

PP5503

MANAGING THE PUBLIC SECTOR

MPA Core Module

Second Semester 2012-2013

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Office: 02-15, LKS
Consultation Hours: Tuesdays, 14:00-17:00 and by appointment
Class Hours: Tuesdays, 09:00-12.00 and 18.30-21.30 hours, MM 2-2
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Course Description

Managing the Public Sector focuses on the ways in which public managers mobilize resources to achieve important public purposes. In the module, we will discuss the roles and responsibilities of managers in the design, implementation and evaluation of public programs and policies. Since managers try to anticipate and manage change strategically, they must have an appreciation of the nature of organizations, their environments, and their stakeholders. We will pay specific attention to the uniqueness of the public sector environment, and the relation between public managers and political principals and stakeholders within *and* outside government. In addition, we will focus on two of the most prominent issues in public management today: how to motivate your employees and how to build and maintain organizations of integrity and foster an ethical climate.

Readings and cases represent a balanced mix of classic and recent materials from across the globe, including Asia, the USA, Europe and Africa.

The themes of the course are reflected in the following seven questions:

1. *How and why do public and private management differ?*
2. *How does a manager motivate staff and subordinates?*
3. *How does a manager coordinate with other organizations?*
4. *What are the constraints that public managers face?*
5. *How does a manager deal with the political environment and political principals?*
6. *What constitutes 'good' and ethical public management?*
7. *How does a manager set goals, create priorities and evaluate performance?*

Teaching philosophy and format

The seven core questions are used to organize the readings and cases that we will discuss in class. Most class sessions will start with a (concise) lecture by the instructor followed by a discussion on the required readings for that session. Then, we will focus on one or two cases that contain specific public management challenges. Sometimes the order might be reversed. Most class sessions will include small group, in-class exercises, and some will include group presentations. You are expected to read the materials in advance of the class session and be prepared to discuss both the cases AND the required readings (and how they relate) in class.

Many of the cases have a primary protagonist, usually a senior manager who operates in a complex political and organizational environment. The senior manager is often faced with a decision-forcing situation. One question that should always guide you when you finish reading a case is the following: what should the senior manager do? And, *what would I do and why?* You should try to identify the manager's *objectives*, the *resources available* to reach the objectives, the *steps* necessary to *implement* the objectives and the *obstacles* that must be overcome.

From the start of this module, you will form *groups of three* that will stay together for the duration of this module. As a team, you will engage in weekly case discussions, present during one of the lectures, and write a group-based decision memo together.

Course objectives

- 1) Provide you with an understanding of how and why public, private, and nonprofit organizations and management differ from one another
- 2) Enhance your understanding of core competencies necessary to shape the complex and 'unique' public sector organizational environment
- 3) Increase awareness of the managerial tools and strategies available to you, and the conditions under which certain practices may be used to improve overall organizational effectiveness and achieve programmatic results

Skills

Some of the skills that will be reinforced in the course include:

- 1) **Analytic, integrated and systematic approaches to problem solving.** In addition to what you have already learned from previous courses, you will also be introduced to organization and management analytic frameworks and perspectives, and strategies and tools to reinforce your abilities to diagnose management problems and prescribe solutions.
- 2) **Political skills.** You will be exposed to cases where you can observe and understand the politics of bargaining, negotiation and the management of conflict.
- 3) **Management skills.** You will also be exposed to cases where you will have the opportunity to reflect on management skills such as: motivating, organizing, staffing, and evaluating.
- 4) **Communication skills and ethical reasoning.** You will be given opportunities to reinforce your written and oral communication / persuasion / rhetorical skills as well as opportunities to practice ethical reasoning in managerial situations.

Assessment

1. Participation in class discussions (20%). You will be assessed in terms of your contribution to the discussions on the case(s) and required readings.

Study the cases and readings before coming to class, formulate questions and take a position towards the issues that are raised. I will actively involve you in discussions and in-class exercises. If you are not in class, by definition, you cannot participate. I will record and evaluate class presence and participation. Please notify me by e-mail when you are not able to attend class and provide a reason for your absence. Bringing your nameplate to class is conducive to interaction.

