that size is an important factor.

Organizational systems, including bureaucracies, have traditionally been hierarchical and autocratic in nature. But there is no reason for arguing that they should remain so. On the contrary, there is reason to

believe that ways can be found of building systems that are more responsive and more productive to client needs, and more satisfactory to their participants.

The nature of the large, modern organization

Large and complex organizations need to be managed quite differently from the more simple organizations which have been given so much attention over the years by management theorists, writers, teachers and trainers. Managerial patterns vary with the objectives being sought, the tasks to be performed, the people involved and the history and culture of the organizational system. Large organizations exist in a larger world community than they once did, and this has had an effect upon them. In addition to concerning themselves with the needs of their own countries, they must compete with other countries which may have given greater attention to both requirements of modern management and technology. All countries are not equal in resources, technology or managerial know-how.

In the developing world, managers must realize that there are marked differences in the approaches one may follow. A large, modern university, for example, requires a substantially different management approach from that of a department store, a tax collecting agency or a mining and smelting plant. While there are similarities among all four, the differences are likely to outweigh them. So it is with other enterprises: a large hospital, a police system, an insurance company, an airline, a military installation, a factory producing automobile parts or a pharmaceutical research laboratory.

The importance of the environment in which each functions is often not given proper attention. Another important issue is the matter of size. That, and ways of dealing with it, will be the primary focus of this section.

Workers in small, less formal organizations may have any of the following characteristics:

(a) They are likely, regardless of the country they are in, to want to be consulted concerning matters that are of concern to them - but usually aren't;

(b) They do not "know" those in top positions unless they report directly to them;

(c) They have considerable power but most of it is of a negative rather than a positive nature - that is, they can delay compliance or at least slow it down, even though they may not be able to undertake positive initiatives on their own;

(d) They are not likely to be greatly creative on the job, believing that to be management's prerogative;

(e) They are not really clear concerning the organization's objectives. Much of what they know comes from formal official pronouncements, hearsay or speculation;

(f) They are usually part of a hierarchy - sometimes a large one - and feel quite removed from the decision-making process;

(g) The large number of supervisors within the system increases not only the costs of doing business (by its duplication) but ensures that there will be a variety of ways in which word from the top is interpreted to those actually doing the work;

(h) As the number of employees increases, there will be a greater distance between those who do much of the work of the organization and those at its top - and sometimes the distances are actually physical;

(i) Increasing emphasis is thus placed upon commanding and directing and less upon participating;

(j) This leads to formal systems of communicating and more "high tech" rather than "high touch" (or personalized) relationships;

(k) As distance between the top and the bottom increases, relationships become more formal and also more adversarial.

Organizations called bureaucracies have for nearly a century been seen as the answer to demands for the delivery of large-scale quantities of goods and services. This is because bureaucratic systems have been regarded as well-ordered, with well established "technical superiority" over other

organizational forms. But that does not mean that bureaucracies cannot be improved upon. The section below will suggest some of the ways in which they can be improved.

What are commonly called organizations are really networks, or systems - that is, patterns of relationships between one person and another in a particular environment which ultimately achieve particular results. The word "system" is a very useful one. It indicates arrangements either of people or of objects to indicate an ongoing process familiar to most. A system, in short, is something which indicates a "course of action" and unlike an "organization", which we think of as something fixed or static, is a process which produces specified results. Systems connote interdependence of the parts: "what affects one part will affect the whole". They exist in a particularized environment which also affects what is done. They have their own inertia: something suggests that a system in motion will continue in motion until it is stopped, and one at rest will require energizing before it proceeds. They respond to stimuli, but in varying ways. They also have within themselves smaller systems, or subsystems, which have similar characteristics.

It is useful, therefore, to think of organizations as behaving in systematic ways. And, because the individual is the basic unit, we must also accept the fact that the variables inherent in individual behaviour will affect what the system does.

Those who join existing organizations do so because in general, they agree with what they believe the objectives of the organization to be. But this does not imply a blank-check endorsement of what other employees, no matter their position, may ask. Individuals have their own views of what their "contract" requires of them and what they can be properly asked. In joining an organization, they have not surrendered their "right" to think for themselves, although they are influenced by habit and custom - and also by what others do.

For example, they are likely to accept established practice for policy (which, indeed, it is). Unless the reasons for doing otherwise are convincing, present practices are likely to continue. Individuals may, however, be moved by persuasion,

rationality, empathy and by loyalty to the organization as a whole or to specific individuals in it. Sometimes entreaties come from persons "outside" the conventional organization, including clients, or from people lower in the hierarchy. Many times those "higher up" have fewer claims on an individual's actions than they think.

Individuals, both as individuals and in combination with others, have great power. They have power over themselves, of course, but by their action, or non-action, they can influence what "the organization" or the system does. This is much better understood today than it was a decade or two ago. The individual is not a piece of equipment, obedient to his master, as one observer has put it, but an active participant in a human process. It could not be otherwise - and this should not be forgotten.

Thus we come to understand why a major concern of those who "lead" large organizational systems must be with the individual, and the forces, feelings and factors that are likely to influence him. Traditional approaches - authority, for example, and chain of command which proceeds from it - while useful in many ways, often delude us into thinking they are more useful than they turn out to be. They rarely serve fully the purposes that are claimed of them - and sometimes overlook the fact that the members of the system often look to others, including clients, for guidance as to what is to be done.

Criticism of bureaucracy

Bureaucratic systems, particularly government ones, have much to show for themselves. They have provided services that might not otherwise have been available. They have sustained - and supported - governments that were too weak or too incompetent to survive on their own. They have produced large numbers of civil servants of great capability. They have reduced corruption. They have ensured a kind of meritocracy that might not as easily have occurred. They have provided an alternative in many areas, both public and private, to one-man rule.

Bureaucracies, we now know, have shortcomings as well. Some of the shortcomings are substantial in nature and in some instances are so overwhelming that they cancel out a large part of the achievement

otherwise produced. We are, in fact, living at a time when many of the by-products and dysfunctions of bureaucracies have become so obvious that they create distrust in both the democratic and free-enterprise systems they were established to serve.

A survey done by the author and his graduate students is illustrative. Over the course of several years, 2,872 persons were asked what they considered the "most serious deficiencies" of large organizations, public or private. They were asked to select from a list of 20 the five deficiencies that they regarded as most critical. (They could, and sometimes did, add others.) The survey was conducted for the most part in the Washington, D.C., area, but the response indicated a readiness to include organizations other than governmental ones. The 10 most serious deficiencies are indicated below with the frequency with which each was mentioned in a list of five.

	How frequently <u>mentioned</u> (percentage)
1. They are slow, ponderous, incapable of taking immediate action	.51
2. It is difficult to determine individual responsibility for what occurs	.44
3. They are efficient only to a point, declining afterwards	.41
4. They are more concerned with rules and regulations than with objectives	.39
5. They are wasteful, repetitive redundant	.32
6. They are not well integrated or coordinated	.29
7. They place their own values and goals ahead of societal ones	.27

	How frequently <u>mentioned</u> (percentage)
8. They are intimidating and coercive to outsiders	.26
9. They are cold and impersonal, without feeling for people	.25
10. They are destructive of those who work in them; they contribute to "bureau-pathic" behaviour	.24

Less frequently remarked upon by the respondents but still important were such further characterizations as

11. Misleading and not fully to be trusted
12. Not easily guided or directed
13. Non-innovative
14. Concerned primarily with their own interests or those of their members
15. Over-standardized
16. Inflexible
17. Secretive
18. Open to unethical behaviour
19. Accountable to no one
20. Conservative
21. Undemocratic.

These are strong words. The reasons for such criticisms are obvious enough to those who have examined them. Large organizations are slow, ponderous and incapable of taking immediate action because those who act for them are many, diverse and uncertain of the factors which often affect them, and need to consult the many regulations which, over time, govern so much of what they do. Like magnets, they

attract "dos" and "don'ts" which seem sometimes to have a life of their own.

It is difficult to determine who is responsible for what is done, for many of the same reasons. People keep self-serving records; they hide among numbers. They take refuge in the variety of regulations which govern their behaviour and are able to disappear in an atmosphere of anonymity.

