

ARE WE LOSING THE PUBLIC IN PUBLIC SERVICE?

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It is a pleasure to be here and to deliver this lecture in the Lent Upson lecture series. I had the pleasure of reading a brief biography of Dr. Upson, and I think this is a topic that is very appropriate to honor his extraordinary career of public service, both in government and as a long-time dean here at Wayne.

I want to talk to you this afternoon about public service, and where it is going in our country. Let me start with at least a loose definition of public service. As I use it, I am referring to two things: to the values of the people who work in government, and, increasingly, to what I call the concept of public service broadly defined: that is, in the current so-called blended economy, to those in the nonprofit or even private sectors who are doing what we traditionally think of as the work of government, including direct service to the public.

So what do we mean by the values of public service? This is one of those general concepts that are not easy to pin down. It brings to my mind the experience I had in Russia in 1993, which was the first time I went there as a consultant for the World Bank, as part of a team that was trying to develop a plan for restructuring the government of Russia and for training Russian government employees for their new roles in a market economy. I had studied Russian 30 years earlier, so to say my Russian was rusty would be an understatement, and I certainly had never learned the specific vocabulary of public administration, so as I spent several days as one of the only non-Russians at this conference, I would sit with the interpreter and ask “How you do say this or that in Russian?” I remember asking her “how do you say ‘public service’?” And she looked puzzled, even after I attempted to explain what I meant by the term, and finally she said she wasn’t sure how to translate it, but that I shouldn’t use a direct, word-to-word translation, because in Russian, that would be a euphemism for prostitution.

So what do I mean? First, most literally, it means that we see the role of government and of those who work in government as providing public goods, and particularly as helping those who are in need. As they do so, we expect them to act in the public interest (even though that’s not always easy to define) and not in their own interest, the interest of their party, or of their family or friends.

Going further, there is a connotation, in this term of selflessness, even of self-sacrifice. I grew up here in Detroit, and my first political experiences were here. My earliest campaign experience was actually as a five-year-old, stuffing envelopes and passing out campaign buttons with my mother in support of G. Mennon Williams, known

as Soapy Williams, who was a reform candidate for governor. But the first campaign I got involved in on my own was John F. Kennedy's campaign for president in 1960. And he articulated this value most clearly in the famous speech in which he exhorted us to "ask not what your country can do for you but what you can do for your country." In that spirit, he created the Peace Corps, which exemplifies this kind of public service.

The question, then, is to what extent public employees are personally committed to a public service value and whether it shapes how they do their jobs. There is an on-going debate about this, both among political leaders and within the academic community, and right now this is a central issue, especially at the federal level – whether we can improve the quality of public service by motivating current employees to do better and by making public service more attractive to new recruits. Before I get into the details of the debate, I want to stand back and frame the discussion in the conflicting views about what motivates people to come to work in government and what gives these government employees a sense of job satisfaction.

TWO MODELS OF PUBLIC SERVICE

Sometimes when I read this literature or talk to the policy experts in this field, I feel like it has an Alice in Wonderland quality, because the underlying assumptions that those on the two sides in this debate start with are so diametrically opposed that they see different realities.

On the one side is a very positive model, which I will for convenience call model 1. In model one, public service is seen as a noble calling. And public servants are people who are genuinely committed to the mission of their organization, who are bright and hard-working and willing to go the extra mile to help people, and who want to change the world and make it a better place. My school is full of students who feel this way, and who want careers where they can make a difference. And, in the aftermath of September 11, I think those feelings were only intensified. My school's fastest growing major is Security and Intelligence Studies, in the Masters of Public and International Affairs, and it is filled with people who feel that now is the time to serve their country. Looking at the federal government, many people would see the astronauts or national park rangers as exemplifying model 1. Locally, I think firefighters are pretty universally seen as in this category.

The flip side, of course, is the negative model, which I will call model 2. We've all heard it. Government workers are "bureaucrats" (and that's a term with strong negative connotations for a lot of people). They are unresponsive, paper-pushing, incompetent, clock-watching, risk-avoiding, and generally second rate.

