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MANAGERIALISM-SOMETHING OLD, SOMETHING BORROWED, SOMETHING NEW: MAKING GOVERNMENT MORE BUSINESS-LIKE

Dr John Dixon

November 1995
“[Government agencies are] invested with awesome powers of compulsion - to tax, regulate, inspect, arrest - and attractive powers of reward - to subsidize, purchase, and protect. Typically they exercise these powers as monopolists, immune from competition. To make them accountable, we enshroud them in a maze of laws, regulations, and court rulings; to keep them responsive, we expose them to access by endless reporters, lawyers, committees, and investigators. The result, inevitably, is a culture of risk aversion that cannot readily be altered” James Q. Wilson (1994: 672).

INTRODUCTION

The panacea for the public sector’s self-evidently inadequate performance is seen by many as the need for civil servants to pursue a results-oriented approach to their management using private sector management principles and practices. This managerialist view now pervades public administration in, most notably, Australia, New Zealand, the United Kingdom, Canada and the United States) (Caiden, 1994; Dixon, 1988 & 1995; Dixon & Kouzmin, 1994, Kouzmin, Dixon & Wilson, 1995. Hede, 1991; Ingraham & Peters, 1988; Lane, 1985; Mascarenhas, 1993; Peters, 1994; Pollitt, 1990) and, embironically, in Hong Kong (Hong Kong Government, 1995). The purpose of this paper is to explore the meaning of managerialism and its raison d’être, and to identify the challenges and threats that must be confronted before its promise of improved public agency performance can become a reality.

MANAGERIALISM:
THE PRIVATE SECTOR SOLUTION TO THE PUBLIC SECTOR PROBLEM

The neo-conservative ideology of neo-classical welfare economics under-scores the linking of the public agency efficiency to managerial ability, authority and accountability by the the adoption of managerialist (business-like) principles and practices (such as strategic planning and management, customer service, quality assurance, performance management, risk management and even accrual accounting) (Golembiewski & Kuhnert, 1994; Hensher 1986), creating what Adams and Ingersoll (1990: 285) describe as “the managerial metamyth”.

Neo-classical welfare economics has acquired the classical Benthamite distaste for the public sector (Bentham [1789] 1970), which is constantly under suspicion of being inefficient, wasteful, and thus not giving value for
money, because the absence of any automatic disciplining mechanism permits rent-seeking behaviour (Tullock & Eller, 1994) by bureaucrats, their clients and the politicians who govern them, perhaps even with Machiavellian flair (Gilman et al., 1993; Terrell, 1993). The neo-institutional economist’s concern is about “opportunism” in public administration (that is, self-serving (rent-seeking), even deceitful and dishonest, behaviour by bureaucrats, their clients and politicians) created either because environmental uncertainty makes contracts incomplete, or because “principals” cannot effectively monitor the behaviour of their “agents”, who do not have identical interests and who have information that is not accessible to to them. Under the influence of this ideology, public agencies are conceptualised as amorphous, instrumental, rational-legal form of hierarchical organisations administered by rationally self-interested officials, who, according to Tullock (1965: 29-30) can be normally treated “... as if [they] were behaving out of selfish motivation”. These officials, akin to the archetypal traditional bureaucrats (Gregory, 1991: 307-8), are inherent utility maximisers motivated by the desire to maximise their own utility functions that are clearly self-serving (by embracing power, income, perks, public reputation, prestige, patronage, ease of making change, ease of management, convenience and security), although not exclusively so (by allowing for organisational loyalty, mission commitment, professional pride and serving the public interest, and agency output) (Downs, 1967: Niskanen 1973). The result is the inherent tendencies for such bureaucrats to be deceitful, or even dishonest, by distorting information communicated upward, so as to promote their own self-interest; by making decisions that are consistent with their own self-interest; and by implementing policy decisions in such a way as to promote their own self-interest (Downs, 1967: 77-78), which ultimately means maximising the size of their agencies (Tullock, 1976: 26-35) in terms of personnel (Noll & Fiorina, 1979), budgets (Niskanen 1973: 22-23; also 1994; but see Conybeare, 1984) or discretionary budgets (defined as the difference between the budget received and the minimum cost of producing the required outputs) (Niskanen, 1975). This creates a bureaucracy that is perpetually expanding and that requires a hierarchical authority structure (Hayek, 1960; von Mises, 1944), based on rational rules, which are held to be legitimate by all members, to achieve co-operation (Downs, 1967: 162), even though the capacity for top-down control diminishes as bureaucratic size increases, to the point where a large organisations can never be fully controlled or even co-ordinated (Downs, 1967: 143; also Breton & Wintrobe,
1975). Bureaucratic failure is thus inevitable; the bureaucratic solution to which, according to Perlman (1976: 76), is usually:

... to create another bureau to oversee those who have lapsed into sin. Bureaux are piled on bureau and the bureaucracy grows on.