The efficiency of large organizational systems is handicapped by the layers of supervision which encumber them, each one of them costly. They require masses of communications. Most of those who are part of them know that the rewards they are likely to get for work that is superior or above-average is not equal to the energy that they will be required to expend to produce it. Bureaucracies are long on explanations, but short on performance. People are usually judged more by their compliance with rules and regulations than with their achievements.

Large systems are always more wasteful than small or personalized ones. This is true for a variety of reasons, including problems of integration and coordination. As a result of their impersonality, individual goals and values get a lower priority than systemic ones.

Size is always intimidating, both to clients and members. There are sayings in all languages which suggest that "one can't fight City Hall" - meaning that it is too much for one person to try to change a large organization and, in particular, its ways.

Although individuals in large systems are often ready to perform special services for particular clients, sometimes on their own initiative, the majority go by the rules, which are more often than not cumbersome, cold and impersonal. It is more sensible to do so than to risk the displeasure of those higher up in the system.

Large organizations also tend to be destructive of the people who serve them by limiting what they are able to do and by rewarding conformity. Beyond a certain point, they offer little to the creative individual.

Bigness and some of its effects

There is no getting away from the fact that bigness is required to serve the needs of an expanding world. The population, today in the neighbourhood of 5 billion people, continues to expand, and we shall reach 10 billion in the next generation. Numbers of this kind cannot be served by hand-made products or village markets.

There are in today's world constantly increasing demands for bigness not only because it produces things people want and need but because there are many among us who aspire to the power that "managing bigness" seems to suggest. It behooves us, therefore, to understand what size means, provides and requires.

Being big means many things. It means power for some, affluence, capability and often survival. To some it provides the opportunity for personal advantage, either economic or social. Those who are heads of large organizations, either governmental or private, welcome the clout it seems to bestow. They have, on the whole, higher social status than those in smaller systems. Not the least of the assets of the large organization is the resources it is privy to. Many believe that what is big is also better. In the private sector in industrialized nations, companies are told by those who give them advice that they must continue to grow or else they will surely die. There is probably some truth to this. But they don't always explain what it means or suggest how they can avoid some of the costs of size.

Bigness, for example, does not equal greatness, nor is it either absolute or permanent. And while being big suggests a greater availability of resources, it by no means guarantees that those resources will be equal to the demands which are later placed on them. We ask - and expect - more of those who have large resources available to them.

Being big does not mean being more efficient. It does not mean being well-organized. Organizational systems grow bit by bit, often with no awareness of what is happening on the part of those nominally in charge.

Being big does not mean being more economical either. In fact, often the larger an organization

becomes, the less attention is given to the high cost of layering, to waste, irrelevancies and non-performance.

Being big does not even mean being more effective - which is an objective to be seriously sought. It may only convey that impression.

The growth in size of organizations has, of course, required that modifications be made in them. The result is often a far cry from the spare and modest-sized systems of earlier days. The bigger the organization, the greater the number of hierarchical levels it must have. The more complex the system, the greater the degree of specialization within it, the greater the emphasis that must be placed on the development of policies, regulations, procedures and the like, and the greater the need for communicating between units and individuals.

The human costs of bigness are not easy to measure. The farther removed those persons at the bottom are from those at the top, the less their loyalty to the system. The greater the impersonality, the more likely those within the organization will tend to relate to persons other than their managers. Sometimes, even, they will be closer to persons outside, and the more likely they will be to emphasize their own goals as against those of the organization.

Large organizations, of course, are prime producers of "bureau-pathic" behaviour. This is a name given to those actions which result from the individual's immersion in a system far different from the family/community environment in which he or she was reared. During the past quarter century, we have discovered that the large organization with its many layers, or levels, has been responsible for behavioral patterns that are not only aberrant but often pathological as well. These include declining commitment, frequent conflict with others, territory-guarding, feuding, absenteeism, job-hopping, "red-tapism", over-idealization of superiors (often followed by depreciation of them), "zombieism" and much else. It is the in-house equivalent of the "fouling of the environment" that so many manufacturers have been guilty of.

Bigness also causes problems of communication. Despite sophisticated new equipment, it still takes

time for messages to go from top to bottom, stopping, as many must do, for middle managers to act upon them. The longer the chain of command, the more likely that messages will become garbled, the greater the difficulty of coordinating them, the less likelihood of useful feedback. The probability is, of course, that the views of those at the bottom will either not be seen by those at the top or will be intentionally disregarded.

Bigness also produces dysfunctions. In fact, for a variety of reasons, dysfunctions occur most frequently in large organizational systems, where their impact can be substantial. This phenomenon has been called "management's hidden enemy" because executives often fail to recognize what is happening until it has happened and then fail to understand why it happened.

Dysfunctional actions do not advance the purposes of the organization, because they produce behaviour which must be either changed or eliminated. They are sometimes called "fallout" or "spillover" and are often dismissed as "cognitive dissonance" or "aggravated aggression". In plain English, however, they are the unintended, unexpected and unwanted responses of individuals and groups to what others say, instruct, imply or do. They are a side effect that is clearly unproductive, although managers often try to give the impression that they are more or less to be expected.

Dysfunctional actions are found chiefly in large organizations because the forces and feelings that support them are often so difficult to identify. They occur for a variety of reasons and in a variety of ways, at the lowest and the highest levels - and in between as well.

They have been known to derail presidents and prime ministers as well as agency heads. They may begin, as battles used to, over the smallest of incidents, but before they end, organizational purposes are often forgotten, along with other things. Face-saving becomes a major priority for those involved, as leaders try to cover up what happened.

Coping with bigness

In many ways an organizational system should be thought of as an elected official thinks of a constituency. Its leaders can expect that a certain number of people will do what one asks of them but that others will need to have what one asks explained first. Still others will need to be persuaded, and their compliance - and themselves - supported.

The ideas below on coping with bigness should prove useful, for they recognize that situations, resources and capabilities vary.

(a) The manager's view of the enterprise. It is essential to think of the enterprise as something quite different from the interconnecting command centres that organization charts so often use as illustration. Bell's comments are particularly pertinent here. The organization is not a system of mechanical parts responding to the demands that are made of it from the top. Rather, the organization should be thought of as a system of human parts. It is incumbent upon its leaders to see it in this light;

(b) A concern for people. Leaders should take an active interest in bringing to the system the kinds of people who will do what the system needs. Obviously, no one leader can expect to know all the people within the system, but he/she can show an interest in those being recruited. He/she should have a voice in promotion policies and should actively participate in some fashion in the selection of those for higher-level jobs;

(c) Knowing one's people. Leaders should know personally - and by name - the key people within the system - that is, those who have an impact on what takes place. People at all levels respond favourably to those they know and respect - and to those who also know them. A wise and responsive manager will try to build upon these tendencies;

(d) Understanding objectives. An important aspect of contemporary management is an understanding by all concerned - and certainly of key players - of agency purposes and objectives and why they are what they are. This will involve not only the director himself but also his/her key associates and certainly the entire training division. (More will be said

about this later.) Traditional guidelines, where they exist, provide only the most generalized information. They should be augmented on a continuing basis by sessions with appropriate individuals at all levels which address changing needs and requirements, particularly matters concerning the quality of products and services, so that those within the system can always know what is expected of them. This is a matter frequently overlooked in large organizations but one of the most important to ongoing performance;

(e) Reducing hierarchies. Organizational arrangements which reduce the number of hierarchical levels so as to bring the individual employee closer to the top should be undertaken. Internal processes should be continuously examined. This will mean fewer levels of supervision: each person who holds a supervisory slot will work with many more employees than is traditionally the pattern. It means also that he/she will be concerned with giving general rather than specific guidance and will depend more fully on the contributions of others;

(f) Training. Training should be considered more important to performance than it traditionally has been. If "directing" performance is to be avoided, people must be shown what to do and how to do it. This means giving them increased opportunities to do what is really wanted of them;

(g) Keeping informed. Those at higher levels should know what is going on at all times. Not only is this important for informational reasons but it also makes others aware of the manager's role. The Japanese, particularly in industrial organizations, have popularized MBWA, or "managing by walking around". By appearing frequently on the factory floor, managers are available for comments, advice and information. This is harder to do in governmental bureaucracies but is still something that can be managed;

(h) Encouraging creativity. The manager should be a living example of what he needs and wants, in terms of greater creativity. He should encourage the new ideas so important in today's organizational systems. This can be done in many ways;

(i) Developing responsibility. Building individual responsibility is done by helping to make

people feel more responsible. Societies which claim political democracy for their citizens must be ready to put it into practice in their organizational systems. In a day and age in which "participation" is more and more frequently talked about - and in which human rights are really respected - leaders and managers must be ready to show how it applies to the workplace. This becomes self-rewarding. Not only is the individual ready to do what he is competent to do but he also takes pride and pleasure in doing it. He helps the organization as well as himself.