Both of these models are simplistic stereotypes, and yet we all know people who fit one or more model pretty closely. And where we stand in the debate about how to improve public service depends very much on which model we think predominates. As we look at the literature in public administration, the early scholars in the field, who often took a normative approach, strongly advocated model 1, at least as a goal for public officials to reach toward. Literature on self-actualization, including the advocates of Theory Y and the more recent Total Quality Management gurus, saw all workers, but particularly those in government, as wanting to have growth opportunities on the job, to be challenged, and to live up to their full potential.

On the other side, there was a big shift in the field with the advent of books like *Inside Bureaucracy*, by Anthony Downs, in the mid-60's, which portrayed a very different view of the workings of bureaucracy, not based on normative values but on a hard-nosed analysis of the behavior of senior bureaucrats. It portrayed them as often self-serving and engaged in turf battles and other bureaucratic maneuvering to extend their power and advance themselves personally. More recent work has been grounded in economic theory and sees government workers as prone to shirking and to “rent-seeking,” that is, to personal aggrandizement rather than to selfless values of public service.

How is this manifested at the individual level? The literature on individual motivation makes a distinction between intrinsic and extrinsic motivators. There is a growing body of research on individual motivations of employees across the sectors.

Much of it supports the concept of public service motivation. It shows that those in the public and nonprofit sectors are generally more likely to be motivated by the desire to make a difference and by commitment to organizational mission (that is, by intrinsic motivators) than are those in the private sector, for whom money is ranked as much more important. One article that just appeared, by Frank and Lewis, is called “Government Employees: Working Hard or Hardly Working?”¹ which addresses the model 1/model 2 split I am talking about. They find that the public perception is that government employees are lazy and less productive than private-sector workers. But, in fact, public employees are more likely to report that they work hard, and that intrinsic motivators, especially the chance to do interesting work and to help others, are more important to them.

There are also several studies that recognize that government employees differ in terms of their commitment to public service values and that report that those who were most strongly committed to these values worked harder and were rated as more effective employees.

One word of caution, however: A recent study by Paul Light that appeared in the *Nonprofit Quarterly*,² found a different pattern, one which is disturbing. It found that nonprofit employees were much more likely to be motivated by helping the public and by the chance to make a difference than the federal employees who were surveyed.

It’s harder to find careful empirical studies of the negative, model 2 behaviors. We find out about them more when scandals break in the newspapers about people on the take or who otherwise abuse their power as civil servants. But many of those pushing reform base their proposals on assumptions about individual motivation and incentives. They assume that there is no real difference in motivations between public-sector and private-sector employees and that therefore the right way to fix whatever is wrong with government is to make it work more like the private sector. This is not new. I have been working in this area for 25 years, and it’s been a constantly recurring theme. And I was somewhat amused to read Luther Gulick’s tribute to Lent Upson, in which he said that

¹ “Government Employees: Working Hard or Hardly Working?” *American Review of Public Administration*, 34, 1 (March 2004): 36-51.

² “The Content of their Character: The State of the Nonprofit workforce,” *The Nonprofit Quarterly*, 9, 3 (2002): 6-16.

Lent demonstrated that “American urban government [can be] as effective as American big business.” That was the highest praise, even in 1949.

The debate right now, and it’s one I’ve taken a public position on, is over the merits of merit pay, or pay-for-performance, as it is often called. At the federal level, this is once again the hot issue of the day, and both the Department of Homeland Security and the Department of Defense, which between them have well over half of federal civilian employees, are currently developing new pay-for-performance systems. Indeed, a draft version of the DHS plan is due to be published in the Federal Register very shortly.

