

**Public Organization and Management**  
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**Lecture - 03**  
**Foundations of Public Management – III**

Hello, dear learners, let's continue our discussion. As I have suggested, please come prepared with the article entitled "Conceptions of Public Management" by Professor Mark H. Moore. I hope that you have enjoyed reading this article and have learned a lot about the concept of public management.

In this session, I am going to talk about some important insights from this particular article. The discussion shall be on the differences between public administration and public management, the roles of public managers, how the roles of public managers have evolved over a period of time and what the reasons for that are, and the role of policy analysts in setting goals and objectives by public managers. Let's first focus on public administration. Now, if you see and have read the article, traditionally, the responsibility that is fundamental to the role of a public administrator is to focus on developing efficient programmatic means for accomplishing well-defined policy goals.

Meaning here that these public administrators have been given a well-defined set of goals that these public administrators need to achieve by forming organized means or processes. Now they were not involved in setting objectives; they were only given the set of objectives and purposes, and they have to achieve that. Another important parameter that was attached to the role of the public administrator was accountability, meaning the proper use of financial resources and power delegated to the public organizations. Now, in terms of accountability, what was the focus? The focus was on the techniques of public administration, meaning the design and use of management systems to exercise control. Now, what kind of management system did they talk about? They talked about accounting, budgeting, and the personnel system to ensure the efficient accomplishment of the purposes and goals, and also that accountability is taken care of strictly.

Another important aspect of the public administrative role was the aspect of politically neutral competence. What does this mean? That these public managers have to act in accordance with the competence that is not under the influence. For example, they need not come under the influence of the political authority in terms of their actions. They have to behave neutrally without coming under the influence of political authority. And any other aspect of it.

What was perhaps not part of the roles of an administrator was the aspect of goal setting and operating within the political environment, which helps shape mandates to direct their administrative activities. This was not part of the public administrator's role. Now, according to the article, if you have seen that the conception of the public manager as proposed includes the responsibility of goal setting and political management. Political management means engaging with the political authorities to set the mandates and, of course, setting the objectives together. In addition to the traditional role and responsibility of public administrators.

Now, what is being added here is the goal-setting aspect and the political engagement with the political authority to set the objectives and shape its mandates. Now, when we talk about the setting of objectives and, of course, shaping the mandates, it is not the sole responsibility of the public manager. Perhaps these people have to actually do this, along with many other stakeholders in the political arena. because they need, of course, support in terms of the kind of purpose they want to achieve. So, it is basically about focusing on external political management as well as internal administration.

That was new to the role of public manager, which is very different from how public administrators used to perform their roles. Now, two important things to note here are that it is almost inevitable and also desirable for the managers to get involved in political engagement while defining the purpose they seek to achieve and to participate in discussions with politics about their purposes and methods of overall effective achievements. It's also very, very important and critical to the effective functioning of public organizations and public managers. Now, these discussions with the political authorities and public managers in these discussions is inevitable because the political leaders with whom these public managers are working will depend on them to obtain information on the technical and administrative feasibility of proposed programs and also to derive operative goals from the broad goals established by the legislature. Meaning that the public leaders will always rely on and depend upon the expert information from these public managers about the feasibility of the public policies and programs.

So, it is completely inevitable. These public managers cannot ignore getting involved in the discussions with the political authorities in terms of setting objectives and shaping the mandates. Another important aspect is desirability. Why not engage in political discussions, discussions with the political authority? See, public managers are to ensure the effectiveness and efficiency of their organizations, right? Perhaps they might not engage with the political authority in terms of setting the objectives, but their interest in improving the functioning of the administration—specifically, the effectiveness of administration and the development of their institution—values engagement. Political authority.

The reason is very simple. The environment and the power of the public authorities are huge. Once they start reviewing the activities of the public organization, the interventions can be so strong and powerful that they can potentially damage the coherence of the administrative activities. And the public managers who are responsible for the institute's development and effectiveness will be forced, or rather I will say they will value engaging with these political authorities so that they can ensure that the level of intervention from outside political sources is lesser. Now, these public managers manage in such a way as to set out the objectives and their political environment, which authorizes them, as well as to design administrative means; it is not only engaging with the public political authorities, but it is also about getting engaged with the, you know, the Interest groups outside and the press are the ones who are going to intervene and can actually directly or indirectly impact the functioning of their organization.