The related idea of delegation is a difficult one to understand, and difficult to put into practice. Individuals are often unclear as to what it means and what its limits are. Only in practice is it possible to know whether those to whom something has been delegated are free to share the task with another. Work-sharing is a much less complicated idea, and easier to administer. A term currently used is "laying on of hands", which means involving others as human beings in the process.

Summary

The large organization is more than a machine with human parts. It is more than a small organization that has grown in size. It is, as Bell suggested, something quite different which must be administered in new ways. Those who "manage" must rely on the ways people have of working together towards common objectives and must also encourage new ideas and new approaches.

Problems of staff and line

There are major differences in modern organizations between staff and line. In this section we shall review some of the most common staff functions; analyse what they do for the organizational director and for those in line (or operational) positions; and suggest what might be done to avoid some of the problems that are currently being faced.

Need for specialization

We live in a time of specialization and should, therefore, not be surprised to learn that specialists are required to perform the new and different tasks of

our age. Nowhere is this more apparent than in large organizations.

Operationally speaking, we arrange our organizations to be manageable and credible. We create divisions to serve different purposes. We create special units for particular skills. We organize by areas, by constituencies and much else. We also give attention to the particular functions to be performed.

The word "function" has several meanings, but in administration it is usually defined as "one of a group of related activities that contribute to a larger action". In administration, such activities are often defined further - as "staff" and "line". Both are important to the organizational system, which cannot function properly without them. Why this is so will be made clear below.

Line, which is short for "line (or chain) of command", performs the kind of tasks for which the organization was created. The "line" idea originated with the military, as so much in organization has. Those who filled its roles initially were the foot soldiers. They and their officers took their orders from still higher officers under the authority of the commander or king/emperor. They knew where to turn for instructions and were expected to obey them. The line of command left no doubts on that score.

As armies increased in size and their commanders could no longer direct them from a horse, they turned to others for assistance. One can imagine the aide de camp being created to serve this new need. He became the commander's messenger and also source of information on what was happening in areas closed off to the commander's line of sight.

Later still, there was need of others to perform the specialized functions which the ordinary soldier could no longer perform himself. These involved food, equipment, munitions and transportation. Medical support was later provided, and special people for such tasks as burying the dead.

As the requirements of modern warfare escalated, arrangements had to be made for the recruitment and training of new people to perform the specialized functions. Many of them were without the knowledge

and experience of regular soldiers. Thus, distinctions developed. Today men and women are routinely recruited for assignments in supply, intelligence, medicine and surgery, chapel and other areas which do not involve them in combat. These individuals are staff people.

Military experience is often replicated not only in civil governments but in the private sector as well. Managers who have needed help in carrying out their various assignments have not always been able to get it from their commands. They have needed people to perform specific tasks, and they have also needed information, which they cannot always depend on line managers to supply. Many of their subordinates cannot be expected, for a variety of reasons, to provide the kind of knowledge required. There are also those needed for "housekeeping" duties, to serve their chiefs in personal ways.

Such staff people, according to their specializations, serve by seeing to it that proper courses are followed in fields in which their expertise applies. They are expert in such subjects as data processing, planning, finance, procurement, personnel practices etc. They ensure a standardization of the practices to be followed. They also relieve the line manager of concern with matters that do not directly involve his organizational role. They are as professional as those in line; some, in fact, have had university careers.

Areas of conflict

In the line/staff arrangement, which is common to all large organizations, misunderstandings frequently develop, and lines of authority and responsibility are often blurred. Line people and staff people find themselves in conflict with each other, and difficulties arise. As a result, the organization suffers, and its director must take time from other matters to intervene. Some of the disagreements encountered can be summarized in this fashion:

Line people feel that:

(a) They have been assigned certain tasks to perform and ought to be given the opportunity and the resources to do them;

(b) They are often the victims of standardization which prevents them from doing what they are expected to do in ways they prefer;

(c) Staff people are often bureaucratic. They are not really sensitive to the needs of those in the line;

(d) Staff people tend to over-control. They are more concerned with process than performance;

(e) Staff people are closer to the director than the line and have undue influence on her;

(f) The advice of staff people is less often heard than that of those who do the actual work of the agency;

(g) Staff people, as a result, are unfairly rewarded in a variety of ways.

On the other hand, staff people feel that:

(a) Their roles are limited ones and, although they are often close to the director, they cannot give the orders to the line that are so often needed;

(b) They get little credit for the achievements of the organization but are often blamed for its failures;

(c) They suffer in rank, status and pay compared with their opposite numbers in the line;

(d) Because of the nature of their assignments, they can never feel full satisfaction for what is done;

(e) In many organizations, there is little opportunity for them to rise to leadership positions because they are not permitted to do the kinds of work which agency direction calls for;

(f) Line people do not play fair with them. They try to keep information from them;

(g) They are seen, no matter what their rank and education, as second-class citizens.

The functions listed below are being performed today by a variety of staff people. Some of them are of a personal nature, as might be expected, but others are agency-wide and call for some of the most sophisticated kinds of skills. Some of them are attached to the office of agency director, and some to other positions. They may appear in fact at several different levels, and are "coordinated" in a variety of ways.

They are listed here in categories of greatest professional similarity. Depending on the agency and the patterns governing it, however, they might well be presented otherwise. The listing suggests the great variety of tasks to which staff people may be assigned.

Services for top managers

Personal services. Executives at all levels require people to serve them personally. These range from office managers, receptionists, secretaries, messengers, drivers and others to what, in the military, is called an aide de camp. They provide the personal support the manager requires. Their primary role is that of service;

General counsel. Most organizations have need for legal advice, and the office of general counsel (solicitor) supplies it. This in turn may be divided still further into specialty units, depending on the kind of activities in which the organization takes part;

Secretariat. Many larger organizations today have executive secretariats which serve their top executives by organizing and administering in a professional way the many communications that are addressed to them;

Planning. It is planning's role to develop organizational plans on an annual (short-term) or longer-term basis. In doing so, its focus is on anticipating the future as fully as possible and recommending actions the organization should take to meet its demands;

Internal (or management) audit. Management audits are conducted for the purpose of determining whether the organization is doing what it was

established to do. This is often one of the functions performed by an Inspector General who usually reports directly to the agency chief;

Investigations. The chief executive must have sufficient information at hand when major problems occur to know how to deal with them. Most large organizations have their own internal investigatory units;

Field operations. Where an organization is extended in terms of territory, those at headquarters need to be assured that the field installations are doing what is expected of them. Those in charge are expected to be in touch with field managers, but separate divisions are often established;

Intergovernmental relations. Where there are several layers of government (central and local), units are often established to facilitate their working together;

International units. Foreign branches require more attention than those within the country. Matters such as customs, sales, investments and currency rates are of continuing concern;

Financial

Financial management comptrollership. The comptroller (or his equivalent) has become in recent years one of management's most important people. Because he deals with money matters - income as well as outgo - he is vital to the modern organization. Any number of lesser staff officers or units may be directed by him;

Budget office. A primary function of the budget office is to prepare agency budgets for the forthcoming year - clearly a major professional undertaking. The manager is also concerned with the way appropriated funds are spent. Often he serves under the comptroller but may be independent of him;

Purchasing and procurement. All organizations must purchase the goods, equipment and services they need. Some spend more for these purposes than for any other single activity. Because agencies must deal with pricing, availability, quality and the like, professionals are needed to do the job;

Logistics. Military agencies usually use the term "logistics" when they speak of the procurements, maintenance and transportation of matériel, facilities and personnel. This is why it is noted here under such a title;

Accounting. The accounting function is primarily charged with responsibility for maintaining organizational records of the funds that are disbursed;

Auditing. It is audit's responsibility to see that funds are disbursed for the purposes authorized for them;

Personnel and human relations

Personnel. The personnel function has its own areas of specialization. They include recruitment, placement, job classification, training, investigations, records management and even labour relations. While personnel people are expected to represent the agency and its officers, they also counsel those who feel aggrieved by things that have happened to them. This at times gives them a dual role.

