DEVELOPING STRATEGIC MANAGERS FOR UK PUBLIC SERVICES - a competing values and competences approach

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Chapters

List of Figures and Tables

(in order of appearance)

Figures:

Tables:

DEVELOPING STRATEGIC MANAGERS FOR UK PUBLIC SERVICES - A COMPETING VALUES AND COMPETENCES APPROACH

REFORMING PUBLIC MANAGEMENT

The 1980's saw a dramatic shift in attitudes to management in the public sector. A new 'managerialism' (Pollitt, 1993) or the 'new public management' (Hood, 1991) firmly replaced the old 'public administration' as the guiding principle of policy makers, especially in the UK and USA. While the UK and USA probably led the way initially in these developments, other countries have since also developed new, radical, approaches to public management reform, including in particular New Zealand (Mather, 1993) but embracing most developed countries to one degree or another (OECD, 1992). However, the old public administration and its less managerialist off-shoots did not simply "role-over and play dead", either in theory or practice. While politicians and their official and unofficial advisors, and some public managers, enthusiastically embraced the new managerialism, others expressed doubts.

The early 1990s has seen a re-emergence of public sector specific trends, with a plethora of books seeking to 'rediscover public services management' (Willcocks & Harrow, 1992), 'reinvent government' (Osborne & Gaebler, 1992) or re-establish the uniqueness of 'management in the public domain' (Ransom & Stewart, 1994 - forthcoming).

There has certainly been a revival of interest in the nature of public service management in the UK, if the spate of books on the subject is anything to go by (see Taylor & Popham, 1989; Flynn, 1990; Metcalfe & Richards, 1990; Elcock, 1991; Hadley & Young, 1991; Lawton & Rose, 1991; Starks, 1991; Carter et al, 1992; Common et al, 1992; Duncan, 1992; Pollitt & Harrison, 1992; Farnham & Horton, 1993; Harrison, 1993; Isaac-Henry et al., 1993; Taylor-Gooby & Lawson, 1993; Hughes, 1994; Morgan & Murgatroyd, 1994; Talbot, 1994; etc.).

On explanation for this renewed interest in public management in the UK may relate to the emphasis placed by the new (Major) premiership on improving public services, especially through the Citizens' Charter initiative and the Next Steps programme (Harrow & Talbot, 1994).

Strategic Management

One area where the debate has remained relatively unexplored is that of **strategic management** in the public sector. This thesis explores the nature of strategic management in the public services, drawing on the more general debate about the nature of public services management. It explores some issues about what can, and what cannot, be easily transferred from the private to the public managerial domains, in terms of strategic management theory and practice. (This is not to assume that this is the only direction in which ideas and practice can flow, on the contrary we agree with others that the public and private sectors have much to learn from each other (Harrow & Willcocks, 1991; Alter & Hague, 1993)). It is to recognise that there has been a major gap in the public management literature on issues of strategy, whereas in the generic (or, more realistically, mainly private) literature strategy and strategic management has been a major concern (see Chapter 2).

The precise question to which this exploration is directed is: **how can public managers be developed into strategic public managers?** In order to begin answering this question, three prior questions have to be addressed:

- what is the nature of public management and is it different from generic or private sector management?

- what is the nature of strategic management, in the generic, private and public sectors?

- how are, could or should managers be developed in general and specifically how can they be developed into strategic managers?

These issues are addressed in the first four Chapters of this thesis, which are described more fully below, but before turning to these it is worth a brief mention of the approach used.

Competing Values and Competences

The approach adopted in this thesis is derived from the growing body of management literature that recognises there are fundamental contradictions embedded in the nature of managerial work, whether public or private (e.g. Hampden-Turner, 1990a &b; Quinn, 1988; Quinn & Cameron, 1988; Quinn, Faerman, Thompson, & McGrath, 1990; Miller, 1990).

The traditional, 'rationalist', approach to management often tended to make assumptions about the coherence and logical consistency of management as an activity. This idea has been under fire for some time. Probably the most prominent attack came in Peters and Waterman's *In Search of Excellence* (1982) which sought to go beyond 'the rational model' and introduce issues about competing values and culture into management. Much earlier Mintzberg had, in his seminal *The Manager's Job: Folklore and Fact* (1975), attacked models of managerial work which tried to create an image of management as a rational, deliberate, planned and controlled process and sought to replace them with a model which captured some the reality of the fragmented, intuitive, complex, verbal and contradictory nature of management (see also Mintzberg, 1980).

That the 'rationalist' approach to management ignores issues of the values of those who own, control, run, work in or manage organisations is now well established. That clashes of values in organisations lead to conflict and that these clashes, values and organisational cultures need managing has been widely recognised from the early 1980s in the UK and USA, partly under the impact of perceived success of Japanese management, (Pascale & Athos, 1981). However, while the limit of 'rationalism' in dealing with these 'values' has become recognised, the issue of contradictions

embedded in organisational life, both values and other, structural, contradictions, has been more neglected

The contradictions inherent in organisational and managerial structures can be illustrated by an example - the contradiction between operating managerial control over staff and motivating staff. This particular contradiction was summarised by McGreggor as 'Theory X' and 'Theory Y' in his *The Human Side of Enterprise* (1985). McGreggor used 'Theory X' as a negative stereotype ('people don't like work and will avoid it if possible') to buttress his 'Theory Y' approach ('work is as natural as play and people will do it willingly in the right circumstances'). In developing the 'Theory Y', human relations, approach to management he naturally emphasised the 'motivation' side of our 'motivation Vs control' contradiction. However, he also implicitly recognised that both motivation <u>and</u> control are necessary parts of management: "external control and the threat of punishment are not the only means of bringing about effort toward organisational objectives" (1985:47).