What do we know about pay-for-performance and its effects in the public sector? First, previous attempts to implement it at the federal level have not been successful. There was a debate among us scholars at the time over whether this was a failure of theory or of implementation. But at the same time, several agencies had demonstration projects that allowed them to experiment with new classification and pay systems, using a drastically simplified classification system and broad pay bands. These agencies gave managers more flexibility in setting starting salaries and moving star performers up within the pay band more rapidly than would have been possible under the traditional system. and these experiments have generally been seen as successful.

The critiques of pay-for-performance systems in the past have been partly technical. Somehow government agencies managed to make them very complex, from the managers’ perspective, and the amount of money involved was pretty small, so most people didn’t think they were worth the effort. But the reactions of employees were also problematic. Pay-for-performance systems rest, for their legitimacy, on solid performance appraisals, but doing performance appraisal well is difficult under even the best of circumstances. It’s particularly tough when people work in teams, when what they do is dependent on others outside their organization, and when they do work that is long-term and doesn’t have immediate results, or when they work out of sight of their supervisors. All those conditions are common in government.

In addition, pay for performance sends very strongly positive messages to your top performers. But most organizations rely on the solid center – those who may not be stars but who are reliable workers, often people with long tenure and a commitment to the organization. Pay for performance often sends a negative message to those people.

And there’s a deeper underlying issue here that relates to our theme. Incentive systems reinforce specific behaviors. What is the message we send through pay for performance? If we focus on pay, aren’t we reinforcing the importance of extrinsic motivators and possibly weakening intrinsic motivation?

There’s a recent article by Danny Balfour and Joseph Grubbs³ that takes that point even farther. They argue that the whole New Public Management movement, with its emphasis on innovation and efficiency over commitment and stability, threatens to corrode the character of public servants and to undermine public service motivation.

So if money is not the way to support a commitment to the public service, what is? I do think there are ways to do this, and they center around both organizational

³ “Character, Corrosion and the Civil Servant: The Human Consequences of Globalization and the New Public Management,” *Administrative Theory and Praxis*, 22, 3 (2000): 570-84.

culture and leadership. I have found that organizational culture can have a profound impact on what individuals do or, for that matter, don't do. This may be obvious, but even in the same government, whether it's the huge federal government or the city of Detroit, different offices have different cultures, and you can often tell it from even a rather brief interaction with that office. My first experience working with the government was as an employee of a small consulting firm, and those differences were immediately obvious. One of my first engagements was with an agency that was demoralized. It had had no director for 18 months, and it was in an area that was not at all a priority for the then-President. I started working there and immediately encountered a receptionist who was busy polishing her nails and eventually deigned to look up and make eye contact. Throughout the whole engagement, I found people who had no sense of urgency and, even worse, no commitment to the organization. My next engagement was with an organization that was exactly the opposite in culture and operating style. In fact, I ended up writing a book about a decade ago, called *How Do Public Managers Manage?* in which I examined how managerial style is shaped by organizational culture. I looked at four agencies, and the cultural differences were very real.

So how can an organizational culture support and reinforce the values of public service? Ideally, one would want to see a culture that demonstrates respect for the individual employees themselves, that reflects a clearly articulated and do-able organizational mission, and that supports teamwork. And this would be in an organizational setting that provides the appropriate and necessary support for people and organizations to do their jobs.

How often do we find these cultures in the public sector? Certainly, there are some, and I had the great pleasure of working inside the federal government, in the then newly formed Office of Personnel Management, when it exemplified exactly these values. It was, at its best, the best job I have ever had, because I was surrounded by people who were bright, energetic, and who believed that they could make a difference. It was a classic model 1 organization and a personal experience that helped shaped the rest of my life,

But I also know that there are all too many public organizations with cultures that are far from this ideal. Too often, organizations are working within a political environment that results in an unclear mission, with severe economic pressures, and thus inadequate resources and mixed signals about what the organization is really trying to accomplish.