Labour relations. Union contracts require negotiating and oversight, and most large organizations have offices which are concerned primarily with labour relations. They are important in the settling of disputes between workers and managers;

Training and development. The training function has developed so fully in recent years that it is often given separate divisional status. It has also been divided into separate areas, including managerial and executive training, supervisory training, training on specific job performances and entrance-level training;

Health services. Units of this nature, containing doctors and nurses as well as other health specialists, are needed to serve organizations which are engaged in dangerous or difficult functions - and many in quite ordinary ones also;

Safety. A quite different function, it focuses on before-the-fact injuries or illnesses in the hope of preventing them;

Intelligence

Intelligence. The military devotes a substantial proportion of its resources to the gathering of data which will be needed in the event of critical situations. These may involve agency-wide activities or have to do with field (combat) manoeuvres;

Records and files. Many organizations depend on the use and existence of records they have kept over many years. Accordingly, records management requires professional attention;

Library. Most large organizations have had libraries of their own for many years. With the advent of data processing, libraries are becoming more important than ever. Information storage and retrieval has also assumed new importance, with new technical developments;

Information/public relations

Information/public relations. This is the organization's "voice" to the community. It may be identified by any number of names and its functions may vary with the agency mission, but its role is now well recognized;

Reports. Periodic and annual reports are required of most organizations, and units are created to produce them. It is by means of such methods that clientele are informed of what is being done;

Statistics. Information is continually needed. Large organizations need to have it available in accurate and useable form. If they are public, they must have it ready for dissemination to the public at large. Persons with special skills are needed for this purpose;

Publications. The end product of many governmental agencies is the publications they produce. A publication unit is responsible, therefore, for their printing, marketing and distribution;

Marketing/sales

Marketing/sales. Commercial organizations must sell the goods and services they produce and professional staffs are established for this purpose;

Advertising. Those in advertising concern themselves not only with the advertising agencies that represent the organization but also, as circumstances require, with the media;

Market surveys. Professional people conduct surveys themselves or negotiate with others to conduct them, to determine market receptivity to products and services;

Data processing

Computers/data processing. When the computer first made its appearance, staff people were needed to make sure that the agency's acquisitions complemented each other. Later, as uses of the computer increased, people who filled these positions were required to develop suitable software and to arrange and systematize their applications;

Systems management. A concern for the proper functioning of systems, both within and outside the organization, has resulted in a new type of staff officer, known as the systems analyst. Today in many agencies, this involves also the use of computers and other sophisticated equipment;

Management analysis. The principal concern of such groups has been the improvement of internal management practices. It has been widened in recent years to include productivity improvement;

Services to operations

Supply management/warehousing. An organization must keep sufficient supplies on hand and in its own warehouses to prevent shortages. Special attention must be given to this important function;

Research and development. This is a function better known in the private sector than the public. It is concerned with new services and products;

Contract administration. This differs from Procurement in that it is concerned with contracting for work to be done by others. It may sometimes be performed within Purchasing or Procurement;

Packaging and shipping. Such divisions are responsible for a vital part of the manufacturing process;

Property management. When an organization owns a large amount of property, it must have people to manage it;

Maintenance and repair. Organizations with the need for mechanical equipment will also require specialized organizational units to keep them properly maintained;

Quality control. Those organizations engaged in manufacturing or producing goods or services where quality must be guaranteed need to be assured that it meets the standards expected of it. Units whose chief concern is checking for quality are therefore required;

Administrative support

Administrative services. Such units supply the kind of needs all large organizations have for services, furniture and equipment, property purchases, rentals, property management, communications and the like. The larger the organization, the greater such requirements - and the more likely that specialized units will have to be developed;

Communications. As the organization grows in size and functions, it needs its own communication systems;

Travel. Those organizations that require a large amount of travel from their employees need to have persons with the capability to arrange it;

Translation. Large internationally oriented organizations must have a pool of linguists available to them for translation and communicational purposes;

Internal police. Most large organizations have their own police forces.

Such a listing of what staff people are assigned to do is by no means complete. Whatever a director needs - and cannot acquire from other sources - staff people are assigned to do. And whenever the task, by its size or importance, becomes more than can be managed by a single person, organizational staffs are formed to take it on.

Such assignments may not be permanent. Organizational arrangements, like the atmosphere in which they exist, expand to fill vacuums, taking on new functional roles in the process. What may once have been intended as temporary and designed to fill an immediate need, becomes a fixture and expands as those who are selected for it perceive needs and opportunities to develop.

Staff functions arise in answer to what is demanded of the organization by its public. They result also from political compromises. They are sometimes created because new managers want things their predecessors did not. Staffs may be fashioned because people in other divisions are not doing sufficiently well some of the things expected of them. There is usually a real need for them.

The roles of staff

Staff people exist at all organizational levels, from that of the director's office to that of the very lowest supervisors. At the top, major organizational units are created, staffed for the most part by professional people. In fact, there may even be whole staff agencies. There are also people whose duties are partly line but who have staffing responsibilities as well to perform. Generalizations that will fit all situations are, accordingly, difficult to make. Some of the most frequent patterns in which staff people perform their assignments are indicated below:

(a) Personal services for the director. These are duties of a personal nature which assist the director in performing his own assignments. They are generally of a supportive nature and include such tasks that are, for example, secretarial, messengerial or custodial. Sometimes those who perform such jobs exercise a fair amount of judgement in them, but usually with the knowledge and approval of their principal. The decisions they make usually concern their boss's time and access to him;

(b) Special assignments of an organizational nature. Those who undertake special assignments for the director obviously are greatly trusted and have considerable influence on him. They may be trusted with special missions which involve delivering personal messages the director does not wish to entrust to regular channels. They may also do a certain amount of fact-finding which the director does not wish to assign to others. There are any number of professional tasks they may be asked to perform. The director may use his personal assistants for these tasks or may assign others on an ad hoc basis;

(c) Staff services unique to central management. The chief executive officer of one of America's largest corporations once observed that he ran his enterprise by having his controller at his right hand and his general counsel at his left. Today that would probably not be possible. He would need them both, of course, but he would need others as well. In fact, many large corporations are actually directed by committee, in which high-level staff people play an important part. Modern administrators need to be kept fully aware of the financial condition of their companies at all times, which means that they listen to what their financial people have to say. They must also have lawyers to keep them out of trouble and people to tell them how well the organization as a whole is doing. Getting such information from line people is not usually satisfactory by itself.

The director also needs professional people for planning purposes. He is responsible for thinking of the organization as a whole and not its specific parts. He may need professional people to keep him informed of what is happening in field operations, if he has them (and most modern organizations do). The field is often a microcosm of the centre. Divisions at headquarters may be aware of what is going on there, but the larger enterprise must concern itself with what is being done elsewhere as well.

Increasingly, also, organizations have staffs known as the administrative (or management) audit which report directly to the top. They contain, in addition to the auditors, investigators and inspectors whose function is to look into matters where the chain of command cannot be relied upon to produce the information needed. Their existence is proof that

people try to hide information unfavourable to themselves or try to sweep it under the rug.