This process of ever expanding vertical and structural control is a response to the need for a governance mechanism that minimises the cost of any mismatch between controls and tasks by making bureaucracies responsible for the tasks they perform. A situation is thus created where monitoring bureaux become increasingly involved with the minutiae of administration and thus have a growing demand for control-oriented information, hence Downs’ observation that (1967: 150):

The quantity and detail of reporting required by monitoring bureaus tends to rise steadily over time, regardless of the amount or nature of the activity being monitored.

In the face of bureaucratic failure, Weimer and Vining (1991: 132) observe that the “principals” (the politicians who govern) face:

... the task of creating organisational arrangements [incentives, sanctions and monitoring] that minimise the sum of the costs of the undesirable behaviour of agents and of the activity undertaken to control it

Managerialism

Uhr (1990: 22) defines managerialism as:

The pursuit of results-oriented systems of government management through streamlined processes of decision-making designed to allow greater autonomy but also greater responsibility for the field or program manager.

Managerialism:

- places emphasis on policy management and implementation rather than on policy development and design in public administration;
stresses efficiency, effectiveness and quality, as against process and equity, in the management of public resources (involving goal setting, performance benchmarking, performance definition, performance measurement, performance feedback and performance enhancement incentives);

- advocates the use private sector management practices in the public sector;

- seeks to diffuse responsibility and to devolve authority, with the establishment of corresponding management responsibility and public accountability structures;

- shifts the public accountability focus from inputs and process to outputs and outcomes; and

- prefers to create, where ever possible, a competitive public administration (Halachmi & Holzer, 1993), especially for those public agencies responsible for delivering government services (see also Rehfuss, 1991).

**MANAGERIALISM AS “GOOD PUBLIC ADMINISTRATION”**

Managerialism fosters the proposition that “good government and good organisation results from deliberate intentions, detailed plans and consistent decisions” (Prasser 1990: 194). The politico-administrative task of government is conceptualised by managerialists as responding as efficiently and as effectively as possible to the claims made by its various constituencies, using a rational-comprehensive model of policy-making, involving de-politicised, goal-oriented strategies, chosen after comprehensive instrumental-rational (means-ends mode) analysis, and routinely implemented by compliant, decentralised yet hierarchically-controlled and accountable public agencies. Such public agencies are viewed systemically as problem-solving and program-delivery mechanisms, conceptualised as production units (open systems) within which measurable “inputs” are used in a “production process” (generating “activities”) to produce measurable “outputs” that have an “impact” (produce “costs” and “benefits”) and thus generate measurable objective-related “outcomes” that measure given and known “organisational objectives” that are compatible
with given and known "government policy objectives" (Breton, 1974). The management of the public "production process" is thus best de-coupled, as far as possible, from political structures and processes and best left not to self-seeking and empire-building bureaucrats (Kaufman, 1981), but to cognitive, goal-oriented, problem-solving, decision-making and interventionist technocrats (Flam, 1990: 225):

- who would always prefer to use information as an aid to joint problem solving, rather than distorting it to promote their own narrow self-interest, such as Kobrak's (1992) "organisational gangsterism" (behaviour by individuals that accelerates their personal career growth while simultaneously undermining organisational goals), or use it as a resource in an intra- or inter-organisational struggle (as described by Wilensky (1967);

- who would use advanced analytical techniques, to determine which programs will (and do) best achieve their desired objectives, rather than judging merely on the basis of self-interest; and

- who would adopt private sector business practices to create the appropriate structures, processes, culture and incentives to deliver those programs most efficiently and more economically, operating within a outcome-centred budgetary and public accountability systems, rather than adopting administrative practices aimed at maximising their span of control, their overall subordinate personnel or their budgets.