This is but one of many contradictions which appear to be inherent in certain organisational and management forms. Quinn (1988) has demonstrated that such contradictions often become inextricably linked to values issues. A manager operating as a 'director', exercising "control and the threat of punishment" (to use McGreggor's words) must operate on a different set of values from a manager operating as a 'facilitator', engaging in participative decision making and team building. These managerial roles appear contradictory, both in terms of values and in terms of structures, systems, etc. Thus Quinn et al's model (1988, 1990) of management explicitly seeks to combine both contradictory managerial <u>values</u> and contradictory managerial <u>competences</u> (managerial skills and knowledge) into a single framework.

This thesis adopts an approach which focuses on contradictions in management in general and public management in particular, often tied to values issues, and assumes their paradoxical nature. This approach is further explored in Chapter 5, but it is worth discussing here the notion of paradox which appears frequently throughout the thesis. Much of management literature, especially its dominant western tradition, has tended

to ignore the subject of contradictions in organisations entirely. At best, management thought has progressed as far as recognising dilemmas - that is seemingly contradictory alternatives which have to be dealt with by making either/or choices. Much of the rationalist literature on decision making could be seen as trying to identify such dilemmas or choices and establishing methods and criteria for deciding between them. A more European, as opposed to Anglo-Saxon, tradition is derived from Hegelian dialectics which recognises contradiction in a more direct form but, especially in its Marxist interpretation, seeks to resolve contradiction through synthesis. Rather than choosing (either/or - dilemma) it establishes an amalgam of both/and, or in more modern jargon, synergy.

A paradox based approach seeks to stress not only the existence of contradictions, which both the dilemma and dialectical approaches do to some extent, but also to recognise the inevitability and, more importantly, the unresolvability, of some contradictions. Paradox based approaches tend to be based more in Eastern philosophical traditions (especially Taoism, but also Zen, some aspects of Hinduism, Sufism, etc.). These traditions not merely recognise but positively embrace the notion of permanent contradiction and espouse various strategies for living with the consequences, and especially the dynamism and flux which attend the ebbs and flows between contradictory poles. Paradox, therefore, is used throughout this thesis to denote contradictions which are to some degree inevitable and unresolvable in organisational and managerial life and to imply the need for approaches to manage the contradictions, rather than to merely choose (dilemma) or to resolve (dialectics). It should be stressed that (a) this is not to say that some contradictions are not amenable to choice or resolution and (b) the stress laid on the concept of paradox is meant as a corrective to the lack of understanding of such irresolvable contradictions in much management and organisational literature. As the narrative of this thesis unfolds, hopefully the reader will see the benefit of stressing paradox in helping to illuminate issues in public management, strategic management and management development.

Objectives of the Research

The research objectives of this thesis can be summarised as:

1. To establish some broad-based (and comparative) information about the nature and extent of strategic planning practices within UK public services.

2. To explore the idea of competing, paradoxical, systems within public services strategic practices - by specifically (i) construction of theory or models of how such paradoxical systems might apply to strategic management in the public services and (ii) carry out some limited testing of the possible validity of one set of (deduced) 'strategic modes' and 'strategic sub-systems'.

3. To establish a framework for analysing possible approaches to the development of strategic managers, establish some information about the management development practices and preferences of managers and organisations in relation to strategic management skills, knowledge and abilities and to gather some broad-based (and comparative) information about the knowledge-base of UK strategic managers in the area of strategic techniques and approaches.

4. To explore the idea of competing, paradoxical, strategic 'competences' and to test the possible validity of a specific set of (deduced) competences.

5. On the basis of the above, to make some recommendations about further research which would aid the 'development of strategic managers for UK public services'.

These research objectives are further elaborated in Chapter 5, and the theoretical models underpinning them, derived from existing literature by a process of synthesis and deduction are explained in the first four Chapters. An outline of the Chapter structure, which helps to show how this is achieved, follows.

SYNOPSIS OF CHAPTERS

In Chapter 1 models are examined which offer explanations of paradoxes in general public management, such as Mintzberg's *Professional Bureaucracy* (1979, 1983) and Kouzes & Mico's *Domain Theory* (1979). The latter, in particular, offers a useful three-way paradox between the 'political', 'managerial' and 'service' domains of public management. In Chapter 2, a model of generic strategic management is synthesised from the existing literature which embodies the fourfold paradoxes between the 'planning', 'learning', 'politics' and 'vision' approaches to strategy.

This generic model of the paradoxes inherent in strategic management is then combined with the model of paradoxes inherent in public management, discussed in Chapter 1, to produce a model of strategic public management in Chapter 3. This model, following Quinn et al (1988, 1990), concentrates on identifying the competing managerial values and competences involved in strategic public management.

The final background element in the research is the nature of management education and development, which is explored in Chapter 4. This too looks at paradoxes, this time in the nature of management education and development, which are partly caused by the paradoxes of management itself and partly by contradictions inherent in developmental processes and problems.

These four Chapters lay the foundation for an exploration of 'developing strategic managers for UK public services'. The research strategy and methodology are set out in Chapter 5, and the results are analysed Chapters 6 and 7. Chapter 8 provides some conclusions and recommendations for further research activity. The principle field research effort reported on is a questionnaire survey of some 644 strategic public managers, drawn from across the public sector in the UK.

Chapter 1 - Public Services Management

Part (I) discusses the impact of the 'Thatcher decade' (1979-91) on the UK public services, reviewing briefly some of the chief issues of fiscal policies, the 'marketisation' of the public sector and the impact of European integration. Its central point is to re-establish some balance into interpretations of the impact of 'Thatcherism', recognising that major changes have occurred in public organisations, including both their boundaries and internal arrangements, but also recognising the limits of change. This theme is re-examined at other points in the Chapter, as the various models of 'public management' are unfolded.