Each week, you are supposed to spend no more than 3-4 hours on the readings and 3-4 hours on case preparation. Readings excluding cases will not exceed 40-50 pages a week. The instructor will post questions on IVLE each week to assist you in preparing for class discussions. Use the assigned readings to better analyze the case and to ground your group presentation in concepts, approaches, and theories in public management.

2. Decision memos (30%). There will be one **individual** and one **group-based** decision memo. The individual memo is 1500 words, and the group memo is 2500 words, no more, no less, including footnotes, tables, and references (12 point font, one-inch margins, single spaced). A group will have three members.

*The decision memos will be based on one of the cases. You should write your decision memo as though you are a manager or policy advisor who has been asked to provide guidance, feedback, and recommendations to a superior. You should not reiterate what is in the case. You must offer specific examples and recommendations. It is important to fully develop and argue your recommendations. Do not simply present a bulleted list of options. The decision maker requesting your memo wants recommendations that can be implemented; therefore, you must justify them. Part of this justification should include the implications, positive *and* negative, of pursuing a particular strategy or decision based on the recommendations presented. Due dates are **Friday 22 February 2013; 5 PM** for the individual memo and **Friday 22 March 2013; 5 PM** for the group-based memo. Late papers will not be accepted. I will grade and provide feedback to your memos within 15 days after submission.*

3. Group presentation (15%). There will be group presentations throughout the course of the module, starting from week four. Your group will present one or two challenging examples from your own experiences as a professional/manager (that you were not necessarily able to solve!) and use the concepts and strategies provided by the readings for that particular week to offer solutions and directions for a way out. Presentations take about 15-20 minutes and are followed by a general discussion. They take place in weeks 4, 7, 9 and 12.

4. Final examination (35%). The **final examination** will be comprehensive and include questions that cover the required literature as well as the case studies used in class. It will be a closed-book exam. However, you are allowed to bring two single-sided sheets of paper to the examination with notes that you have prepared. You can use whatever computer font size for your notes you prefer. Your notes may include summaries of articles and cases, class notes, etc.

About the instructor

Zeger van der Wal was, before he joined the LKYSPP, Assistant Professor at the Department of Governance Studies at the VU University Amsterdam, The Netherlands, from 2008 to 2012. From 2003 to 2007, he was a senior researcher and PhD candidate at that same institution. In 2011 he was a summer resident at the Maxwell School of Citizenship and Public Affairs, Syracuse University. He previously held positions as a visiting scholar at the Crawford School, Australia National University (ANU), Canberra, in 2009, and at the School of Public Affairs, American University, Washington DC, in 2007.

Before he became an academic Van der Wal worked as a policy advisor and project manager for the Municipality of Amsterdam and a taskforce agency in the field of healthcare of the Provincial Government of Southern Holland, between 2001 and 2003.

His areas of expertise include Comparative Public and Private Management and Ethics, Elite Studies, Public Values, and Motivation in Public Management. He has lectured and consulted internationally, and has taught a variety of courses to undergraduate and graduate students as well as professionals. His work has taken him to Australia, Belgium, China, Singapore, the UK, and the USA.

Van der Wal has (co)authored over 50 publications in the areas of public and private management, public values, organizational ethics, public service motivation (PSM) and public professionalism. His work appeared in leading academic journals as well as professional journals, books and book chapters, research reports, and newspapers and magazines.

Journals which have accepted his work for publication include *Public Administration Review*, *Public Administration*, *Public Management Review*, *Administration & Society*, *American Review of Public Administration*, *Journal of Business Ethics*, *International Journal of Public Administration*, *Public Organization Review*, *Public Administration Quarterly*, *Public Integrity*, *Bestuurskunde*, *Beleid en Maatschappij (B&M)* and *Openbaar Bestuur*. His books include *Value Solidity. Differences and Similarities between the Organizational Values of Government and Business* (Van Ipskamp Publishers, 2008), and *Integrity of Local Government* (Boom Lemma, 2010, co-authored with Van den Heuvel, Huberts, and Steenbergen).

His main publications have been translated into Chinese and Russian.