As long as there is national policy, ways must be found for assuring that it is implemented. Staff units and staff people have such an assignment to do so;

(d) Staff as provider of services to the line. Central staff agencies were created with professional people replacing many of those at lower levels who had learned their trades by experience. Such agencies performed a variety of services, depending on the need for them. Finance, personnel, procurement and administrative services were among the most common, with specializations developing in each. They worked best when the organization was modest in size, with no field offices. The complaint levelled against such offices is that they have less a feeling for specific line needs than they do for standardizing the system as a whole. Line, accordingly, usually opts for their own staff units because they find them more responsive to their needs and control. Such units, whether centralized or not, are no less staff in terms of the work they do, but being physically closer to line people, tend to respond more fully to their guidance and control;

(e) Staff as advisor to the line. Staff is more often expected to provide services to line than advice. Yet on matters in which it has knowledge and experience, its advice is one of its most valuable assets.

The advice of professional people is always valuable for what it contains, but it is valuable for other reasons as well. The line manager who avails himself of it becomes better aware of the director's intentions. By listening to what staff people have to say, he improves his standing with them and they, in turn, provide an additional channel for his access to the director. Thus, internal communications are improved.

By seeking the advice of staff people, the line manager does not weaken his own authority. Indeed, there is much to suggest that he is strengthening it. Unfortunately, many line managers do not see it in these terms and do not make good use of opportunities that make for stronger organizational relationships;

(f) Staff as decision makers and direction givers. Staff is not ordinarily established for decision-making or direction-giving purposes, but from time to time, it does both. A general officer in Plans, for example, is authorized to sign an instruction "by order of the commanding general", without referring it to his superior. Those receiving it know that it is to be obeyed. The chances are that the commander has not seen it, but when later it comes to his attention, he will usually support it as a matter of course. (If he is critical of it, he is more likely to deal with its author than to over-rule it.) This suggests the wide influence which staff people may have. Many agency decisions are made by those with staff backgrounds even though they are clearly not in the chain of command;

(g) Staff as representative of another agency. As government grows in size, it becomes increasingly more complex. In a modern governmental system, more than one agency is often assigned to the same task and confusion sometimes results. Under such circumstances an agency may deputize those in another agency to carry out some of its assignments. It sees that they do so in the way it wishes by refusing to release funds to those who do not follow instructions. Such controls can be exercised by legislatures, which are the source of agency funds. They illustrate some of the roles that staff people may have to accept.

Resolving line and staff conflict

Conflict may arise if either the role or the mission of staff people is not understood by management or by the line and staff people involved.

Staff people, for their part, need to accept the fact that the agency does not exist for their purposes. They may be important to it, but if it were not for others, the staff would not be there. A continuing criticism of bureaucracies is that their members tend, over a period of time, to become more interested in serving their own objectives than those of their publics. The same can be said for staff. (This may be understandable, but it cannot be justified.)

Therefore, staff people must be made aware of the limits of their responsibilities. If they feel that others are violating what they have been assigned

to do, they may try to influence those others by the advice they have to offer, and, in certain circumstances, by withholding their services. But there is a risk to it. The line officer who needs the services will usually appeal their action to the director. Under certain circumstances this may be unavoidable, but whatever his decision, one of the two usually loses by it and, obviously, the system is not working as it should. Persuasion is clearly the staff person's most important tool. If a decision has to be passed upwards for resolution, the system has failed.

Staff people have many justifiable complaints. They are often left in the dark or ignored when new undertakings are proposed. They feel that they are often under pressure to provide services without proper notice of the need for them. Not only is their effectiveness thus impaired, but they are frequently put out by the way in which they ultimately learn what is in prospect. (They, as well as line people, need to plan what they are to do.) This is not the way a "concert for action" is best achieved.

The line manager, on the other hand, should respect the assignments staff people are given and should make an effort to work out with them the disagreements that arise. He should understand that the duties they are assigned to perform are ones which others have, with good reason, assigned them, and must be performed. He should enlist their cooperation and support in the tasks he is to undertake. He should keep them well informed of what he intends to do - and how he proposes to go about it. In matters which involve them, their advice should be asked and usually followed. Managing requires the orchestrating of those involved in the assignment and this includes people who are not under one's direction or control. This idea is well accepted with respect to clients and others outside the system and should be accepted with respect to staff people as well.

At times, staff and line work at cross purposes. This can often be prevented by frequent meetings between the two, at which matters of mutual interest are discussed freely and openly. As part of career assignments, some organizations try to place people who would ordinarily hold line assignments in staff positions so that they can better appreciate the other's role. Military establishments are known for doing this, but it is also done in other career

systems. Obviously, however, a career generalist cannot be placed in a position which requires years of training, such as in the medical area, but there are opportunities in other areas, such as finance, personnel and information where the training that is required is not as specialized. It is often useful for people to experience points of view other than the ones they conventionally hold, and the director should be mindful of this and do what he can to make it possible.

Line people can be assigned to training classes and programmes not so much to prepare them to take over certain staff assignments as to increase their understanding of what staff people do, appreciate some of their problems and values and get to know them better in the process. The same can be said of staff people participating in training programmes meant for the line. Their various assignments will be performed more properly as they come to understand each other better. These are investments well worth making. The programme director should lose no opportunity to relate staff and line people to each other in an ongoing way. Concert-building is what organizing and managing is all about. To operate a system in which people understand the objectives to be achieved, and know the individuals involved is the major goal of those who direct organizations.

Improving creativity

Today's organizational systems, particularly those in the public sector, are not noted for their creativity. Most public organizations were established to perform selected tasks having to do with governing, such as keeping order, collecting taxes, and performing limited functions for many years. Because these tasks produce few political disruptions, those who lead and manage the organizations have learned that it is safer to do what they have traditionally done than to venture into new fields or undertake new approaches.

Below are some of the explanations given to explain why bureaucratic systems perform as they do.

(a) People tend to follow previously established habit patterns. They tend also to do the things that are the easiest to do, and habit is a well-respected task master;

(b) Such judgements apply not only to lower-level employees but often, for different reasons, to their leaders and managers as well;

(c) People at all levels have discovered that they can keep out of trouble by doing what was originally laid out for them, whether it is fully effective or not, and see no good reason for taking risks;

(d) Many think they are expected to do only what higher-ups ask of them, and have learned long ago not to volunteer or, for that matter, to make suggestions;

(e) Being on a payroll is so important to those in many countries that they will not risk stepping out of line. Government jobs, even lowly ones, represent the height of their ambition. Being limited in many of the things they are able to do and seeing few opportunities elsewhere, they fit easily into the system;

(f) Such people are rarely asked by those at higher levels for either advice or suggestions, and, following the rules of rigid caste or work systems, volunteer little;

(g) Job improvement in many societies suggests reductions in the workforce. In countries with high unemployment (or redundancy), one should not make suggestions that are likely to have such an effect;

(h) As for those who lead/manage bureaucracies, undertaking changes in bureaucratic patterns entails risks on the part of the innovator, and much additional work.

The globalization of the marketplace imposes new requirements even on governmental systems, which, as some of the chief movers, or motivators, of an economy, are called upon to deal with radically changing situations. Creativity - or ideas - are very much needed today.

The case for creativity is based on the proposition that it is easier - much easier, in fact - to devise new products, systems, equipment, and methods of doing things, than it is to try to increase the efficiency of existing ones, or even to modify old habits or practices.

The word "creativity" is used here in its broadest sense. It relates to the ideas that are suggested by such words as "innovation", "invention", "discovery", "improvement", "modification", and "adaptation". It sees creativity as applying to new and different organizational arrangements, the improvement of old arrangements, the devising and use of new methods and systems, the establishment of better delivery and information systems, the improvement of organizational communications, and the encouragement of greater participation on the part of clients.

"Creativity" also applies to improving effectiveness and efficiency. It addresses such problems as absenteeism, the use of drugs and alcohol, a reduction in stress and internal conflict, problems of communication, ways of increasing participation and cost reduction. If the organizational system is engaged in the production of goods or services of value to clients, "creativity" entails new products, the improvement of old ones, the devising or use of new equipment and the like. In short, greater creativity has no limit in its applications.