Part (II) begins this process by examining the changing nature of 'public management' by scrutiny of three major trends readily identifiable in the literature: the old **'public administration'** approach; the **'new public management'** or public 'managerialism' movement and finally the various attempts to reconstruct a model of management in the **'public domain'** as fundamentally different too generic or private sector based management models, including the 'public domain', 'public service orientation' and the 'public organisation decentralisation'

Part (III) turns to a smaller, but growing, trend to **'rediscover public services management'** by focusing on the contradictions, inconsistencies and paradoxes of public management. The nature of existing UK public services as **'human services'** organisations is examined and the resulting implication of a threefold paradox of contradictory policy, management and service domains is explored using **'domain theory'**, supplemented by the 'professional bureaucracy model', and a variety of explanations of the nature of human services professional work. This includes introducing distinctions between human services, administrative and technical professionalism and discussing some of the peculiarities of the UK systems.

Chapter 2 - Strategic Management

This Chapter begins by reviewing, in Part (I) a range of issues about the development of strategic theory and practice:

- strategy's specialists - the people who launched 'strategy' as a management issue;

- strategy's semantics - just what is meant by 'strategy', its military genesis and evolution, in both western and eastern traditions, and how the latter have affected management usage and the general mutability of the concept in warfare and management

- strategy's substance - general trends in how far 'strategy' and 'strategic management' or 'planning' are actually practised, both generally and specifically in the public sector

- strategy's strands - finally, this part reviews some of the major themes to have emerged from debates on strategic management over the past 3 decades, identifying some key themes, contradictions and paradoxes in the literature as a prelude to an attempted synthesis in Part (II).

Part (II) attempts to synthesise a 'competing values' model of strategic management, using as a basic framework two key contradictions:

- the contradiction in strategic decision making between 'rational' and 'non-ration' (i.e. intuitive, political, etc.) forms and

- the contradiction in strategic decision substance between 'incrementalism' and 'radical' change.

This section illustrates how these two contradictions, when combined, give a rich model for strategic 'modes': the 'learning', 'planning', 'political' and 'visionary' modes. It demonstrates how this, admittedly reductionist, model provides a useful tool which corresponds closely to many major attempts to provide a taxonomy of 'strategic management'. After examining each of the strategic modes in turn, it turns briefly to a discussion of one of the key issues to have emerged in recent years, the role of intuition and creativity in strategy and shows how this relates to the strategic modes.

Chapter 3 - Strategic Management and Public Management

This Chapter opens by examining the 'rise, fall and rise' of strategy in the public sector, the evidence on trends in strategic management practice.

It then returns to the nature of the public management reforms by examining the nature of 'marketisation' within the (remaining) public services organisations in the UK. It develops a model of competition within public policy and provision 'sub-spaces' or 'industries', including non-market, quasi-market and full market competition. It also discusses briefly, through example, some of the problems of transferring strategic tools developed in private sector contexts to the public sector.

The problem of setting organisational goals, a neglected area in general strategic management literature but crucial for public organisations, is also briefly discussed.

Finally, this Chapter applies the models of public services management developed in Chapter 1 to the models of strategic management developed in Chapter 2 to develop a 'model 'of' public sector strategic management competences, related to both strategy modes and specific elements or sub-systems of the strategy process in the public sector. This model forms the basis for some of the research reported in Chapters 5-7.

Chapter 4 - Management Development and Public Services

This Chapter begins by reviewing definitions of management education and development and offering a comprehensive definition. Using this definition to examine trends in management development (MD), the Chapter offers a model (based on Kolb's experiential learning cycle) which embraces the trends identified in MD and which, like previous models, also embraces competing approaches. This model is also used later, in the design of the questionnaire survey, to ask public managers about development of strategic managers in their organisations (reported in Chapter 7).

The Chapter also examines the relatively small literature on the development of senior, strategic managers and directors. It reviews the relationship of general MD to

developing public managers, using the models of public management discussed in Chapter 1.

Finally, it draws on both this Chapter and Chapter 3 to outline some ideas about the nature of strategic public managers and the basis for their development.

Chapter 5 - Research Philosophy, Strategy and Technique

This Chapter opens by discussing the various levels of research design, including the philosophical underpinnings of research, the research strategy adopted and specific techniques used. In outlining in more detail the paradoxical systems approach adopted in this research it also discusses some philosophical issues associated with it. The difficulties of researching paradoxical systems is briefly discussed before proceeding to outline the research design.

The research strategy is reported, both as it evolved (using a 'research story' approach) and the broad research objectives set. Some issues of access, research resource constraints and other matters are discussed and the details of the survey design and implementation are reported. Specifically, the use of some questions to gather comparative data from the public sector to use in conjunction with an earlier survey of private sector strategic practices.

Chapter 6 - Results and Analysis I - Strategy processes in the public services

This is the first of two Chapters reporting the results of the survey of UK strategic public managers. In this Chapter the survey results covering strategic management practices. This covers strategic planning practices, reasons for not planning, levels of involvement and the extent to which the 'strategic modes' appear to exist in public organisations. The results are compared with the data gathered in an earlier private sector based survey where appropriate.

Chapter 7 - Results and Analysis II - Strategic public managers - knowledge, competences, development

As the title suggests, this Chapter reports and analyses those aspects of the survey dealing with strategic public managers knowledge of strategy techniques and authorities, with the strategic competences developed in Chapter 3 and 4, and with the development of strategic managers in their organisations. Again, where possible these results are compared to the private sector data set.

