

Week 5

Recap: What is PA's response to Plunkitt? We shall use our noetic authority, borrowing from management and political science to reach our goals, but recognizing that managing in public organizations is different because we serve others (not ourselves), we benefit outsiders (not insiders), and we are more accessible. As we build these new organizations that reconcile bureaucracy and democracy, we need to keep in mind that we have two big organizational alternatives: closed versus open (means versus ends, rules versus creativity, coerced versus voluntary work). The success of whatever strategy we choose will depend on how our organization matches with its environment: stable environments allow more rigid organizations, unstable ones require more flexibility. We also recognize that organizations will all tend toward closure because we prefer certainty over uncertainty.

Lecture Preface for Chapter 4: In this chapter Henry again makes the case that public sector organizations are indeed different. He begins by suggesting that the goals of public sector organizations are often vague and uncertain and that there is disagreement over their purposes even after they have been established for many years. He then goes on to say that information is not used rationally in organizations and that decision-making is not always based on information even when it is available. Part of this is due to the fact that decisions are made by people and people are not necessarily rational and here he again brings in the work of Herbert Simon. But he also emphasizes that decision-making in public sector organizations is less autonomous than in the private sector and that the procedures used in the public sector constrain public managers more than private ones. Even more important, public sector organizations are more deeply affected by their environments. Public sector organizations often have multiple bosses and responsibility for managing a single policy is often scattered among several agencies. The diagram showing congressional oversight of the Department of Homeland Security reveals just how trammled public agencies can be. Because so many people have a hand in the execution of public policies, red tape is inevitable. It is a sobering illustration of the ways in which attempts to make a public organization accountable to multiple parties can lead to gross inefficiency. This means that public sector managers often have to work with their hands tied, a fact which requires them to be even more effective in order to get things done. To what extent are the problems discussed in this chapter a product of our desire to have government be responsive in a democratic sense? That is, is all this red tape simply a byproduct of our desire to let everyone have a say in how public organizations work? What would be the effect of dramatically simplifying the rules by which public organizations work and reducing the penetration of the environment on public organizations? Would this make them less responsive even while making them more efficient and effective? How would we go about making public organizations more efficient: could we leave that to their managers and allow them simply to manage the organizations as they see fit? Since there is often ongoing disagreement about the goals of public sector organizations, aren't the inefficiencies described by Henry simply a reflection of a lack of consensus over what public sector organizations should be doing? That is, aren't our public sector organizations designed to be inefficient by virtue of their responsiveness, given the lack of consensus they inevitably reflect?

At various points in this chapter, Henry makes his case that public organizations are different than private organizations, in spite of clear similarities among organizations of all sorts; the key

to his argument is the way they relate to and respond to the forces around and inside them. He identifies six ways that public organizations face those forces in distinctly problematic ways. (1) The performance of public organizations is more difficult to judge because their ends (goals) are unclear and the relationship between ends and means is less certain. (2) Decision-making within public organizations is generally less rational than in private organizations because it is less autonomous, more restricted, less informal, more consultative, slower, and more risk averse. (3) Persuasion, which is the go-to strategy for building support for a decision, is not particularly effective. (4) The task environment penetrates public organizations more: public managers have fewer selected subordinates, fewer focused goals, more top executive turnover, and more stakeholders. (5) Subordinates in the public sector have more powers of resistance to management and the subunits within public organizations are weaker. (6) Change is more likely to be resisted because of a lack of a market mechanism, many sources of red tape, and the demand for openness.

To counter these problems, Henry recommends that public bureaucrats (1) push for clarity with respect to ends and means, (2) use experts and data whenever possible, (3) use intervention as a managerial strategy, (4) do less planning so that they stay more flexible and pick their battles carefully, (5) try to make their units as indispensable to the larger organization as possible, and (6) restrict openness and make greater use of market mechanisms to increase effectiveness. The ultimate goal here is to make public organizations better at achieving their goals in spite of the fact that their goals are unclear and the tools they use to pursue them are inherently limiting.

In Plunkitt's day, what were the ends/goals of the machine? What were its means? To what extent was the task of his organization clearer than a contemporary public organization? What tools did he have at his disposal to achieve his objectives? How have the administrators in the ICMA-TV videos managed to link ends and means? Are they able to make unclear objectives clear? If so, how?