So it is highly desirable that these public managers get involved with these groups outside their organization so that the disturbances are at a minimum level and efficiency and institutions can develop through the active role of these public managers in these organizations. Now let's continue the discussion on what the roles of these public managers are. What do these public managers actually do? And as per the conception proposed in the article, they talk about the central component of the manager's job being to first set the purpose for the organization and, of course, for the public. Maintaining credibility with the overseer, someone who is controlling the activities, we have to maintain credibility with them by getting support from the people who are overseers. Also, bring together the authorities and resources.

It's very, very important. You may not be able to perform your activities effectively if you fail to bring together authority and resources. When I say "bring together" or "marshalling authority," I mean bringing support and building consensus with the political authority. It's very, very important. Also, outside as well as inside the organization.

So, inside the organization, you have to follow the hierarchical authority. Outside, you have political authority. Also, another important manager's job, the public manager's job, is to position one's organization in a given political environment. It's very important. Now, these are the roles that have been mentioned in the conception proposed by Mark H. Moore. But that doesn't mean it cannot have another role, another addition to the roles. These are not only specific, but this is also what the conception proposed by Professor Mark H. Moore is. Now, how the roles of public managers have evolved over a period of time requires further discussion. Number one, the scope of modern management has broadened.

You know, we talked about reforms, changes in society, and changes in the political, legal, social, and technological environments. So, with the changes in the environment happening, the scope of modern management has also expanded. Technology has advanced, so the role of technology in shaping government policies and programs has increased. Look at the, you know, the Digital India program; everything is digitized, bringing transparency to the functioning of the government and organizations. So, technology has changed the way the government and public organization's function.

So, it has largely impacted how the policies and programs are designed. So when there is a role for technology, there is also an increased role for public managers who provide expert knowledge, and their knowledge becomes crucial in shaping the policies and desirable programs. Now, what happens because of these substantive challenges which technological changes, social changes, and legal changes are putting on the organizational environment - these challenges of modern management require that public managers be granted Broader roles compared to what they have done in the past. So their involvement in setting objectives, their involvement in setting mandates, and their purposes are much more required compared to what they have done in the past. In the past, they have largely followed the objectives and goals from the broader goals of the outside agencies and government, and they were only supposed to implement those goals and objectives.

But now, with the changes in the modern management scope and, of course, the substantive challenges of the changes happening in the dynamic world outside, their involvement is perhaps required much more compared to the past. The second important thing is the expanding role of the government's agenda. The agenda of the government is also expanding, not only in terms of maintaining the economy but also with various other expectations of the citizens from the government regarding bringing social changes to the nation. For example, how to tackle poverty-related issues. Education, literacy, employment, raising the standard of living for the poor, issues of equity, a clean and green environment, and sustainable development goals are many aspects coming onto the agenda of government organizations.

Now, when the government has to do so many things, they are in-charges, I would say the government organizations and the public managers, are being given the charge to implement this and to work on it. Now, because these are a broader set of goals, which are very vague, these public organizations and public managers often lack the authorization, the authority I would say; they often lack institutional authority and, of course, acceptance for their purposes from the people who are going to authorize these actions. Now what is required is that they get involved in the political process and try to build consensus for the mandated purposes by actually engaging much more with politics and building that consensus. It is very, very important because, if you remember, we talked about collaborative governance. So, when you have been given the broader goals,

which are complex and kind of big problems that require intervention, support, and coordination from various organizations, you need to have that kind of interdependent relationship with the organizations.

For that to happen, you have to engage with the political authority to build consensus about the mandated purposes because these are the purposes that are going to impact them. The general public is outside the organizations. It's very, very important. So, this is how the roles of public managers have evolved over time. Then, we talk about the role of a policy analyst in setting goals and objectives for public organizations.

If you remember, we talked about how the addition to the role of public managers involves goal setting, objectives, and purposes. Now, public managers and policymakers must assume responsibility for the substantive goals they are pursuing. Now, when they talk about setting what kind of goals, they need to rely on expert opinions and information. Now, for that, they have to rely on the knowledge and experience of expert professionals who work with them. And who are these people that work for them? They are largely categorized as policy analysts.