Chapter 8 - Conclusions and Recommendations

This Chapter draws some conclusions from the theoretical models developed in Chapters 1-4 and the results of the empirical work reported in Chapters 6 and 7 on some of the aspects of these models. It also draws some conclusions about the underpinning approach developed throughout the thesis and explored specifically in Chapter 5. These conclusions are reported against the research objectives established in Chapter 5.

The Chapter also reflects on the research process itself, identifying some strengths and weaknesses of the research. Finally, it offers some suggestions about further research in this field.

Chapter 1 Public Management in the UK[1]

INTRODUCTION

This Chapter begins by setting out in Part (I) some important features of developments that have taken place within the public sector in the UK over the past 15 years. This chapter refers to a period commonly recognised as one of dramatic change and during which occurred the so-called break-up of the post-war social democratic consensus (Gamble, 1988). Together with other changes, such as European developments, the period of 'Thatcherite' reform and radicalism have had a perceived large impact on public services. These changes have been more complex, and uneven. They have also been less radical than some supporters and detractors alike have suggested, a view now becoming more prevalent (Johnson, 1991; Marsh & Rhodes 1992; Hogwood, 1992; Wilson, 1992). In their implications for public service management however, their impact has been great.

Part (II) records the development of differing approaches to understanding of public service management that have emerged from the fragmentation of the traditional public administration perspective. It identifies two major children of this break-up - the 'new public management' and the 'public domain' approaches.

In Part (III) an emerging model of public service management that draws on organisational theory and the new trends outlined is further developed. It focuses on the contradictions and paradoxes inherent in public management, using 'domain theory' and a model of 'professional bureaucracy' to illustrate these paradoxes.

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[1] earlier drafts of parts of this Chapter have already appeared in Talbot, C (1993) **Developing UK Public Managers**, *International Journal of Public Sector Management*, Vol. 6. No. 6.

(I) Thatcherism and the Public Sector

The international reputation of the UK's reforming Conservative government elected in 1979, headed by Margaret Thatcher, was one of radical tax cuts, tight monetary policy, reductions in state intervention in the economy. Thatcherism also meant public spending reductions, privatisation and strong defence and law and order policies.

The reality is somewhat more complex. Some of the policies most closely associated with the Thatcher experiment only evolved slowly, whilst others were severely misrepresented by supporters and detractors alike. This chapter looks at two crucial areas for public services: fiscal policy and spending programmes; and the introduction of market forces or privatisation into the public sector.

Fiscal Policies

Despite much of the rhetoric, UK general government expenditure (GGE), as a percentage of gross domestic product (GDP), has remained relatively stable. It actually rose during the recession of the early 1980's, then fell during the period of more rapid growth but has again risen during the current recession (Figure 1:1). The main cause of the fluctuations has undoubtedly been the fact that the Government, despite its reforming zeal, has not been able to significantly reduce spending on central social welfare programmes (unemployment benefits, social security payments, pensions and investment in deprived urban areas). The riots of the early 1980's showed the potential for unrest in some of the areas most badly affected by industrial and social decline. This was clearly one factor, amongst others, which prompted the Government not to make substantial cuts in welfare and urban programmes. Neither was this a purely UK phenomenon, as THE ECONOMIST noted:

> "The 1980s were proclaimed by conservatives, and mourned by leftists, as a decade
> of public frugality. Governments everywhere talked loudly about rolling back the
> boundaries of the state...Despite that avowed 'restraint', most of the world's big

industrial economies are expected to have budget deficits in 1992 that, in relation to their national incomes, will be as big as, if not bigger than, those of the early 1980s. Total public spending by the G7 countries will top 41% of GDP this year - its highest ever - compared with 38% in 1980." (15-Aug-92:13).

Figure 1:1 Real GGE as a % of Real GDP

Source: adapted from Johnson (1992)
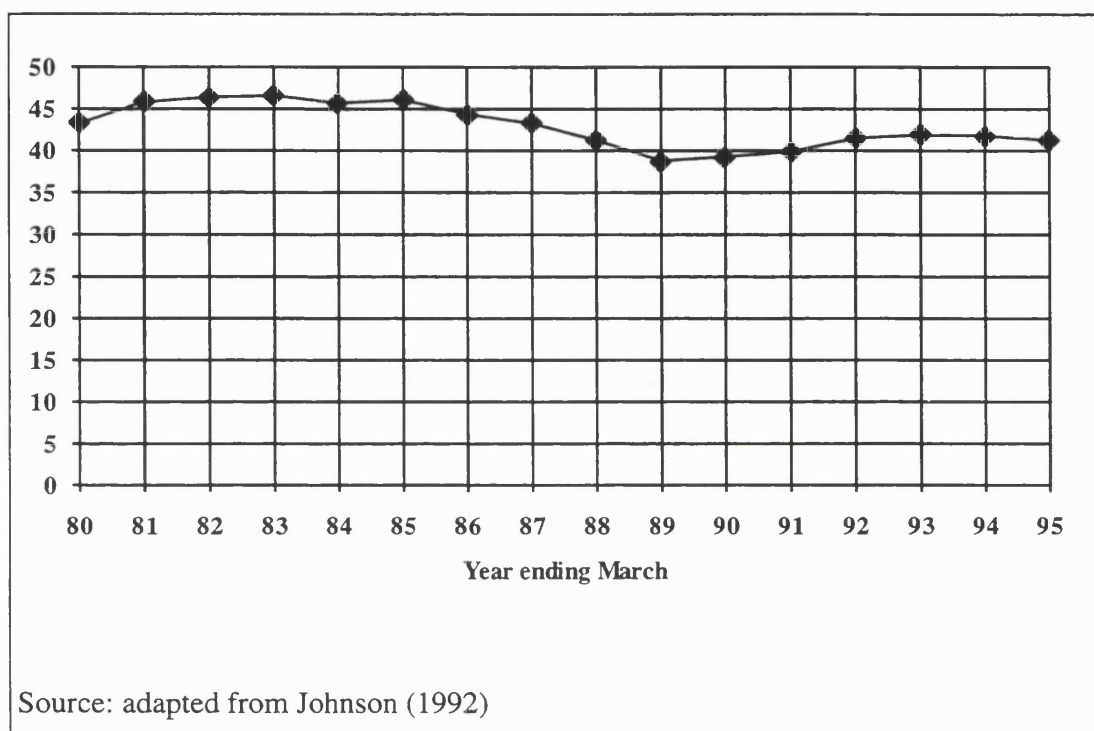
There has been constant Government pressure to reduce public spending. This reduction has tended to be far more incremental rather than of radical surgery as pictured by supporters and detractors alike. It is also unevenly distributed across different spending programmes (see Figure 1:4)