There is also considerable dissention among the scholars who study organizational culture. Is culture something that is relatively fixed and changes only slowly? Or is it more malleable, and, if so, how can organizational leaders shape the culture in positive ways? My own experience has taught me that top leaders make an enormous difference in an organization, for good or for ill, and that they can change the organizational style and level of job satisfaction very quickly. Whether they can shape deeper assumptions and values is a tougher question.

The problem we face in government is often not the quality of rank-and-file employees (although that could use improving in some cases) but rather the quality of top leadership. We have a system where the top levels (and, in some jurisdictions, several

levels below the top) are filled by political appointees. In our system of government, political appointees provide political direction and, in an indirect sense, political accountability in government. But I have to say that, as managers and as leaders, political appointees are a decidedly mixed lot. I've interviewed many federal political appointees for my own research, and there is now a substantial literature about political appointees. They are usually short-termers. In the federal government, average time in a position is about two years – it was even less in the Reagan administration. So they barely have time to get a handle on the organization and who the key players are before they are moved or leave. Some of them have extensive backgrounds in their fields, but some are political supporters who are really unqualified – who lack either substantive expertise or senior management experience. Many come in mistrustful of career employees, and that's particularly the case when there's a change of parties in control. They are almost never rewarded for being good managers.

And especially those who come in with no government experience don't have a clue about the concept of public service or about the formal rules of civil service systems that guide hiring. They often come in expecting to be able to hire the way they did in the private sector, which, in this setting, may be hiring friends and cronies or rewarding political allies.

So, in summary, I wouldn't say that the value of public service is dead, but it is certainly beleaguered. The direction the federal government is headed in is not, in my view, one that will reinforce the right kinds of values. I think a more promising approach is to focus on work environment, on developing a positive organizational culture, in limiting the number of political appointees and the levels of the organization at which they work, and in improving the quality of the people we entrust with leadership positions in government.

PUBLIC SERVICE IN THE BLENDED ECONOMY, OR PUBLIC SERVICE BROADLY DEFINED

In the current environment, we need to look at public service not just in terms of the values of those inside government but also at what I term "public service broadly defined." As we all know, much of the actual work of government is done by people outside of government, working under contracts, or by public/private/nonprofit partnerships of various kinds.

Here, too, we are faced with contrasting stereotypes. The model 1, in this set of relationships, sees use of "third-party providers of services" (one of the more neutral terms) as providing better service at lower prices. It builds upon the view that the private sector is more efficient, and it is the direct result of an ideological perspective that says that reducing the size of government is an end in itself. I hasten to add that, while I think this is ideological, it isn't necessarily partisan. The Clinton administration pushed more functions outside of the federal government than did preceding administrations, and the Bush administration is continuing in the same direction. Also a part of model 1 are stereotypes about nonprofit organizations – that they are closer to the ground, more caring, and less bureaucratic than government.

The model 2 in the debate over contracting sees contractors as self-serving rip-off artists, who overcharge, and who get contracts through political connections or cronyism.

This is an issue not only in the US but internationally. There was a huge influx of western consultants and other contractors into Russia and Eastern Europe during the transition period from communism. My favorite description of the role of these consultants, from an East European, was “consultants are people who borrow your watch to tell you what time it is.”

The critics of heavy reliance on contractors argue that the profit motive pushes them to cut corners on service. They also assert that the employees of these firms don't have the same commitment to the organization or mission as government employees. Since these organizations focus on extrinsic motivators, the employees are less likely to have a commitment to the values of public service, and so they have much higher turnover, on average, than governments, leading to a loss of institutional memory and lower quality service. And the critics also argue that governments, especially the federal government, push work outside of government for cynical reasons, to make the size of government appear smaller without really cutting anything, since the demand for services hasn't shrunk. There's a book called *The True Size of Government*, which actually details this process at the federal level, and the statistics are really pretty appalling. In the mid-1990s, President Clinton bragged that he had cut the size of the federal government to under 2 million employees. But at the same time the so-called "shadow government" was up to close to 13 million full time-equivalent jobs. And both trends have continued under President Bush: the size of the federal workforce is shrinking, and the shadow government is still growing.