Chapter Four

THE FABRIC OF ORGANIZATIONS: FORCES

CHAPTER OVERVIEW

The chapter addresses how the organization adapts to internal and external forces. Particular attention is paid to knowledge acquisition, decision-making, and organizational performance within the peculiar restraints of public administration. Networking and coalitional management is addressed as well as the challenges facing independent and not-for-profit organizations.

CHAPTER OBJECTIVES

1. Understand how society measures the worth of public agencies and nonprofit organizations.
2. Explain how public organizations use knowledge and information in decision making.
3. Understand the boundaries that limit or shape decision-making in organizations.
4. Describe the tactics used to implement strategic decisions and policies and understand why some tactics are more successful than others.

5. Understand the impact of the organization's external environment on internal organizational actions and decision making.

CHAPTER OUTLINE

ASSESSING ORGANIZATIONAL WORTH

Testing for Efficiency

Testing for Effectiveness

Testing for Society

ORGANIZATIONAL KNOWLEDGE

Information and Hierarchy

Absorbing Uncertainty

Centralization and the Fate of Intelligence

Decentralization and the Fate of Intelligence

Information and Decision Making

Know-Nothing Decision Making

Information as a Symbol

Making Decisions Faster – and Better

DECISION MAKING IN ORGANIZATIONS

The Bounds of Individual Rationality

The Decision Premise

Bounded Rationality

“Satisficing” Decisions

Victims of Groupthink

The Bounds of Organizational Rationality

Types of Organizational Decision Making

Mismatching Organizations and Decision Making

Organized Anarchies and the Garbage Can of Decision Making

Decision Making in Public Organizations: A Different Dynamic

An Attenuated Autonomy

Bargaining Versus Analysis

A Complex Process

Taking It Slowly and Cautiously

Participation and Consultation

Consulting with Whom?

Caution, Communication, and Unappreciated Peril

The Quality Question

Decision Making in Nonprofit Organizations: More Talk, Fights, Risk

Consultative Decision Making

Conflictual Decision Making

Riskier Decision Making

A MONUMENTAL MAP MESS IN GEORGIA (case study)

ADMINISTRATION IN ORGANIZATIONS

The Tactics of Administration

The Tactical Choice

Tactical Success

Administration in Public Organizations: A Different Dynamic

The Whirlwind

The Pressures

LIMITED CHANGE: THE IMPACT OF TECHNOLOGY AND PEOPLE ON THE PUBLIC ORGANIZATION

The Likely Limited Role of Technology

Constraining What Public Agencies Do

Process Technologies Versus Product Technologies

People Changing Their Public Organization

Paladins of Policy Change

Human Choice or Environmental Determinism?

DEEP CHANGE: THE IMPACT OF THE ENVIRONMENT ON THE PUBLIC ORGANIZATION

Change in Public Organizations: Politics, Pressures, and Prohibitions

Ordering Agency Openness

Burned by Sunshine

Influenced by Agency Advisory Committees

Affected by Administrative Procedure Acts

The Osmotic Impact of the Agency's Environment

Who's In Charge Here? The Fragmentation of Agency Accountability

A Parsing of Policies

A Bevy of Bosses

An Undercutting of Accountability

The Iron Triangle: Resisting Reorganization

Reorganizational Resistance

Reorganizational Futility

The Bureaucratization of the Public Organization

High on the Hierarchic Hog

Hierarchy and Effective Government

Reams of Red Tape

Rue the Rules?

Red Tape and Effective Government

Explaining Bureaucratic Accretion

Administrative Autonomy and the Performance of Public Organizations

The Environment and the Independent Organization

Environmental Forces and Independent Failure

Environmental Forces and Independent Survival

KEY CONCEPTS/TERMS/INDIVIDUALS

efficiency test

effectiveness test

social test

external legitimacy

knowledge

data

information

wisdom

uncertainty absorption

Friedrich von Hayek

organizational sophistication

decision premise

bounded rationality

status quo

Herbert Simon

“satisficing”

heuristic thinking
Groupthink
computational decisions
garbage can model
organized anarchy
attenuated autonomy
consultative decision making
conflictual decision making
coalition management
tactics of administration
persuasion
edicts
participation
intervention
technology
human choice
environmental determinism
“sunshine laws”
advisory committees
administrative procedures acts
iron triangle
bureaucracy
hierarchy
red tape
“cesspool syndrome”