In this setting, publicly-provided services would be delivered with more "productive efficiency" (by increasing productivity) and with more "exchange efficiency" (by maximising the utility derived from those services by supplying only citizens who derive the highest utility from them (that is, have the greatest need for them), which is achieved by altering consumer behaviour through education, regulation and economic incentives). This would make government programs and, indeed, government, both more "cost-efficient" and "cost-effective" in the use of resources, which would maximise community satisfaction (Simon, 1957: 186), maximise public confidence in government (Wholey, 1993), and maximise the quantum of
resources available to the private sector (Fellow & Kelaher, 1991; Horton, 1987).

**MANAGERIALISM AS “GOOD PUBLIC MANAGEMENT”**

The managerialist belief is that there is a body of sound management practices applicable to the private sector that is generic in its scope and thus can be directly transferable to the public sector, subject to some cultural limits. This belief, espoused by no less a personage than Peter F. Drucker (Gazell, 1994), is illusory, because of political control, or at least influence, over resources and management processes.

Managing is the art of doing and public and private sector managers practice their arts differently (Lynne, 1984; Mathiasen, 1984; Pritchard, 1992: 131) largely because of their different external environments, especially their different regulatory and accountability regimes (Rainey, 1989). As Parker and Subramaniam have observed (1975: 39):

Examining private and public organisations *internally*, we may be impressed as the management theorist were, by their structural resemblances: hierarchies of values and goals; horizontal division of labour; “vertical specialisation” into hierarchies of authority; indoctrination of staff with organisational goals and rules; systems of coordination and communication; and so on. Looking from *inside* a private organisation *outwards*, . . . we may be struck by its own autonomy, subject to purely monetary balancing of input and output, and by its contrast with the confusing mass of governmental organisations, their apparent lack of ‘cost-consciousness’ and their power to interfere with private organisations. Looking from inside a *government* organisation . . . we may be aware of its orderly ties with other organisations and with its wide horizons, in contrast with the market-oriented competition and self centredness of private organisations.

Organisations in the public and private sectors plan differently, because their decision-making, budgeting and accountability processes differ. They budget differently, because their budgeting processes and accountability regimes differ. They organise functions differently, because of their budgeting processes, regulatory and accountability regimes differ. They manage staffing differently, because of their regulatory and accountability regimes as
well as their organisational cultures differ. They do, of course have similarities in terms of the tasks they perform (Brianas, 1993; Duncan et al., 1991). The issue of fundamental importance, however, is the extent to which private and public management tasks coincide. Allison (1982: 29) has concluded:

... public and private managers are at least as different as they are similar, and that the differences are more important than the similarities.

The inculcation of managerialist values in public agencies has put pressure on civil servants to adopt business management practices (Longbottom, 1987), on the grounds that:

- management problems related to service delivery by public agencies are complex technical matters of relating to productive efficiency, productivity and costs, which are best resolved by highly technical experts;
- centrally-imposed regulations and externally-imposed political and policy constraints unreasonably restrain expert management decision-making;
- technical abilities and management capacities are the proper basis for establishing and maintaining the right to manage public service delivery processes, which is a move towards the de-politicisation of complex organisational and environmental issues that would otherwise be resolved within public and political forums; and
- politics and policy, therefore, are properly reduced to constraining, rather than enabling, forces within public service delivery agencies; thus, ipso facto
- the adoption of private sector management practices are the solution to "poor management" of public agencies;

This managerialist perspective has, however, a missing link. Private-sector decision-making, with its self-correcting dynamic feedback loops (automatic disciplining mechanism), is difficult to replicate in the public sector. First, authority in the public sector is much more dispersed, reflecting pressures from pluralistic stakeholder constituencies, especially in a representative
democracy. Secondly, political decision-makers do not always share common goals, objectives and values. Finally, they may have neither the required expertise nor the willingness (or ability) to learn from the outcomes of past decisions. Indeed, policies and political process are the product of, in the words of March and Olsen (1983: 292), “incremental adaption to changing problems with available solutions within gradually evolving structures of meaning.” Thus, as Prasser (1990: 194) remarks “intentions are changed, plans become irrelevant, and consistency becomes an impediment to the day to day management of issues, crises and problems”.