With public spending staying broadly stable, how has it been possible for the Conservative governments to drastically reduce personal income tax? The rise in indirect taxation (the VAT rate has risen from 8% to 17.5%) partly accounts for the change, with VAT income almost doubling as a percentage of total taxation (from 9.6% to 18.3%). Personal income tax, by contrast, fell from 34.4% to 27% of the total tax take (see Figure 1:2).

22

Figure 1:2 Changing UK Tax Income Patterns 1978-89

	1978 £m	% of total	1989 £m	% of total
Income Tax	18,767	34.4	47,232	27.0
Value Added Tax	5,239	9.6	31,949	18.3
Income tax + VAT		44.0		45.3

Source: adapted from Jackson (1992)

The substantial revenues derived from privatisation and North Sea oil (see Figure 1:3) also accounts partially for this apparent contradiction. Moreover, they also point to a possible major problem for the future. With both privatisation and North Sea oil revenues declining, the fiscal problems confronting future governments can only worsen; unless the UK economy enters a period of sustained and rapid economic growth, thus increasing revenues and decreasing 'transfer' payments as unemployment reduces. The persistence of the recession makes this seem highly unlikely, with at best a slow and hesitant recovery forecast. Neither is it entirely clear how much of the fiscal crisis is short-term and cyclical and how much is long-term and structural.

The broad stability of public spending is however slightly misleading in two respects. Firstly, the Major government has sharply increased the Public Sector Borrowing Requirement (PSBR) by £26bn and planned spending by 5.5% between 1990 and 1991 (Johnson, 1992 pp27-30). The current PSBR of £50bn plus is in stark contrast to the sharply deflationary polices of cutting public spending carried out by Thatcher and Howe in the 1981 recession.

Figure 1:3 Privatisation and oil revenues - UK government 1979-90

Source: adapted from Jackson (1992)
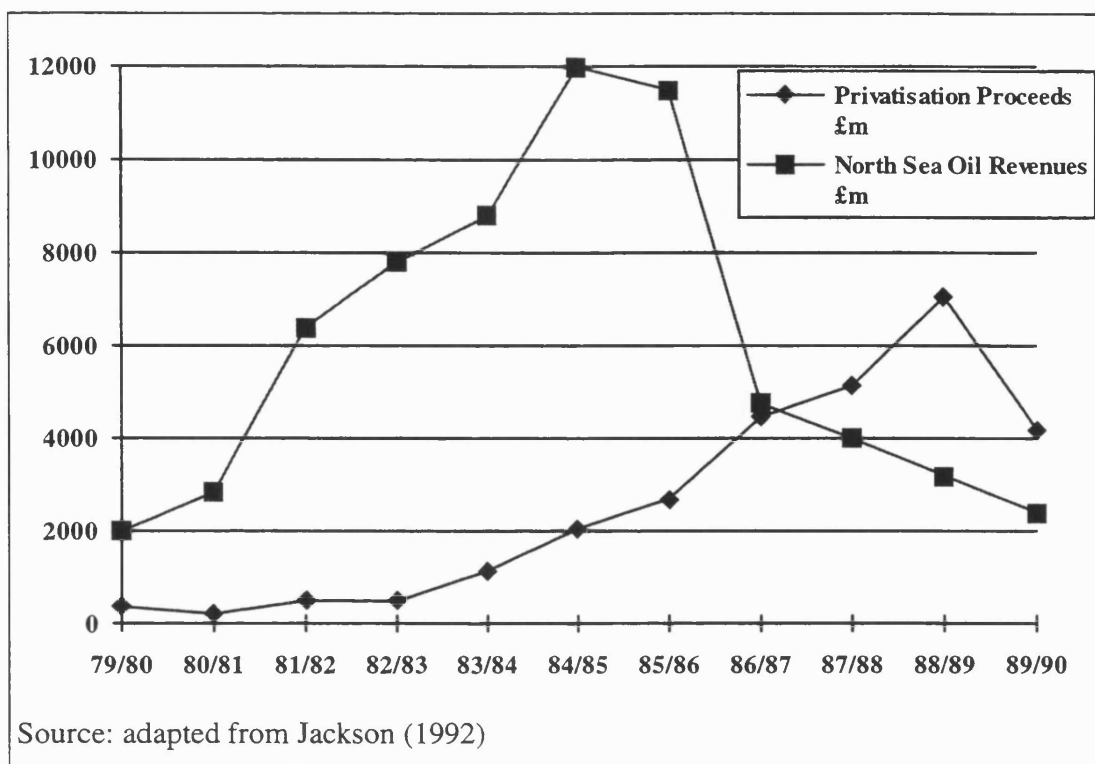
Secondly, the balance of public spending on different programmes has varied markedly over the past 13 years. The groupings used in Figure 1:4 partly illustrate the changing balance between central and local government programmes. Defence and Law Enforcement (mainly central government) have risen (although more serious Defence spending cuts are now planned). In the area of "human services" Social Security and Employment (central government) and Health and Personal Social Services (mainly central government) spending has risen, the former as a function of increased unemployment and the latter as a result of an ageing population and inflation in health costs. In the areas of Housing and Education (mainly local government) there have been significant reductions.