Van der Wal received his Bachelor's and Master's in Political Science from the University of Amsterdam (UvA), and his PhD in Public Administration (*cum laude*, with honors) from the VU University.

In 2008 he was awarded the National Postdoc Award from the Netherlands Institute of Government (NIG) for the international comparative project 'Elite Ethics'.

His most recent project 'Rule of Morality vs. Rule of Law?' compares value preferences and conceptions of good civil service between civil servants in China and in the Netherlands.

More information about the instructor can be found on www.zegervanderwal.com

Weekly Schedule

PART I: THE ENVIRONMENT OF PUBLIC MANAGERS

Week 1: Tuesday 15 January

How and Why Public and Private Management Differ

After spending some time on introductions, expectations and logistics, and form groups for the presentations and decision memos, we will address some of the fundamental starting questions for this course:

- *How do public and private sector management differ?*
- *What makes the public sector environment 'unique' and 'different'?*
- *What do public managers do and why?*

We will end this lecture by spending some time on discussing the case teaching method and how to prepare for using cases in class as a student. Please study:

Readings:

Allison, G. (1979). "Public and private management: are they fundamentally alike in all unimportant aspects?"

Harvey, J.T. (2012). "Why Government Should Not Be Run Like A Business." Forbes Magazine.

Van der Wal, Z., G. de Graaf & K. Lasthuizen (2008). "What's Valued Most?" Public Administration 86 (2): 465-482.

Moore, M. (2000). "Managing for Value: Organizational Strategy in For-Profit, Nonprofit, and Governmental Organizations." Nonprofit and Voluntary Sector Quarterly 29: 183-204.

Week 2: Tuesday 22 January

How and Why Public and Private Management Have Become More Alike

Last week we've set the stage by discussing why public management is different from private management, in terms of skills, values, and objectives. However, in today's environment, public managers face a reality in which such a distinction is not always easy to apply. In this lecture we will address:

- *How and when do public and private sectors interact and what they can learn from each other?*
- *What are the pros and cons of privatization and how should public managers balance those?*
- *Are social enterprises and PPPs the future of public service delivery?*

Readings:

Bozeman, B. (2004). All Organizations are Public. Beard Publishers. Chapters 1 and 2.

Naschold, F. & Van Otter, C. (1996). Public sector transformation: rethinking markets and hierarchies in government. J. Benjamins Publishing. Chapter 3.

Cases:

Privatization of the Tiger Leaping House in Nanjing, PRC (HBS Case)

Privatization of the MTR Corp. (HBS Case)

Part II: MANAGING THE INTERNAL ORGANIZATION

Week 3: Tuesday 29 January

How Different Organizational Forms Require Different Management Strategies (or not)

Organizations do not operate in isolation from one another. Public purposes are usually accomplished through organizational "networks" that require "collaboration." Still, bureaucracies have not ceased to exist. Moreover, they are still the most popular and sought after organizational designs by politicians, civil servants, and consultants.

- *What do these concepts mean in practice?*
- *Is it at all useful to distinguish between bureaucracies and networks?*
- *Do different organizational configurations require different management styles and strategies?*

Readings:

Behn, R.D. (2006). "Stovepipe Bureaucracies Live." 3 (6).

Behn, R.D. (2008). "Beware the Dysfunctional Org Chart." 5 (7).

Klijn, E.H., Steijn, B. & Edelenbos, J. (2010) "The Impact of Network Management on the Outcomes of Network Governance." Public Administration 88 (4): 1063-1082.

Case:

World Vision International's AIDS Initiative: Challenging a Global Partnership (HBS Case)

The Eli-Lilly MDR-TB Partnership: Creating Public and Private Value (HKS Case)

Week 4: Tuesday 5 February

How to Decipher, Build and Change an Organization Culture

Organizations are not all alike. One of the distinguishing features of organizations is said to be their "culture."

- *But what does organizational culture mean?*
- *How does culture influence other factors such as management and leadership?*
- *How can you bring about organizational change leveraging culture?*

Readings:

Behn, R.D. (2004). "Bureaucratic Routines." 2 (1).