MANAGERIALISM AND PUBLIC SECTOR REFORM

Managerialists seek to shift public agencies from an allegiance to the bureaucratic (hierarchy and control) paradigm to an acceptance of a post-bureaucratic (innovation and support) paradigm (Barzelay, 1992, especially ch. 8; Odom et al., 1990). Where this has been attempted most comprehensively (notably in Australia and New Zealand) it has involved initiating what Emery and Trist (1965) have described as a “turbulent transition” aimed at making public agencies rational instruments for achieving shared goals (Gouldner, 1959: 404; Simon, 1976: 257), perhaps with a commercial or quasi-commercial twist. Managerialist pressures thus create a need for a unique set of organisational changes within public agencies that would bring them into a more congruent “strategic fit”. This means aligning their strategies, culture and leadership style to their environment (Chorn, 1991). This requires them to:

• become more performance oriented, whilst maintaining its organisational integrity and protecting its extant professional and technical standards; and

• “manage by anticipation” (Chartier, 1985: 177) the organisational and behavioural changes needed to achieve the desired level of performance.

To achieve the desired changes a public agency needs to embark on a multifaceted organisational development process involving:

• the articulation of an organisational change goal statement embracing increased organisational effectiveness at the
micro-level (such as, better quality services, greater value for money and lower costs) and enhanced organisational choice;

- the specification of the likely impact (both directional and degree) of the changes on the organisation;

- the development of an implementation plan for the proposed organisational change, one that is based on a widely-shared diagnosis of the likely reactions of those responsible for implementing the changes, or of those affected by the changes (including those located in the Downsian "hinterland", "interior fringe", "no man's land" and "periphery" (Downs, 1967);

- the implementation of organisational change strategies and tactics, involving an entire organisation or a coherent part thereof; and

- the monitoring of the impact and the success of the implemented organisational change strategies and tactics, so as to determine whether and when adjustments to them are needed.

The desired organisational changes are achieved by the use of judiciously chosen intervention strategies designed to change the public agency's structure, culture and procedures (Blake & Mouton, 1976; Bowers et al., 1975; Dyer, 1981; Rotter & Schlesinger, 1979).

**Structural Change**

The adoption of a performance orientation by a public agency demands a review and perhaps a re-casting of its structure - its "management-prescribed roles" (Kahn, 1974: 496) - to ensure that it is aligned with its performance goals, so ensuring that the required "strategies of control" (Child, 1972) are in place to facilitate the efficient and effective conduct of its activities. This does not imply that hierarchy is the appropriate design prescription (Rothschild-Whitt, 1979) in the context of either organisational complexity (Kouzmin, 1980) or efficiency improvement (Marglin, 1971). Such restructuring should not be symbolic (Edelman, 1964), nor should it be part of the Downsian 'rigidity cycle', and thus a response to perceived loss of senior management authority (Downs, 1967: 165-6), nor should it be a means
of enhancing control by senior management (Simon et al., 1950). Rather, restructuring needs to be seen as a means of de-stabilising protected elites and threatening institutional values that are inimical to performance-oriented success (Selznick, 1957). This may well create a need to have an organisational structure which is:

- vertically flatter, so that problem-solving decisions, especially in relation to service delivery, can be made at points that are closer to the clients (stakeholders), so as to reduce performance-sensitive decision response times, to simplify co-ordination and to reduce communication distortions; and

- less formalised, to give staff more discretion in satisfying idiosyncratic client (stakeholder) needs; and

- horizontally more complex, even one with a significant degree of spatial differentiation, as service providers find an advantage in being geographically closer to their clients (stakeholders).

The inherent problem is that these differentiated structures may become segmented into tightly closed sub-systems serving self-serving vested interests (Jones, 1991). Shareef (1994: 490) argues that sub-system congruence, including value congruence, within an organisation is an essential ingredient of successful organisational transformation (but see also McSwain & White, 1993; Romanelli & Tushman, 1994).

Cultural Change

Organisational culture, at an operational level, comprises three inter-related dimensions (Marcoulides & Heck, 1993):

- a socio-cultural system of the perceived functioning of an organisation's strategies and practices;

- an organisational value system; and

- the collective beliefs of individuals working within the organisation.