They are the researchers, who do a lot of research in terms of the design of policy, implementation of policies, challenges, and related aspects, and provide expert information to political leaders, policymakers, and public managers. Now, these political leaders and public managers actually make use of the policy analysis done by policy analysts to defend their choices for policies and programs. Now, consider the role of public managers in comparison to that of a CEO. Then, as the head of the top private organization, he makes decisions; what does he rely on? They rely on research analyses such as financial analysis, market research, environmental analysis, and strategy analysis. So, when these organizations make decisions, they rely on the information provided by these analysts, which is backed by strong research analysis.

Similarly, the public organization managers and political leaders can also rely on the policy analysis by these experts who are knowledgeable in the areas of social sciences. So they should be able to make use of these people. But the challenge here is that when we talk about social scientists, they largely discuss very specific goals and objectives they want to achieve. They are very objective in terms of how the goals are to be designed and how they are to be measured, preferably in quantifiable terms. But when we talk about public managers and political leaders, the discussion on goal setting is not that kind of objective.

Now, in this case, what happened is that these public managers and leaders have to sit with these policy analysts and work closely with them to design what kind of activities these policy analysts need to perform to support the public managers and public leaders. It's very, very important, right? So this is about the discussion points from the article by

Professor Mark H. Moore titled "Conceptions of Public Management." I still suggest that the learners go through this article to gain a better understanding of the differences between public administration and public management and to think about and learn about the evolving changes in the roles of public managers and the reasoning behind them. Now, let us look at the differences between public and private sector management.

So, some of the questions that require attention here need to be addressed before we go ahead with the discussion on this. First of all, whether there are differences or similarities in public or private sector organizations, and if the answer to this is yes, what kind of differences and similarities are there, right? So that's the discussion point here. Most researchers, if you look at them, largely propose theories or frameworks that show contextual differences to be minimal. But context plays a role whenever we talk about the practice of management in the contexts of public, private, and non-governmental organizations. So, is management practice the same regardless of the context? Or there are differences in the way management is practiced depending on the context.

What about the skills and competence of the managers? Do you think that the same kind of temperament that public managers have will also be present among private managers? The way private management is being practiced, can the same thing be done in public sector organizations? Can the models of private management be applied to public sector management as well? So, in this session, I will also talk about new public management and the doctrinal component of new public management. The idea was that the applicability of the private management style should be applied to public sector organizations to increase their efficiency and effectiveness. The idea of NPM was to make public sector organizations function like businesses. The way the kind of practices the management is following in the public sector should also be applicable to the private sector. So, the idea is if the private sector can do well by following those practices, can there be some kind of learning from the corporate sector, especially if it has led to successful outcomes; can those also be applied to public sector organizations? So, that is where we need to look at the differences between public and private management.

Let's try to find out what kind of differences or similarities we will see. Right management, of course, is management. I'm not going to say it is more of a generic management; it is the practice of how it is practiced and how it is influenced by the different kinds of contexts. That's what requires discussion. Now, let us look at the contributions of Bower from the paper entitled "Effective Public Management," published in Harvard Business Review.

So, when he talked about the differences between general management and public management, the focus was on these four broad categories: aspects, goals, structure, management of people, and timeline. Now, according to the author, if you look at the goals of general management, private management, or public management, you will see

that the goals are largely determined by the organizations themselves. They have stakeholders, they have employees, and all the people together decide what kind of goals they would like to pursue. Goals include expanding into new markets, profit maximization, shareholder wealth maximization, introducing new employee training and development practices, and the introduction of the new reward system, among other things. So, goals are largely set by the context of the private sector within the discussions of the stakeholders.

Whereas, if you look at the goals of the public sector and public management in the context of government and public sector organizations, public agencies largely receive broad mandates from legislation. So, their goals are largely given to them by the larger setting in which they are embedded in the government, and they are going to get their goals from the other organizations in which they would like to continue to perform, and that is where the difference lies. So, largely, the goals in the case of the private sector organization are actually in the hands of the stakeholders, meaning the people of the organization, whereas in the case of the public sector organization, they largely receive their broad mandates from government agencies. In terms of structure, general management and private management have much more freedom in defining their own structures depending on the kinds of goals they want to achieve. If they require much more flexibility, they can opt for that type of flexibility.

Now, because public management structures are large and there are accountability mechanisms, they have to be controlled; the number of people and the complexity in the system are much greater, so the kind of structures will be much different in terms of what is practiced in private management. Largely, if you say that the structural practices are being decided at a central level, then the organizations have to follow that structure. So, the more controls there are, the more hierarchy there is; all these kinds of structural components are present in the case of public sector organizations. Now, if you look at the management of people, the management of people in public sector organizations is different because the HRM function, when you look at it, is largely controlled at the center. So, the promotions, the selections, the incentives—everything is largely being decided centrally.