It is noteworthy that the biggest relative increase is in the area of 'transfers', that is, payments of money to recipients of social security or employment benefits.

Figure 1:4 Relative Shifts in Public Spending for selected functions
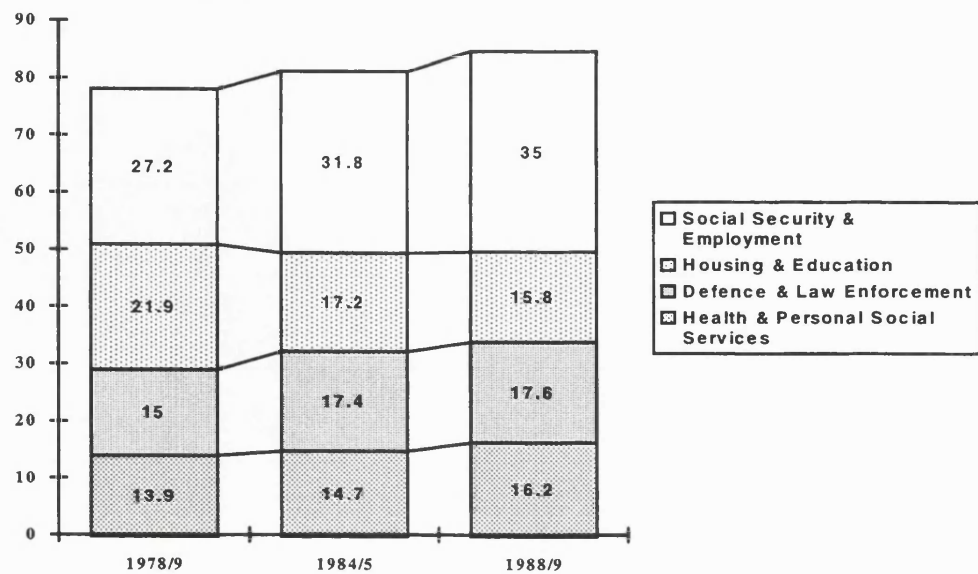
Source: adapted from Upton (1989)

The balance between central and local spending was 71.0% and 26.9% in 1984/5 and had changed to 73.2% and 24.0% respectively by 1988/9 (Upton 1989 p33).

While it would be wrong to conclude that central government managers have not been subjected to cost cutting and efficiency demands throughout this period it is clear that the pressures on local government managers have been markedly greater (at least in purely fiscal terms). Moreover, these figures only give the level of inputs to various programme areas, they do not suggest that demand for services was either static or changing equally. (For a full discussion of the 'no change' vs. 'radical change' debate on public spending see Flynn, 1993: Ch. 2). In most services demand was subject to variation, mostly increasing for a variety of demographic, economical or technological reasons (e.g. health, social services, housing, law enforcement) but in some cases fluctuating (e.g. parts of education and employment related transfers).

'Marketisation' - Privatisation and Quasi-Markets

Four major avenues of change have been used in relation to the public sector:

- **'Privatisation'** - mainly of state owned industries and utilities

- **'partial privatisation'** - 'compulsory competitive tendering' of parts of public services in health and local government and 'market testing' of similar partial services in central government

- **'quasi-markets'** - the introduction of more or less competitive 'quasi-markets' based on 'puchaser' and 'provider' splits, in health and education

- **'contractualisation'** - the breaking up of hierarchical organisations into 'policy' and 'executive agencies' with quasi-contractual relationships between them, e.g. 'Next Steps' Agencies and Framework Agreements in central government or 'service level agreements' in local government

PRIVATISATION

Privatisation, again contrary to general belief, was not a founding principle of the Thatcher period. In the early years it was a minor plank of Government policy and only became a significant factor with the privatisation of British Telecom in 1984 (during the second Thatcher Government, 1983-87) (see Figure 1:3).

The major area of privatisation has been in 'natural monopoly' utility industries, such as telecommunications, gas, electricity, and water, together with nationalised manufacturing concerns such as cars and steel.

For the managers employed in these privatised organisations the practical and ideological shift has obviously been dramatic. (The degree of the change also reinforces the view that public sector management is different from private sector management and therefore requires different forms of management education.) There have been a number of studies dealing with the problems associated with cultural change in these organisations (United Research, 1990). A number of studies of British Telecom, in particular, have been published (Smith et al, 1986 & 1988; Price and Murphy, 1987) and a recent study of industrial relations in the privatised water industry also emphasises the degree of change (O'Connell-Davidson, 1993).

However, for managers still in the public sector the subsidiary themes of privatisation - compulsory competitive tendering and quasi-markets - have been far more significant.

PARTIAL PRIVATISATION - COMPULSORY COMPETITIVE TENDERING (CCT) AND MARKET TESTING

Compulsory competitive tendering is the compelling, by central Government, of public organisations to sub-contract a wide variety of subsidiary or ancillary operations (e.g. waste disposal, house building and repair, services such as laundry, estates management, transport, etc.); In the case of local government this was carried out through legislation, whilst in the NHS it was achieved through Government instructions. While CCT was initially applied mainly to manual occupations it has now been widened to include professional services such as legal advice, surveying, etc. (Flynn, 1990). Market Testing in central government, in Departments and Executive Agencies, has likewise concentrated largely on peripheral and support services activities in most cases (Harrow & Talbot, 1994b) although there has been some confusion in terminology as 'market testing' has also been used to describe the competitive tendering for the whole services of some Executive Agencies, by both 'in-house' and external providers (Next Steps, 1993).