A public agency's traditional ideals, norms and values must change if it is to inculcate a performance-oriented organisational culture that:
• supports managerialist values and attitudes, but not so as to select out diversity (Sinclair, 1989; Horwitz, 1990) by permitting different opinions;
• encourages and supports behaviours that are performance-centred;
• emphasises quality service, adaptability, creativity, initiative, cohesion and team work;
• gives employees leeway to make mistakes, but requires that they learn from them;
• recognises the diversity of commitments and affiliations that civil servants have (Philips et al., 1994), including those:
  • to their clients (stakeholders);
  • to their sense of what constitutes:
    • the "public interest" (Barth, 1992); and
    • appropriate professional standards; and
  • to their employer's political, bureaucratic, organisational, managerial and financial imperatives (Sinclair, 1989 & 1991); and
• acknowledges that individual behaviours will differ according and individual beliefs about public service, risk preferences, preferred time horizons, attitudes to change (whether perceived as an opportunity or as a threat), and tolerances of ambiguity and indeterminacy.

This new culture will have its own symbols, rituals and myths, which gives rise to a potential culture conflict in terms of Schein's (1985) culture dimensions of:
• basic assumptions (those learnt responses that are unconsciously held and that determine group perceptions and feelings and may even generate less than satisfactory "crisis agreements" (Taras, 1991));
values and beliefs (the essential constituents of an individual’s conceptual apparatus); and

visible artefacts (such as dress codes and office layout (Domahidy & Gilsinan, 1992)).

The existence of a culture conflict reflects the existence of resistance to change by those who, when their past is threatened, are frightened of losing whatever it was they valued in the old culture, perhaps even their own sense of self-esteem. Culture conflict must be managed (Brown, 1992) by those who are sensitive to the symbolic dimensions of their management roles (Gunner, 1990) and who are capable of promoting, protecting and propagating the new culture-forming values (Sutton & Nelson, 1990). Culture conflict must be broken down by reason rather than by coercion (Karp, 1988), which requires that the resistance be:

- brought to the surface (Lundberg, 1990b);
- honoured by being acknowledged;
- explored and probed, to distinguish the authentic resistance (directed towards specific demands) from the pseudo-resistance (a product of feelings (such as resentment of authority and old grudges) rather than specific demands); and
- negotiated until it reaches a level that is no longer dysfunctional.

Soberingly, Anthony (1990) has observed that management-imposed organisational belief systems, values and meanings have rarely been transmitted, successfully, to those whose behaviour are targeted for change, which has the effect of organisationally isolating managers, who become locked into a commitment to values that are not shared and who become cocooned within the safety of their contrived organisational world view.

How to achieve the required culture change is thus the challenge. One approach is to adopt a “cultural revolution” strategy (Gangliardi, 1986), which is designed to develop an organisational socialisation (learning) process (Ostroff & Kozlowski, 1992) that would induct all its employees into the desired managerialist culture, with the intent of making it dominant. In
implementing this cultural revolution, a public agency has to ensure that its goals are clearly articulated, so that staff focus is centred on those positive dimensions of reform that are compatible with the existing culture (such as improving services and creating new career opportunities) rather than the negative dimensions (such as cost cutting and the spectre of staff redundancies), so as to avoid a debilitating and thus dysfunctional culture conflicts (Gregory, 1983), and even a more destructive sub-culture warfare (between the new and the old cultures) or perhaps sub-culture elitism (associated with the creation of elite groups whose values are perceived to be more important that those of the agency as a whole).

Procedural Dimensions

Public agencies confront the dilemma of how to develop and implement practices and procedures that will make them more business-like, the essence of which is stakeholder-driven strategic planning, implementation and control, which are intended to achieving different planning, implementation and control outcomes. These then define a set of new tasks to be performed, which, in turn, generates a set of training and development needs for those who are expected to perform those new tasks. The process involved focuses on building the relevant knowledge and skills and on developing commitment to reform in those who have to change their behaviours.