One suggestion-system asked employees to put their ideas or suggestions in writing. Many were incapable of doing so or incapable of doing so in a way that others could accept. Often ideas were not accepted, or not passed along, because supervisors and higher-level managers felt that acceptance of a subordinate's ideas reflected on their supervision or management. When ideas were submitted anonymously, they were often ignored. Rewards allocated by review committees were often seen as inadequate compensation for suggestions. There were, therefore, good reasons for withholding ideas that might otherwise be advanced. More importantly, however, suggestion systems represent only a single or ad hoc solution to the matter of obtaining maximum creativity from employees.

Encouraging creativity

There are a number of ways in which large organizations can help people to be more creative.

The leaders of the organization must communicate to employees that creativity on the part of all is wanted and needed. There are many ways to make this clear, and the organization should use those most appropriate to it. Creativity must be planned and encouraged, and it must apply to more than products or machinery. Peter Drucker, one of the senior statesmen of management, is also one of the more forceful exponents of the new trend. As long ago as 1974, he argued that innovation would have to be built into existing organizations.

Organizational leaders should, therefore, indicate their interest in ideas. Their interest should be well publicized. Formal training programmes might even be conducted to emphasize the importance of creativity.

At staff meetings, those in charge should show their willingness to listen to what others have to say. They should state the problems the organization is facing - and then hear some of the ideas individuals might have for solving them. On-the-spot decisions do not have to be made. Some of the best ideas evolve from the contributions of many people, and those in formal staff meetings are only a step or two away from the chairman's level.

The Japanese have made good use in many of their companies of something called "quality circles". These are nothing more than groups of workers, chaired by someone of supervisory rank, who are given a problem that is being faced and asked to address it. Their merit is that they represent a commitment by management to the idea that it has faith in the workers. Their contribution is not only needed but wanted. They are made to feel more important to the organization.

An equivalent scheme, in bureaucratic organizations (all large organizational systems fit roughly into this pattern) is the use of the special-purpose, or ad hoc, group. It is, in effect, a task force which looks into a particular problem and makes suggestions concerning it. Members are free to talk with those inside or outside the organization who they feel can be of help. Once such groups make their recommendations, they are disbanded, but their members - and the organizational leaders - know that their work was useful. It becomes something of an honour to be selected for such an assignment, and employees sometimes vie with each for it. One of its merits is that it relieves the individual from the humdrum of daily duties to which he has been assigned.

Large industrial organizations often establish a research and development group, a unit containing people of known ability who are asked to explore whatever problems the company is wrestling with. It makes sense to do the same in the public sector. Their roles will be somewhat different - by and large they will be concerned with services and how best to provide them - but the objectives are the same.

Sometimes, of course, the job is performed in units called systems (or management) analysis or in planning divisions. Sometimes also consultants are used, or the assignment is contracted out.

It is always useful to see how others are doing the same or similar tasks. This is why professional conferences and associations are always of value. People who attend them share experiences with, and learn from each such gathering. Opportunities should be provided for employees to attend systems. It is recommended in the private sector that one observe one's competitors, and although this is sometimes difficult to do, it is not impossible. The Japanese

industrial revolution can be traced in part to the visits their people were invited to make to many industrial establishments in the United States and Europe. Now they are reciprocating by sharing information with others.

Specific guidelines

Ideas are triggered in a variety of ways: by observation, by the richness of one's own experiences, by reading and research, etc. In order to encourage creativity, organizations must have a genuine interest in and commitment to creativity as such and must understand the nature of the creative process and the blocks to creativity. Moreover, they must know something of their own creativity and how it has evolved, so as to understand creativity in others. They must be able to find new approaches to involving others in the creative process and must show their appreciation in specific ways for what others contribute.

(a) Interest in creativity. The starting-point is an interest in the creative process itself. Innovation or invention often follows curiosity. Those who are curious about things - why they are what they are and how they got that way - are more than likely to produce improvements on what has gone before. This is why a healthy curiosity is basic to improving one's own creativity.

Such curiosity ought not to be narrowly limited. It ought to go beyond the specific interest that people have in their own lines of endeavour. If one is really to encourage one's native ingenuity, one must have an interest in many things, how they work and how they came about, and whether on their surface they seem to relate to the assignments at hand.

The literature of creativity makes it clear also that one of the more important ways of inventing is to adapt ideas from other fields. Some of the great breakthroughs have occurred because individuals were willing to attempt this. The fit may not be perfect, but with adjustments, it can be made to work.

Actively encouraging innovation goes counter to what many people have been trained to do. At the very time when specialization is being encouraged, managers are being urged to broaden their vision, to become

interested in things that on the surface have little to do with the work in which they are already engaged. They are being told to ask questions, to explore, to observe, and, above all, to interest themselves in matters where there may be no ready answer;

(b) Understanding the creative processes - and the blocks to it. Creativity is often described as one part inspiration and nine parts perspiration. There is a lot of truth to this, but it is better to say that some creativity is pure chance, some of it comes from inspiration, but most of it comes from a system. The great inventors developed systems for themselves, and, as their biographies reveal, they followed them assiduously.

Like Edison those who are engaged in creating - or problem solving, which is another name for it - must have the opportunity to explore and experiment. Some of the ideas that people have burst precipitously upon them, but many others are a much longer time in coming. It is here that managers must learn the importance of patience. Whatever the processes that are followed, ideas need time for incubation and maturation. It is sometimes a long step from the theoretical to the practical.

Observing others and their ways and asking questions of them and how they work lead to learning. Managers should lose no opportunity to enlarge their knowledge. This is why field trips are so important and why seeing how others do things is always so enriching an experience.

The blocks to creativity are more significant than some of the opportunities. There are organizational blocks. Indeed, some of the more significant ones in bureaucratic systems are of this nature. Behind them are often the socio-cultural blocks of mores and customs which are passed on from one generation to the next and which change slowly.

There are also physical blocks - often the shortages of the things that are needed. There are also conceptual blocks - notions we have accepted for so long we take them to be natural laws. And, of course, there are individual blocks, or the hang-ups we have as people. All must in one way or another be overcome;

(c) Probing one's own creativity. Most people are more creative than they think. If one rates oneself only by the silicon chips one has invented, one will get one answer. If, however, one records all the many ideas one is responsible for, whether they involve the office, shop or the home, one will discover that the number is considerably greater. We must remind ourselves that we are all innovators and inventors, even if only of limited scope.

Some assignments call for greater innovation than others. Writers are of a particularly imaginative sort, but so are artists of all kinds. And, so, for that matter, are people who work with various kinds of equipment. They learn what keeps it going - and how to get it going again when it stops. They observe its idiosyncrasies and build upon them. They also remember and use what others do, and adapt as needed. Cooks are innovative, but so are teachers, plumbers, engineers, advertising people, those whose careers depend on their successful dealings with clients and publics, farmers, physicians, and managers, particularly the good ones. Managers may be reluctant to tell of some of the things they do to get the job done, but that may often be because they regard it as no more than what should be expected of them.

Most people have evolved ways of seeking answers or solutions. Faced with a problem, all of us follow some of the same patterns of behaving. Often, we look around us to see what is available for application. This natural first part of the process is called "eyeballing" the immediate environment.

Finding nothing in the immediate area, we resort to a "mind sweep" which enlarges our frontiers. If we do not discover something useful to us, we consult others: friends and associates, fellow workers, experts, consultants. Next we turn to other sources of information: periodicals, books and whole libraries. After that, we go to information storage, a much more sophisticated search effort. Easy sources of information are pursued before we turn to more difficult ones.

Those who have studied the innovative process know that some places produce more ideas than others. This is why some organizations go to great lengths to provide laboratories and research centres where

individuals can think, ruminate, experiment, and above all, exchange ideas freely.

Most people will discover that a particular place or activity will either trigger or enhance their creative systems. Sometimes this is driving to and from work, sometimes in walking or jogging, sometimes even in the shower or tub. They will also discover that at certain times of the day, they are more creative than at other times. The point is that individuals need to know themselves. By doing so, they will better understand others;

(d) Ways of involving others. It is up to those at higher levels to find ways of leading their people to new and more rewarding opportunities, and any number of avenues can be followed. Individuals must be given a chance to know that their ideas will be heard - and appreciated;

(e) Recognizing and rewarding creativity. Over the years, good management has rewarded those who have been faithful and those who have worked hard. It has paid its respects to seniority, obedience, and much else. It has, however, been less appreciative of the creativity individual employees have shown.