Critics also point out that, in some cases, contracting out is a way of union-busting. When a function is transferred outside of government, the new employer may not be unionized. Current employees may or may not move over to the contractor, but if they do, it is often at lower salary and benefit levels, and certainly with fewer job protections.

The criticism of nonprofits that deliver services for government is different. It's not about values but about management capacity. Critics point to weak management structures, especially for smaller nonprofits, which can mean mismanagement or poor accountability systems. Taking on government contracts can, indeed, be a big challenge for a small nonprofit organization. And this management capacity issue comes up also in the debate about faith-based organizations and their role in service delivery.

The other concern that the critics raise is whether nonprofits really *are* nonprofits, or whether they are shams – nonprofits set up by private companies so that they can bid on contracts designated for nonprofits.

Here, too, there is some truth in both models. I've been on both sides – I've worked for two contractors who provided services to the government, such as training programs or evaluation of government programs, and I've been inside government, heading an evaluation unit and supervising the work of contractors. Based on that experience and on the wealth of research on this subject, I want to draw some conclusions both about the quality of service delivered by contractors and about the motivation and values of the people working in these firms or nonprofit organizations.

First, the quality of work delivered by contractors can actually be very high. In many cases, the contractor can provide specialized skills that the organization doesn't

have. Contractors can provide flexible staffing, if there is a short-term need. The relationship between contractors and the government agency can be arms-length. It can also be so close that the lines between the two are blurred, and contractors and government employees are sitting side-by-side, with the contractor employees showing the same commitment to mission as the government employees.

But the quality of work you receive from a contractor depends to a very great extent on the quality of work inside government, by people who know how to write RFPs (Requests for Proposal); how to draft clear, specific contracts; and how to oversee effectively the work of contractors. This isn't easy. Too often, the contract management is done by people who do not have the technical skills needed, who are stretched thin, and who have inadequate funds for things like site visits. This management problem is only compounded when a large function is divided up among several contractors. The coordination effort can cause snafus, even if each individual contractor is doing what is asked of them. The worst example, which would have been funny if it hadn't been such a waste of resources, was the Mars lander that crashed a few years ago. The NASA team that investigated found that two contractors were working on this – one measuring in inches and feet and the other in the metric system, and no one picked up on it.

Let me take this back to the question of individual motivation and values. What do we know about individual motivation in the private sector? On the one hand, we see research that says those who choose to go into the private sector rate money as more important than do those working in other sectors. In contrast, the study I mentioned above by Paul Light found that those in the nonprofit sector may be even more committed to what we would term public service values than those working in government.

But these studies seem to imply that people make a decision and choose a sector in which to work, and then they stay put. That's not at all the case these days. We talk about the blended economy, in which the sector lines are less clear, and recent research on how people decide where to start their careers supports that image. People decide they want to do a certain kind of work, and that drives their job search. They don't grow up saying, for example, "I want to work in the nonprofit sector." Furthermore, when we look at career paths of the graduates of our MPA programs, as Paul Light did in his book *The New Public Service*, we find that, increasingly, they have careers that cross sector lines. The old civil service model, where you come in at the bottom and work your way up the organization, and stay there until retirement, is effectively dead. The graduates of our programs follow their passions and the opportunities, and they cross sector lines with ease.

Now how does that make sense? Why would someone trained in public administration feel comfortable working in the private sector? In fact, some of the most distinguished alums of my school articulate their values clearly – they went where they felt they could make a difference. One of my favorite examples is Carl Ware, a graduate of GSPIA who had a career that spanned all three sectors. He was working in Pittsburgh after graduating, when Martin Luther King Jr. was killed, and he said to his wife that night, "We need to go back to the South." He moved to Atlanta, and went to work for the Urban League. Then he decided to enter politics and ran for City Council of Atlanta. He eventually became President of the City Council, when the Coca Cola corporation started