QUASI-MARKETS

The third approach is to create, within an area of service provision, a 'mixed economy' or 'quasi-market'. The quasi-market involves making a split between the 'purchaser' and the 'provider' of a service and involves competition for contracts from a variety of providers. Unlike the 'compulsory competitive tendering' and 'market testing' approaches, which specifically set out to transfer provision to the private sector (or at least compete directly with private sector providers), the competition in quasi-markets is mainly confined to public (or voluntary sector)

providers, although in some cases (e.g. community care) this includes private sector providers.

The largest examples of this are the reforms of the health service and education, but the new arrangements for 'community care' of the sick, disabled and mentally ill also incorporate the same principles. This particular issue is dealt with at greater length in Chapter 3.

AGENCIES

The final approach has been to turn an entire service into an 'Agency', with a quasi-contractual relationship with a 'purchaser' (such as the Social Security Benefits Agency and the Department of Social Security). Here the Government Department retains the policy function while the operational management of service delivery is given to the Agency. The relationship between the Department and Agency is managed through a quasi-contract system, embodied in a Framework Agreement that is revisable every 3 years. The Agency Chief Executive is usually appointed through open competition and is directly accountable to a Minister and to Parliament. Over 90 Agencies have been formed involving around 230,000 staff (about 60% of the total) (Harrow & Talbot, 1994a). However, a similar move towards 'service level agreements' between local government departments has some parallels with the Agency approach.

The key dimensions, of suppliers and the scope of the service, are set out in Figure 1:5. This also gives some idea of the scope of the various approaches.

Figure 1:5 Change and Markets in Public Organisations

	Single Public Provider	Multiple Public/Voluntary Providers	Private Providers
Whole Service	**Agency**	**Quasi-markets**	**Privatisation**
	Central government: 92 PSO's including Social Security (65,600) Employment (34,500) **Service Decentralisation** mainly within Local Authorities as a move towards more local delivery / accountability of services	NHS: purchaser-provider split and NHS Trusts Education: local management of schools and Grant Maintained Status	Telecoms Gas Water Electricity Cars Steel etc.
Partial Service	**Functional Decentralisation**	**Mixed Economy**	**Compulsory competitive tendering**
	mainly within Local Authorities as functional 'cost centres' in response to CCT	Social Services (Community Care) individual care contracts	Local Authorities and NHS originally mainly manual ancillary services but now including "professional" services

These approaches to public organisation reform are explored further in Chapter 3, which looks at the structuring of both non-market and market based competition between public organisations.

The European Dimension

Another dimension of change impacting on public management is increased European integration. As a supra-national body with law and policy formation powers, the European Union has an effect at several levels.

In terms of policy formation, a variety of issues have moved to the European level. Policies affecting a variety of public services, including: planning; public transport; regional development; contracting for public construction, supply and services; law enforcement and border controls; health and safety and environmental protection; have all been influenced if not decided at a European level (Terry 1992).

This creates a new, supra-national, tier of policy formation with its own structures. Two leading European public managers have recently suggested that this will include co-operation at many levels and embracing a variety of actors, including: the EC Commission as a whole; individual EC Directorates; national administrations as a whole; individual national ministries; individual agencies; local and regional government, etc. (Talbot 1992).

To give some examples, French and English local government bodies at either end of the Channel Tunnel have already held meetings to discuss planning issues. Police and Customs organisations across Europe have been meeting to discuss the implications of the erosion of border controls for the control of drug trafficking and terrorism. UK local government bodies have direct links with a variety of EC institutions. However, these links have been growing haphazardly and some problems have emerged. UK local government associations have complained that, while being responsible for the implementation of a great deal of EC policy decisions they have no direct link into policy formation (Terry 1992).

This has led some commentators to call for the formation of a 'European Administrative Community' to overcome what they have called the 'management' or 'administrative deficit' of European integration (see Sutherland, reported in Talbot 1992).

At the level of service delivery, increased European economic integration, coupled with more freedom of migration, are likely to lead to demographic and economic developments affecting provision of housing, health and education services as well as community relations (as recent events in Germany have demonstrated). All public

services will be affected by EC policy controls on public borrowing; contracting for public construction, supplies and services; regional development; competition policies (affecting public enterprises), etc.

All of these changes will clearly impact on public management. In the personnel field changes in the legal framework for health and safety, equality, qualifications will mingle with increased labour mobility (Pinder 1991). While the effects of the latter are likely to be small in general, in certain specialist areas (e.g. computing) a freer European labour market may increase skills shortages. In other areas it may solve problems, as for example the recent recruitment of teachers from Europe by the London Borough of Tower Hamlets to meet acute shortages.

More generally, the policy and service environment of UK public managers will become increasingly more complex and 'Europeanised'. Managers will need at least a basic understanding of EC structures and processes and in some cases a much higher level of comparative public administration knowledge. Moreover the EC will offer opportunities, for example in the field of regional development funds, which will require 'Euro-preneurial' skills from some public managers, not least of which will be language skills.

Conclusions about the impact of "Thatcherism"

The period of 'Thatcherism' has been characterised as one of radical and continuous change at the legislative and institutional level, however

> "the Thatcher Government, like its predecessors, failed to achieve many of the aims it set itself. In addition, the policies sometimes had unintended consequences that undermined the effect of the policy, or the achievement of another policy objective. Even in those areas which the Government regard as most important...achievements have been much less substantial than is often claimed." (Marsh & Rhodes, 1992:174)

This conclusion, drawn on the basis of a survey of the Thatcher Government's record in a wide variety of areas (the economy, industrial relations, local government, housing, social security, health, environment and the EC), represents in some ways a sense of 'balance' being re-established in estimates of 'Thatcherism's' impact. Hogwood's survey of public policy (1992) reinforces the view that, while some polices that the Thatcher Governments attempted were radical some was more incremental, dominated by the inertia of past policies.