In fact, only in recent years have employees been singled out for cash and salary awards, special benefits, and promotions because of the innovations they have introduced. When this has occurred, it has usually been for some new product or new way of producing an old product, rather than for something which has resulted in systemic change. Experience with suggestion systems underlines this point: those whose ideas are based on mechanisms are much more likely to be rewarded than those whose suggestions are primarily procedural or policy-based.

Suggestion systems have limitations. Those who ultimately pass on the ideas put forward often have a stake in the status quo and are negatively influenced by ideas that would alter it. Many confess to being able to identify those who propose changes and are already prejudiced against them. (An innovative young man with a major United States bureau revealed to the writer that he had attributed many of his ideas to others in his office because he had discovered that he had already met his "quota" and did not want to be turned down because of it.) A common complaint is

that the rewards are not commensurate with the value of the ideas put forward.

The organization should never fail to show its appreciation to contributing members. It can do this by giving credit in a variety of ways: citing those whose ideas have been accepted in in-house organs; holding meetings at which special awards are given. A personal expression of appreciation by someone higher up is particularly well received. The amount of a cash award, if the change is not a major one, is of less significance than the fact that it is being given. Certainly, an award or a citation should be entered in one's personal record and should be taken into account when better job opportunities occur. Also, where cash cannot be given, time off with pay may be a suitable response.

Often it is difficult to determine which individual has contributed a particular idea. Under such circumstances, group awards can be made. They are usually expressed as in the military, with certificate citations or uniform patches. Group celebrations or dinners are another way of recognizing achievement.

Those who believe in innovation - and really want it - must work to get it. Recognition and reward are an integral part of such a process and should not be neglected. The manager must understand that, in encouraging ideas, he will inevitably get poor or impractical ones along with the good and must be able to find ways of dealing with them without discouraging the larger effort.

Dysfunctions

Much of what has been suggested above for obtaining greater creativity has dysfunctional aspects. Managers should be well aware of what may sometimes happen, and know how to react appropriately. For example, those calling for greater creativity will often be rewarded with many impractical - and sometimes unusable - ideas. Managers must be prepared to deal with them.

When ideas are not accepted, those advancing them should be told why. Some people are more skilled at conveying this than others. The respondent's pride is often involved.

Sometimes those who put advanced ideas that are accepted consider them to be of greater value than they are and thus expect higher rewards than they get. An appeals process will help to take care of this.

Sometimes employees become so involved with advancing new ideas that they neglect to do things they were originally hired to do. This is not a common problem, but it does occasionally occur and must be addressed.

Most companies and some government agencies have agreements with their employees that the patent rights to whatever is invented as part of their work assignments are owned by the organization. However, the individual with the idea may use it if it has application outside his own agency. This matter should be clarified in advance.

EXERCISES

The nature of large organizations

The following exercises can be used as part of larger training programmes. Some require individual reflection. Others are best used as a topic for discussion in small groups.

It is usually best to divide the larger group into small ones of from three to six members. The small group comes to a collective judgement which is then reported to the larger group as it reassembles. It is well under such circumstances for the total audience to be given an opportunity to hear and participate in the reporting and discussion.

The "resource person" or "lecturer" can then make whatever observations seem appropriate.

The exercises suggested are numbered for purposes of identification only. There is no significance to the order in which they appear.

1. Some of the costs are enumerated in the study material. Suggest some others.
2. What are some of the ways in which these costs can be "reduced"? How should they be approached?

3. A common criticism of bureaucracy is that it is "slow, ponderous, and incapable of taking immediate action". You are given the responsibility of decreasing its "response time" without doing damage to the quality of work performed. Indicate several steps you might take in accomplishing this objective.

4. While responsibility in bureaucratic systems is difficult to determine, efforts to increase feelings of responsibility often result in greater delays in action. What can be done to increase a feeling of individual responsibility for what happens without seriously burdening the process?

5. Bureaucratic systems, by their very nature, are not efficient. What can be done to reduce levels of hierarchy in public bureaucracies, and thus make them more responsive?

6. One of the criticisms of bureaucracy is that it is not creative. The people who serve it tend to become bogged down in procedures, rules, and regulations. What can be done to make the average government agency more creative?

7. Most government bureaucracies tend to be highly centralized. We know that a dependence on centralization results not only in substantial delays but also in decisions that, by the time they are made available to action officers, are often out of date. What can be done to change such a system?

8. Most large bureaucracies are both oversupervised and undersupervised. This means, in the first instance, that too much time is spent supervising those whose primary task is that of supervising still others. In the second, it means that government representatives are often left virtually on their own. What can be done, specifically, to reduce the waste of time that overlapping of this kind produces? What can be done to ensure that others are left to act independently?

9. There is considerable difference between managing a small organization (15-to 20 people) and a large one. The manager of the small enterprise, for example, does a variety of things which the manager in a large organization would assign to specialists. Those in larger bureaus or companies must involve themselves with communications standardization etc.,

which are of considerably less concern to those in the smaller operation. What should be the major concern of the manager of the large organization? Can he truly delegate to others and still get a standardized product?

10. Even bureaucracies under single-party systems, where very little opposition is tolerated, have witnessed ways in which people working in a kind of concert have made their views felt. This has occurred in a wide variety of circumstances. The agency director - even the minister - should be well aware of such "groupings". Indicate what six or seven of them might be.

11. Giving orders results in a substantial amount of dysfunctionality. This is often the case because individuals at action levels have a great deal of power. What are some of the devices that lower-level officers can use to delay or stop doing the things that are asked of them? Indicate some 15-20 such devices available to them.

12. MBWA (Managing by walking around) is an idea which has in recent years gained considerable popularity. How can it be used more effectively in government?

13. Frequent visits by top managers to the field increase management's knowledge of what is going on. They provide an opportunity for the managers to know their people, and be better known by them, and they convey the idea that the managers are interested in and concerned with operations. What other advantages are there in such visits as a device for making the organization more "functional"?

14. Computers have made it possible for senior executives to know what is happening in the organization. But they also tend to make it more centralized. How can this dilemma be avoided?

15. Are there ways by which the public and private sectors can combine their efforts so as to be more productive and less bureaucratic? What are they?

EXERCISES

Problems of staff and line

1. Senior officers in many public agencies find themselves without the expertise they feel they should have to perform their duties. How, in view of the growing specialization of our times, can that expertise be acquired?
2. Staff people frequently protest that they are asked to take on assignments without previous discussion of whether or not the assignments are proper or even possible. What can be done to prevent this from happening?
3. (a) when leaders are selected for large organizations, is it preferable that they be from line or staff? Why?

(b) What are the merits of selecting the leader from one service area and the deputy from another (so as to be sure both are represented)?
4. It makes sense to have professionals undertake the activities that are described as "staff". What should be done about recruiting them for those positions and providing opportunities for them to pursue legitimate careers in them? Does this fit with your own system? Can it be accommodated?
5. It is widely accepted in certain personnel systems that senior officers can fill any kind of position to which they are assigned. There is merit to this, as experience has shown, but it results also in people without specific knowledge of certain subjects being made responsible for them. What can be done to assure that people properly qualified in particular areas get assignments there?
6. Observers frequently complain that governmental operations give very little attention to planning. Countries with national plans often give little or no attention to administering them or even revising them, should changes be required. What can be done to make planning a more important part of the administrative processes? How can one ensure that it will be used?
7. In many countries, the training function gets little attention from senior administrators. Yet it

is commonly observed that Governments are handicapped because of the lack of well-trained people. How, in your country, can you make use of a professional training division, and how can you make sure it is properly utilized by others?

8. How can training be used to ensure greater cooperation between staff and line units? Be specific.

9. Traditionally, certain administrative systems require that the finance office issue a "sanction" before money is spent. This often introduces an additional delay: after having made the case for granting money in the first place, the operating unit most concerned must go back and make its case once more before funds are released. What can be done to ensure that money is made more readily available but is not improperly spent?