MANAGERIALISM AND PUBLIC MANAGERS

Public managers confronting managerialist reforms are required to manage not only the radical structural, procedural and cultural changes involved, but also their resultant anxiety-generating personal change implications (Richardson, 1987). In the process they confront the prospect that if change and uncertainty are not dealt with appropriately they might produce the levels of staff distrust that Culbert and McDonough (1986) consider would becomes an obstacle to the internalisation of new goals, values and assumptions. Perhaps more importantly, they may generate to the type of fear that Benveniste (1977) considers would engender counter-productive pathological responses from staff, notably, paranoia, a siege mentality, turf protection, back stabbing, dishonesty, sabotage and even "organizational gangsterism" (Kobrak, 1992), all of which may give rise to some of Caiden's (1991) all-too-numerous identifiable "bureaupathologies" (those "vices, maladies and sicknesses of bureaucracy") and may introduce
irrationalities, rather than the hoped-for rationalities, into administrative processes. If left uncorrected these pathological responses may become institutionalised and begin to inhibit the organisation’s capacity and willingness to learn from its environment, giving rise to serious public and/or political complaints about incompetence (Ott & Shafritz, 1994) and so threaten the capacity of the organisation to adapt or even to survive, by adversely impacting on vertical management credibility, change motivation and functional unit co-operation (Gabris & Mitchell, 1991). Perceptions of public managers’ adroitness becomes related to the adequacy of their agency’s perceptions about the need for change (and the nature of required change processes); and to their capacity to sift out and process reliable information, to plan, deliver and evaluate change, and to manage the conflicting demands generated by change.

The inculcation of managerialist values and practices is achieved by rewarding public managers who are more adaptive in the face of transitional opportunities (Beckhard & Harris, 1977; Kimberly & Quinn, 1984; Nadler, 1982), by giving them more resources, from both budgetal and extra-budgetal sources, and more authority, through greater decision-making autonomy (Meier, 1980 & 1987). This, in turn, encourages them, and their staff, to concentrate on affective, cognitive, and even motor learning, the outcome of which is change (Knowles, 1973: 6-11); the acceptance and adoption of new insights, outlooks, expectations, thought processes (Smith, 1983: 34) and behaviours (and habits) (Bunning, 1992; Crow & Crow, 1963) which, in turn, legitimate and facilitate change by devaluing commitment to past practices and to conformity. In this environment, managers need to be able to:

- process and evaluate strategic information under conditions of uncertainty;
- design and put in place new structures that address the structurally contingent problems of change by facilitating and directing information flows into patterns of cognition, communication and analysis (Scharpf, 1977) and that kindle those internal thought processes in others that lead to attitudinal and/or behavioural change, so as to reduce commitment to past practices and to facilitate innovation (Grady, 1992); and
become more adaptive to the transitional opportunities and constraints, whether by strategic choice or a reactive response to changes in the environment, or both (Astley & Van de Ven, 1983; Hrebiniak & Joyce, 1985).

It is, thus, an environment that encourages and rewards managers who are transformational leaders, defined by Burns (1978: 20) as leaders who engage

... with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. ... Their purpose which might have started out as separate but related so becomes fused ... as mutual support for common purpose.

They can be characterised as leaders capable of "idealised influence", "inspirational motivation", "intellectual stimulation" and "individualised consideration" (Bass & Avolio, 1994). Managers are encouraged in this environment to give charismatic leadership (Conger, 1989; Conger & Kanungo, 1987, 1988, 1992 & 1994). This is a style of leadership that causes others to see and pursue a different direction than they would otherwise pursue, thus converting them to followers, by creating common purpose, through visionary direction-setting; by building new organisational relationships; by being able to manage ambiguity; and by becoming cultural architects, so producing organisational change through the unfreezing of the existing culture and its realigning to the new vision, and so begin the necessary dynamic process of shifting its shared assumptions, values and norms (as described by Goldberg, 1985)). In such an environment operational leadership (Fiedler & Chemers, 1974) that is planning oriented and designed to produce orderly results is relegated to the realm of middle management (also Barker, 1989).

On Achieving Individual Behaviour Change

There are a myriad of motivational forces that drive individuals towards the practice of the new behaviours:

- need: hierarchy of needs theory, as argued by Maslow (1970); motivation-hygiene theory, as argued by Herzberg, Mausner and Snyderman (1959) and Herzberg (1966); achievement-power-affiliation theory, as argued by McClelland (1961); and
existence-relatedness-growth theory, as argued by Alderfer (1972);

• goal setting: specificity of goals theory, as argued by Locke (1968) and by Locke and Latham (1990);

• expected attractiveness of outcome: expectancy theory as argued by Vroom (1964); and

• social comparisons: equity theory, as argued by Adams (1965)).