to court him. As he tells it, he kept saying, “no, I’m committed to the public sector.” But he eventually concluded that he could live his values in a different way inside the corporate world. He became the President of Coke Africa. He was responsible for pulling Coke out of South Africa in the boycott of the apartheid regime, and Coke was one of the first companies to re-enter south Africa when that regime fell. When I visited Carl at his office, there was a framed letter from Nelson Mandela on his wall, and it thanked Carl for what he had done for the cause of freedom in South Africa and said his true role would be known only to the historians. He went on the Africanize the whole top leadership of the Coca Cola corporation throughout all of Africa, taking bright young Africans and giving them the training and experience so that they could move up into the leadership positions. Before he retired last year, he was one of the highest ranking Black executives in the U.S., Vice President for government and community relations at Coke world-wide and part of the executive committee running the corporation.

But let’s face it. Corporate America is not exactly full of people like Carl Ware. And this issue of individual motivations and public values across sectors is critical, if we want the work of government done well. I think there are two sides of this issue in the blended economy. First, if people are jumping across sectors, can we restructure the way we think about careers inside government to make it easier to hire people from outside at a mid-career level, and can we make the terms of employment, including pay and benefits, if not fully equal, at least attractive enough to help bring in people who really support the mission of the organization, and who would bring in much-needed skills and perspectives.

Second, I don’t think the answer is to stop or scale back dramatically the use of outside contractors. I don’t think we can put the genie back in the bottle. So can we work within the current set of complex relationships to reinforce public service values? As James Pfiffner puts it, “Citizens have a right to expect the spirit of public service to prevail in private sector organizations that carry out public purposes.”⁴

There are some things I think we can do. For starters, we need a better handle on what to contract out, when to do so, and how to do so effectively. We need to develop clearer criteria for what functions really need to remain in-house, and we need to make sure we have the capacity inside government to do a better job of managing and overseeing the contractors, so that there is real accountability built into the process. However, it’s easier to guard against real abuse, such as fraud and corruption, than it is to actually instill positive values of public service.

Second, we need to train our students for a future in the blended economy. We need to give them both skills and values that will transcend sectoral lines and that will stay with them for life. As Pfiffner points out, “most ambitious professionals are driven by mixed motives.” Even inside government, while money may not be the top motivator, it’s far from unimportant, and people deserve and expect to have at least a reasonable standard of living. The question is whether contractors can recruit or train people who understand and share in at least the basic concept of public service, and whether they can build cultures and individual incentive structures that reinforce those values, as well. To

⁴ James Pfiffner, “The Public Service Ethic in the New Public Personnel Systems,” *Public Personnel Management* 28, 4 (Winter 1999): 548.

quote from Pfiffner again, “The challenge to those who write contracts for the government is to find firms that have a continuing interest in good performance and who recruit workers who are committed to public service and not merely to personal profit.” This strikes me as very desirable but also as very difficult to carry off. I don’t know how you can write individual motivation or collective commitment into a contract.

CONCLUSIONS

So where does this leave us? First, if we can move both the discussions about government employees and about contractors away from simplistic dichotomies, we can make more intelligent policies that encourage a commitment to public service and to the public interest, both inside and outside government. Second, leadership really does matter. Inside government, it is leaders who can articulate values in ways that inspire their employees to reach for the highest ideals. And, both inside government and in the private sector, poor leadership can corrupt the values of an organization and can encourage the worst side of human nature. We have only to look at Enron to see a deeply flawed organizational culture. And I have seen cases almost as dreadful inside government, as well.

Third, I think we need to help our students and alumni to hold fast to their own highest aspirations, to believe that they can make a difference, and that the sector they choose to work in matters, but perhaps it matters less than it used to. So I urge those of you who are planning your careers, or who are thinking of making a career change, to seek out organizations where you will be doing work that excites and challenges you, where the organization will give you opportunities to grow and develop new skills, and where the organizational culture is one that you respect because it supports values of public service, so that if you work there, you can also respect yourself.