So, the public sector organization will have less control over the management of people in the organization, whereas, in the case of general management, private management will say that the managers in the private sector organization decide on the careers of the people in the organization. So, it is also related to the performance-related outcomes because the reward system, its performance-related aspects, and its careers are largely in the control of private sector managers, unlike what is happening in public management, which has largely been in terms of policy and in accordance with the rules established at the central level. Finally, in terms of the timeline, it has been said that general management and private management will have more time to achieve their goals,

whereas in the case of public sector management, there will be less time because the tenure of the officials in the organization keeps changing. So, by the time they have something in terms of activities and time to grow, there is time to change that. So, they will have comparatively less time for achieving goals or related aspects.

So, these are some of the very broad differences between general management and the public management contexts. I will continue to discuss more differences and distinctive characteristics of the public organization as we move forward with the content. Both sectors that I have talked about have different focuses. Where public organizations' focus is on the welfare of the community and societal interest, distinctive kinds of skills and values are required to achieve these goals. Now, for example, when we talk about the welfare of the community, the values and skills required will be very different from those needed to take care of the objectives of a private sector organization, which is profit maximization, right? Public officials are accountable to democratic public service values above any private material interest.

We have been discussing at length in this particular session that, because public organizational managers are to be held accountable by outside agencies, particularly the general public, the press, media, political authorities, and interest groups, the skills and values they need to perform their roles are very different from those in the private sector. What is more peculiar to public sector organizations is the principles of consistency and equity. It governs public administration, which is usually not observed in business administration. You see that business administration is a private organization because its focus is on profit maximization, so it actually works according to the principles of economic markets. Demand and supply, as well as price fixation, work on the particular ground where customers are king and decide the price depending on the aspects of demand and supply.

But in the case of public sector organizations, it is not so. The principle of equity has to be ensured because the government is the sole provider to cater to the needs and expectations of the citizens; thus, this particular principle of consistency governs the actions of the government and public administration, not private sector organizations. Experimenting in government departments, especially with monetary expenditure, is not possible because resources are scarce and it is basically taxpayers' money. So there is no possibility of conducting an experiment with this. There has to be very close control over how the money is being spent on various public expenditures.

In comparison to what business management can do in terms of experimenting with what works and what does not work. But in the case of public sector organizations, it is not a matter of chance. We cannot take the chance of wasting resources on experimenting with the various aspects of management. If you look at the matter of law, the public sector is governed by administrative law, which is more directive in nature. What can be done and



what cannot be done? There are directions from administrative law for public sector organizations on how they must conduct themselves.

In comparison to the private sector, the public sector is governed by corporate law, and corporate law is enabling rather than directive in nature. They only provide them with the enabling conditions, meaning what is to be done, you know, in terms of private sector business, what is to be done. So these are enabling conditions under corporate law. That's another classic comparison between public and private-sector organizations. Then, we will talk about the distinctiveness of the public sector.

So far, we have talked about the differences. Now, we will specifically talk about what the distinctive characteristics of public sector organizations are. Largely, it comes from the differences alone, but when we talk about the research aspects of this, that is what makes the public sector more distinctive; some of the points need worthy discussions. Unlike business organizations, the public sector's objective is to improve the welfare of the community instead of acquiring gains. This we have talked about. Now, there has also been a discussion about whether the practices of private sector management can be applied to public sector organizations.

We will talk about overmanagement in public sector organizations. But there is also criticism of this particular thought that when we try to overdo the managerial practices that are specific to the functioning of public sector organizations, it poses a threat to public service values. Because we are public managers, we are discussing the welfare of the community. When we start objectifying everything in terms of quantifiable measures, which of course could sometimes ignore equity, it can be a threat to the creation of public service value. So, it has very unique characteristics in public sector organizations regarding the value they create for the citizens of the country. Also, the structural problems at the level of the system as a whole are the responsibility of the public organization to address.

The challenges, in terms of the structural problems that they face, are very different from those of public and private sector organizations. So, public sector organizations are to work according to what is prevailing in the government context and the rules, procedures, and guidelines they are to abide by. So, "explicit acknowledgment of responsibility is a characteristic of public sector organizations in dealing with structural problems at the system level as a whole".