Schein, E.H. (2004). Organizational Culture and Leadership. 2nd Ed. Jossey-Bass, Chapters 1 and 2.

Case:

Captains of Lives: The Transformation Journey of the Singapore Prison Service (Insead Case)

Group presentations: 2

Week 5: Tuesday 12 February

No Class (Chinese New Year)

Friday 15 February, 2-5 PM: Management Game (together with Jonathan Marshall and Boyd Fuller)

Week 6: Tuesday 19 February

How to Manage and Motivate Your Employees, Teams, and Their Values

Managing and motivating is a key responsibility of senior officials in organizations.

- *How is this accomplished?*
- *What principles apply to the challenge of motivating subordinates?*
- *If public sector employees are driven by a unique 'public service motivation' (PSM), how can public managers best foster and stimulate such a motivation?*
- *How to manage in a way that aligns organizational values with those of your subordinates?*

Readings:

Garvin, D.A. & Roberto, M.A. (2001). "What You Don't Know About Making Decisions." Harvard Business Review, September: 108-116.

Katzenbach, J.R. & Smith, D.K. (2005). "The Discipline of Teams." Harvard Business Review July/August: 162-171.

Perry, J.L. & Hondeghem, A. (2008). Motivation in Public Management. The call of public service. Oxford: Oxford University Press. Editor's introduction and Chapter 1, pp. 1-33.

Cases:

Goodbye to Happy Hour (Electronic Hallway Case)

Part III: GETTING THINGS DONE IN A PUBLIC SECTOR ENVIRONMENT

Week 7: Tuesday 5 March

How to Identify Constraints on Reform: Does Regime Matter?

Public managers are constrained by many factors and actors

- *What constraints do public managers face, both in the external environment and within their own organizations?*
- *How are their abilities affected by the politico-administrative regime in which they operate?*
- *Does (country-specific) context affect reform and its success?*

Readings:

Cheung, A.L.B. (2012). One country, two experiences: Administrative reforms in China and Hong Kong. International Review of Administrative Sciences 78 (2): 261-283.

Pollitt, C. & Bouckaert, G. (2011). Public Management Reform: A Comparative Analysis. Oxford, Oxford University Press. Chapter 3.

Supplementary reading:

Weaver, R. K. (2010). "But Will It Work? Implementation Analysis to Improve Government Performance." Issues in Governance Studies, Brookings Institution.

Case:

Confronting HIV/AIDS in Pingxiang China (HKS Case)

Group presentations: 2

Week 8: Tuesday 12 March

How to Streamline Service Delivery without Assaulting Policy Professionals

Public organizations provide services. Many of such services are provided by policy professionals, also known as “frontline workers” or “street-level bureaucrats”, such as nurses, teachers, police officers or case workers (in social service organizations). There is inevitable tension between providing frontline workers with discretion while also holding them accountable.

- *How to best deal with this tension and prevent so-called ‘policy alienation’?*
- *How and when to involve frontline workers without losing momentum and authority?*
- *How to improve workflows of service delivery by engaging but simultaneously changing the ways of frontline workers?*

Readings:

Behn, R.D. (1995). “Creating an Innovative Organization: Ten Hints for Involving Frontline Workers.”

Lipsky, M. (1980). Street-level Bureaucrats. Chapters 1 and 2.

Tummers, L. (2012). Explaining the willingness of public professionals to implement new policies. International Review of Administrative Sciences 77 (3): 555-581.

Cases:

The Overcrowded Clinic (Electronic Hallway Case)

Week 9: Tuesday 19 March

How to Use Performance Measurement to Manage Performance

Using evaluation effectively is important for management of government programs and organizations, for accountability, and for being able to learn and improve performance. Measuring performance and ‘managing for performance’ have become important tools in the public manager’s toolkit.

- *What is the value of measuring performance?*
- *Why is it considered so much harder than in the private sector?*
- *If public sector performance can be measured at all, how can you use this information to manage performance?*

Readings:

Behn, R.D. (2004). “Why Measure Performance?” Bob Behn’s Public Management Report: 1 (11).