10. Decentralized offices are sometimes evaluated by teams made up of both line and staff people. Each looks into areas involving its own particular function. This has advantages - for example, individuals who are part of the team can get to know better what others are doing. What are some other advantages? How can they be capitalized?

11. Administrative arrangements must be constantly examined lest they become archaic and dysfunctional. Systems analysis divisions are created for this purpose. Experience shows, however, that the divisions are often underutilized. What would you do as a senior official to make sure that their services were more fully employed by your operational divisions?

12. A minister should have available to him a small staff concerned with some of the most important staff functions. What four would you recommend? Why? If a fifth and sixth were to be added on some kind of rotational basis, what would they be?

13. You, as minister, are intent upon improving the productivity of your country's administrative system. You assign the job of doing this to a group of three of your staff people. Who ought to serve on it? Why?

14. An arrangement common to most modern private-sector organizations is the internal, or

administrative, audit. This is a unit which examines various agencies or departments to make sure that they are doing the things assigned to them. Discuss the uses of such a unit as a supplement to more traditional channels. Might it be useful in a developing country? Why?

15. Japanese industry has discovered that a separate division for quality control need not be established if operations can be made self-regulating. Admittedly, this is easier in the private sector than in the public, where services rather than products are involved. How can it be managed in government?

EXERCISES

Improving creativity

1. The following exercises are for individuals.

At what time of day do you get your best ideas?

Where (in what specific place, room etc.) do you get them?

What do you do when in need of new ideas or better solutions to the problems you face?

Reflect upon a useful idea you have produced. How did you come upon it? Why did you happen to select it?

Answers can be discussed in small groups. What is to be concluded from them?

2. Some of the various ways that have been suggested for stimulating creativity are listed below. Which have been most useful to you?

Writing ideas down when they occur to you

Observing what others are doing

Experimenting with ideas

Making notes of your successes

Exploring your failures to determine why they didn't work

Fantasizing

Relating unrelatables

Breaking well-established patterns

Asking the advice of others

Researching the problem; reading about it

Brainstorming

Giving groups special assignments

"Borrowing" ideas from others

Re-examining old (and successful) methods

Giving people special assignments

Examining something to discover its flaws, then trying to rectify them

Discuss.

3. All of us are creative because we have to be. Most of us, however, are more creative under certain circumstances and where certain problems are involved. Think of times when you have been particularly creative, and try to recall what you have done to increase your own creativity. What do you make of this? Can you share your "successes" with others?

4. Think back over the past two to five years. List five instances where you feel you have been particularly creative. What specifically caused you to come up with your ideas?

5. We are often told that, consciously or unconsciously, we borrow (or steal) ideas from others. Can you provide examples of this from your own experience? How can such a process be institutionalized?

6. A group of four (or five) is assigned the task of devising a new item of clothing (outerwear) that can be worn in both summer and winter and both formally and informally, and has wood or metal in it.

7. Create a new toy that makes use of something that an animal can do but a human can't.
8. Create a piece of furniture that combines what two pieces of furniture now do (such as a table and a chair, or a bed and a table). It should be something that does not exist at the present time.
9. You are in a kitchen that has no knives in it at all. You need to sharpen a pencil which has a broken lead. How would you do it? You may use only what is in the kitchen. In fifteen minutes list as many ideas as you can. When the exercise is over, reflect on what you did (the process) to increase the number of ideas.
10. Your country club (male only through nine months of the year) is open during the summer months to women. (They have separate shower rooms but must share locker space with the men.) From time to time, the men forget and wander from the shower areas into the joint locker room with only towels about them. Your assignment is to devise a way of communicating that it is summer and there are women present. The system you come up with should be fool-proof.
11. Select an animal, tame or wild, and list some of the capabilities it has that we do not now have but might be able to use. Indicate how those capabilities might be developed.
12. Many people have good ideas, but for one reason or another the ideas are withheld from those in a position to use them. What can be done to change this situation?
13. Sometimes individuals or groups of individuals in a community have information with respect to law violations. Suggest ways in which such individuals can be persuaded to make the information known to the police without feeling that they are being cast in the role of informers.
14. Suggest several ways in which you could help your organization to become more creative.
15. Many of the things we do in large organizations are done out of routine or habit. Some of them are no longer needed; some no longer need to be done in the traditional way. Suggest a number of such procedures,

and name five which could be done away with with no great loss.

16. Many of us would like to "train" the people we work for. List some of the things that you could do to help train your superior or superiors.

17. One of the most important ways of building an effective organization is to convince the workers that their job is important. Suggest what can be done to make the following people more aware of the importance of their jobs: file clerks, librarians, (others).

18. Suggest some practical ways of persuading others in the organization of the importance of public service. How does one convey to employees the idea that serving the public is important?

19. A number of organizations have been able to reduce bureaucratic size by asking the members of the client system to take on a number of functions previously performed by the organization. Department stores and supermarkets do this by giving the customer a basket and asking him to bring to the cashier what he wants to buy. Suggest what you might do in your organization to get members of the public to "participate" more fully in the government processes.

20. It is an organization's responsibility to help people who have spent a large part of their life with it to retire but still to retain personal usefulness. Suggest what might be done in your organization to make retirement more gradual and more acceptable.

21. Indicate some things that your country badly needs which might be addressed by cooperative action. These might be targets that can be achieved during the next five years or perhaps earlier.

22. What ideas can be borrowed from the private sector which could be usefully applied to government? What can be borrowed from the military that would be useful on the civilian side?

23. We have habits which for years have failed to make use of creativity-inducing procedures. How do we remind ourselves that creating is an important part of problem-solving? What can we do, as we face problems, to remind us to make use of such procedures?

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Bibliographical note

Most of the books written on management describe the differences between staff and line types of work, but fail to treat the problems that often occur as the two work together. Both, of course, are essential to the organization, but conflicts frequently arise between them, and resolution often takes time, patience, and considerable negotiating skill.

Basically, line is responsible for performing the types of services for which the organization was constructed in the first place. Staff performs specialized functions which in one way or another are supportive of the services.

In the private sector, these are more easily defined than in the public. If the company's purpose is manufacturing, staff will be concerned with functions supportive of it, including marketing. In government, however, staff, while still supportive, will often have other purposes as well. Because legislatures determine not only what is to be done but also how, staff must see that it is done with particular attention to whatever the legislature prescribes. The agency is limited not only by the amount and type of money voted it but also by rules such as the recruitment and use of people for the task at hand and a variety of other requirements. And because legislatures are much more remote than company boards of directors from day-to-day operations, what they require stands until it is revised. (Often a tedious process in itself.) Thus, staff people, in addition to having a facilitating role, also have, in a sense, a policing one.

Their voice is effective not only because what they do needs to be done but because they have become professionals in important ways and their expertise is at issue. Their involvement is required even though the final product is more the work of others than of them.

The conflicts within the private sector are accordingly less substantial than those in the public. Staff have opportunities that are often greater than those of their line equivalents. They are frequently selected to become CEOs. They are often close to company presidents and boards. Company CEOs are often selected from marketing, law, finance, and planning, over manufacturing. In fact, some believe that people with substantial knowledge of, and experience in, manufacturing have often been bypassed in favour of people in staff areas. The latter are likely to be better known to boards of directors, who often do the selecting, than those in operations.

Those who head the more than 125 major federal bureaux in the United States Government get their jobs because of their expertise in their respective fields. This means that people in the staff areas, cannot aspire to the directorship of important bureaux because of their lack of technical experience. No matter how great their managerial skill, they have traditionally been bypassed or overlooked. This is a major failing of the American system - very much a factor on the federal side but less so in state and city governments.

As a result, the student of management might well look to specific staff areas for information on how they are being, or should be, approached. The field of personnel provides such an example.

There is a large and growing volume of literature on the subject. Books are available in such areas as personnel planning, job design and analysis, recruiting and staffing, selection and placement performance appraisal, employee compensation, training and development, human relations, career planning, improving productivity, occupational safety and health. They are also available in budgetary and financial management, systems analysis, contracting, and other important

staff areas, although perhaps not in the same detail. Most of them, however, fail to address some of the problems that have been noted in this paper.