Which (if any) of these motivational forces are effective can depend on the individuals':

• attitudes and values, notably their capacity and willingness to build the motivation they need to adopt new behaviours; and

• personal characteristics, notably their capacity and willingness to be critically observant of their own behaviours and motivators and so develop the capacity to manage their own behaviour change.

To change behaviour requires a variety of organisational strategies, premised on the proposition that individuals in the process of adopting a new behaviour experiences learning (Atkinson et al., 1988) that can be the result of:

• observations made of the new behaviour as practiced by another person, and its subsequent imitation by the learner (social learning theory, as argued by Bandura (1986)); or

• feedback received by the learner about the success or failure attendant upon the new behavioural being practiced (positive and negative reinforcements theory, as argued by Skinner (1969).

The practice of learnt desirable new behaviour in the workplace can thus be encouraged by means of:
role modelling, involving the use of "model" staff practicing the desirable behaviours for other managers to observe, recall, rehearse and imitate (Manz & Sims, 1981); and/or

instrumental conditioning, involving the consistent application of contingencies of reinforcement (Frederiksen, 1982; Kerr, 1975; Komaki et al., 1989; Luthans & Kreitner, 1982; Miller, 1978):

- "positive reinforcement" (providing a rewarding or satisfying consequence following the performance of the desired behaviour, which further encourages that behaviour);

- "negative reinforcement" (stopping a dissatisfying consequence following the performance of a desired behaviour, which further encourages that behaviour);

- "extinction" (stopping a satisfying consequence from following the performance of an undesired behaviour, which discourages that behaviour); and/or

- "punishment" (by providing an unsatisfying consequence following the performance of the undesired behaviour, which further discourages that behaviour)

How, and even whether, the continued practice of undesirable behaviour should be "punished" is open to some question (Arvey & Ivancevich, 1980; Arvey & Jones, 1985; Beyer & Trice, 1984; Katz & Kahn, 1978; Lussier, 1990; Miner & Brewer, 1976; O'Reilly & Weitz, 1980; Podsakoff, 1982), for while the undesired behaviour may be temporarily suppress or at least weakened by "punishment", it could well have undesirable secondary effects. The recalcitrant staff, may in the face of "punishment", resort to counter-productive defensive behaviours (like the denial of personal shortcomings or the blaming of others) or aggressive behaviours (like hate, hostility and deviousness). They most likely become de-motivated, perhaps because of their confusion over their slighted dignity, caused when their job commitment is questioned, or because of their anger and frustration, caused when they cannot dealt with that confusion. Their sub-conscious hope is
that change will not be necessary for them, which is when they begin to blame others for their plight. Disillusionment follows, which is when they communicate their unhappiness with others. Then comes uncooperativeness, which is when they begin criticising their organisation. Ultimately, they become non-functional members of the organisation, which is when they become alienated and cynical in their behaviour. They may become focussed on what Homer and Levine (1985: 241) describe as "triviocracy" namely:

... continual intense combat over issues which seem to outside observer to be unimportant to both the organization and its members while the major problems and opportunities confronting the organisation go unattended.

Such a preoccupation, they (1985: 249) argue:

... produces alienation from colleagues and work, and produces a host of collective bads from low morale to low productivity. The individual is always on the defensive: forced to fight for one's dignity, ever fearful with no permanent gains made.

A person's behaviour change can be predicted from their attitude towards that change (Ajzen & Fishbein, 1980). Vroon's expectancy theory (Vroon, 1964) indicates that an individual compares possible future outcomes of various behavioural alternatives and then chooses the behaviour that is most attractive in terms of outcomes (Mitchell, 1974). Individuals who believes that a particular behaviour (or task) will lead mostly to positive outcomes for them will hold a favourable attitude towards that behaviour. On the other hand, if they cannot anticipate that that behaviour will lead to positive outcomes for them, or even worse, if they anticipate that it will lead to negative outcomes, such as incongruence with established individual or group norms, job insecurity, loss of self-esteem, self-confidence, reward, control, power, competence or relationships, then their attitudes to it will be negative and resistance to change may emerge (Beer, 1980; Calish & Gamache, 1981; Connor & Patterson, 1982; Hultman, 1979; Karp, 1984; Mann & Neff, 1961; Zander, 1961; but see also Nord & Jermier, 1994). Thus imposing behaviours (ways of doing tasks) on individuals by edict will not, ipso facto, generate a positive attitude towards them, which means that they may perform the new tasks in a perfunctory way until the external constraints are removed, which then
allows them to revert to old behaviours that are consistent with their attitudes. The implication of this is that achieving lasting behaviour change requires that those whose behaviours are expected to change must be able to:

- perceive the internal or external pressure on the organisation to adopt the required changes in the medium-to-long-term (Greiner, 1969);

- perceive support for those changes from those at the highest echelons of the organisation (Blake & Mouton, 1964; Dalton et al., 1970), who have demonstrated a willingness to commit the necessary resources to achieve change;

- perceive a congruence between the new behaviours and the organisation's shared values, beliefs and norms that determine what is expected and what is rewarded in the organisation (Margulies & Raia, 1978);

- be involved in the organisational change process (Beer & Davis, 1976; Coch & French, 1948; but see also Shareef, 1994: 511);

- see that other members of their organisational unit, constituting a critical mass or dominant coalition, are adopting the new behaviours (Beer, 1980; Beckhard & Harris, 1977; Goodman et al., 1980; Margulies & Raia, 1978), so evidencing that the new behaviours have become congruent with group beliefs and values (Feldman, 1983; Feldman & Arnold, 1984; Kiesler & Kiesler, 1971);

- share the belief with other group members that positive or negative sanctions will follow performance or non-performance of the new behaviours (Katz & Kahn, 1978), including sanctions derived from the level of cohesiveness, the existence of formal authority structures and the reward systems within the group (Beer, 1980);

- receive continued feedback and information regarding the behaviour changes (Beckhard & Harris, 1977); and
• perceive that both the formal policies and systems and the organisational culture are consistent with, and supportive of, the changes and innovation (Huse, 1975; Shih, 1993a & 1993b; Zimbardo et al., 1990).

On Managing Organisational Change

An effective organisational change process requires leadership that not only has the desire to initiate change but also the authority to do so (Lloyd, 1993). It also requires leaders who behave as Bellavista’s (1989-90) “heros” (who, being dissatisfied with the status quo and being willing to challenge it, plan and execute change, after winning allies and vanquishing enemies) and who have the ability to create Gilbert and Kleiner’s (1993) “change lovers”, other individuals who have a commitment to change, who are willing to take control of the change process, who accept change as a challenge, and who are able to connect the diverse elements of the change process. This style of leadership is crucially important in the organisational change process as a means of coping with the almost inevitable barriers to change, namely the lack of belief by some in the appropriateness of change and the resistance by others to that change, perhaps in fear of their own possible failure.

The successful implementation of managerialist reform thus requires leadership that is capable of:

• re-defining organisational primary purpose and core beliefs (Covey & Gulledge, 1992);

• creating a vision (Buhler, 1993) of how the post-reform future will look in terms of organisational structure, culture and performance standard;

• defining the required strategic objectives within a medium-to-long-term perspective;

• planning and resourcing adequately the necessary structural and procedural changes; and

• empowering those expected to assume group leadership positions.
CONCLUSION

Managerialist reform may improve the performance of public agencies, but only if a wide variety of challenges and threats confronting public agencies can be addressed

- at the service delivery unit level, these include how to inculcate a performance-oriented culture and to encourage the wide-spread adoption of business practices and management techniques;

- at the agency level, these include how to address the issues surrounding the change of organisational culture (including culture differentiation and even conflict), structure, procedures and accountability;

- at the central agency level, these include how to address the issues associated with resource and policy coordination, control and accountability; and

- at the politico-administrative system level these include how to address the issues of political, organisational and management accountability, ethics and values).

In essence, managerialists expect public managers to improve organisational efficiency, so as to reduce costs, while at the same time enhance organisational performance by meeting the often competing needs of a variety of stakeholders, within politico-administrative environment that punishes mistakes and rewards risk averse behaviour, regardless of the costs and effort involved in avoiding unacceptable or intolerable outcome flowing from administrative decisions. The real challenge is thus to change this culture of risk aversion at all levels, so as to permit organisational and management innovation to take place.

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