Behn, R.D. (2008). “Measurement is Rarely Enough.” Bob Behn’s Public Management Report: 5 (9).

Moynihan, D.P. & Pandey, S.K. (2010). “The Big Question for Performance Management. Why Do Managers Use Performance Information?” Journal of Public Management Research and Theory 20 (4): 849-866.

Group presentations: 2

Part IV: ACCOUNTABILITY, ETHICS, AND ETHICAL LEADERSHIP

Week 10: Tuesday 26 March

How to become an Ethical Manager: Handling Complex Dilemmas

Management and leadership are not just rational, technical instruments or qualities. Becoming an ethical leader requires moral reasoning and moral development, and the ability to handle complex moral dilemmas to reach ethical decisions. We are going to address a common dilemma using a structured approach towards ethical decision-making: the 7-steps model.

- *How to reconcile and manage conflicting values and interests?*
- *How to lead by example when the going gets tough and act consistently and coherently towards your subordinates and stakeholders?*

Readings:

Resick, C.J., Hanges, P.J., Dickson, M.W. and Mitchelson, J.K. (2006) "A cross-cultural examination of the endorsement of ethical leadership." Journal of Business Ethics 63(4): 345-359.

Treviño, L.K., Hartman, L.P. and Brown, M.E. (2000) "Moral person and moral manager: How executives develop a reputation for ethical leadership." California Management Review 42(4): 128-142.

Cases:

The Holiday Dilemma

Jextra Neighborhood Stores in Malaysia (HBS Case)

Week 11: Tuesday 2 April

How to Ensure Accountability and Combat Integrity Violations

Integrity violations are among the toughest problems that need to be taken on by public managers. However, they can be (partially) diminished or curbed through effective management solutions.

- *What kind of analysis is required (and why is this so difficult) and what strategy is likely to be effective?*
- *How can accountability and transparency be pursued and fostered?*
- *What role do public managers play in enhancing their organization's accountability?*

Readings:

Bovens, M., & T. Schillemans & P. 't Hart, (2008). "Does Public Accountability Work? An assessment tool." Public Administration 86 (1): 2008: 225-242

Svensson, J. (2005). "Eight Questions about Corruption." Journal of Economic Perspectives, 19: 19-42.

Case:

Granite City Building Inspectors (Electronic Hallway case)

Part V: MANAGING THE 21TH CENTURY

Week 12: Tuesday 9 April

How to Achieve your Goals and Manage Change

Leading change is one of the most challenging dimensions of managing in government.

- *How can the knowledge and skills learned from the subjects discussed above be harnessed to achieve the goals that a manager sets out to achieve?*
- *What are the constraints and how can they be overcome?*

Readings:

Kotter, J.P. (2007). "Leading Change: Why Transformation Efforts Fail." Harvard Business Review, January: 96-103.

Abramson et al. (2008). "Eight Essential Tools for Achieving Your Goals." IBM Center for the Business of Government.

Supplementary reading:

Abramson et al. (2008). "Getting it Done: Advice for Government Executives." IBM Center for the Business of Government.

Group presentations: 2

Case:

Transforming Singapore's Public Libraries (HBS Case)

Week 13: Tuesday 16 April

How to Manage and Leverage a Diverse Workforce

Increasingly, organizations operate across borders in different countries and continents with (potentially) very different cultures. However, this is not the only reason why managing diversity becomes more and more important. Also within organizations, the make-up and balance of individuals of different gender, ethnicity, and generations shifts constantly and faster than ever before.

- *How to manage diversity and dynamics and balance and mediate sensitive contrasts?*
- *What does diversity mean for traditional ideas about HRM, including selection and promotion?*

Barton, D, A. Grant. & D. Horn (2012). "Leading in the 21th Century." McKinsey Quarterly.

Torpenaars, F. & Hampden-Turner, C. (2004). Managing People Across Cultures. Chapter 10.

Kirton, G. & Greene, A. (2010). "Human Resource Management and Diversity." The Dynamics of Managing Diversity. A Critical Approach. Chapter 9.

Case:

Global Diversity and Inclusion at Royal Dutch Shell (HBS Case)