For public service managers the impact could be usefully assessed from three points of view. (i) inputs - of legislation, policy and resources, (ii) transformation - the institutional and managerial arrangements for organising inputs to produce maximum outputs and outcomes, sometimes referred to as "managing for social outcomes" and, (iii) outputs - changing demands for quantity and quality of services. This is the much used 'economy' (inputs), 'efficiency' (transformation) and 'effectiveness' (outputs).

While the legislative and policy inputs have in some cases changed radically, what both surveys (Marsh & Rhodes, 1992 and Hogwood, 1992) show clearly is that resources have changed mainly incrementally. On the other hand, the conditions of transformation have changed radically in many areas, as the survey of the variety of 'market mechanisms' and institutional changes above shows. All this is in the context of the changing and often but not always increasing demand for services through demographic, social, economic or technological change.

The impact on public services management, which has to juggle the contending forces of change, has indeed been great. Whether or not the fundamental nature of that management has changed is explored in the next two sections.

(II) INTERPRETING NEW TRENDS IN PUBLIC SERVICES MANAGEMENT

The previous section gave a broad, descriptive account of some of the changes taking place in the structuring of public service provision in the UK. In this section some of the trends in Public Service organisation and management are outlined, giving some

analytical frameworks that have emerged for interpreting and understanding these changes.

A note of caution should be made at the outset that this account, which is based mainly on three sources - the literature on public services management, changes initiated at policy levels and empirical research. While there is plenty of empirical evidence regarding actual changes from research activity in Government, Local Government and the NHS, this evidence is often fragmented and piece-meal. Moreover a great deal of this information is of a 'celebratory' type - examples of 'best practice' culled from broad surveys (the Audit Commission in particular specialises in publishing this sort of material). On the other hand much of the literature is of a prescriptive and frankly partisan nature, championing particular approaches. Similarly, policy decisions are not the same as policy action - the level of implementation of national and local initiatives has been at best, variable.

Hambleton & Hoggett (1986) have tried to identify emerging patterns of relationship between local authorities and their communities by developing a conceptual map, which has a broader relevance to public service organisations. (Fig. 1.4 - their original map consists of the circled items and their relationship - the additional explanations and boxed items are new). They argue that until the early 1980's the predominant model of local authority relationship with their communities was 'bureaucratic paternalism'. During the early 1980's this approach was subject to political and managerial critique. The former stressed the unresponsive nature of supposedly 'public' institutions and proposed either privatisation (from the Right) or greater democratisation and consumer power (from the Left). The managerial critique focused on the failure of both public and private organisations to respond to customers needs, on inward-looking and conservative managerial cultures. This 'in search of excellence' movement (Peters & Waterman, 1982) resulted again in proposals for privatisation or for a new 'public service orientation'.

The results of these criticisms have been two broad responses - privatisation (or other market-based solutions) and what they call 'public service reform'. It should be

remembered that at this point (mid-1980's) the concentration of the Thatcher government had been perceived as being mainly on privatisation as the only solution for public services. In fact it was not the only course being pursued, as analysis of the new 'managerialism' shows (Pollitt, 1993). The 'public service reform' movement concentrated on issues of democratic accountability and the 'public service orientation', with varieties of 'decentralisation' emerging as the dominant organisational change proposal.

In fact this conceptual map can as easily be applied to the literature on public management. If the 'bureaucratic paternalist' relationship equates to the traditional public administration school then 'privatisation' can be equated with the 'new public management' and 'public service reform' with the 'public domain' approach.

The adapted model shows the way in which specific types of initiative - e.g. localisation of services and decentralisation of management - intersected with these broader conceptions (in this example consumerist approaches). Certain concepts to emerge during the 1980s seemed to eclectically combine more than one of the conceptual approaches outlined by Hambleton & Hoggett as different protagonists sought to fill the concept with differing contents. For example, the notion of the "Enabling Authority" was interpreted by some as a move towards greater privatisation of service delivery (Ridley, 1988) or by others as a more collectivist, local government, approach (e.g. Stewart & Stoker, 1988; Gyford, 1991).

Figure 1:6 Emerging trends in relations between public services and communities

Old Solutions

Bureaucratic paternalism

New Patterns

Privatisation (market-based approaches)

Public service reform (non-market-based approaches)

Privatisation

CCT & Market Testing

Purchaser-Provider splits & quasi-markets

Agency working

Consumerist solutions

Collectivist solutions

Quality Initiatives and Complaints Systems

Localisation of Services

Service Targets

Decentralisation of Management

Mission and Values statements

Performance indicators

Democratic decentralisation

Source: Hambleton & Hoggett (1986) with additional descriptive material

Public Administration

Traditional 'public administration' as a discipline has focused on the relationship of public policy and politics on the one hand and their implementation and administration (management) on the other. One leading UK exponent of public

administration has given a useful summary of the traditional view, which is worth quoting fairly fully:

> "Until the 1970's, modern public administration was relatively clearly defined, both as an activity and as a subject of academic study. As an activity it is concerned to secure the honest, economical provision of public services and the efficient administration of national and local government. Public servants are held accountable to elected representatives...In consequence, public servants are expected to record their activities meticulously. Unconventional or unduly speedy actions tend to be frowned upon. Compliance with appropriate laws and regulations is of paramount importance, together with acceptance of the policies and decisions of elected representatives; these members must none the less be advised as to what decisions are or are not legal and practicable. Hence, it follows that the academic disciplines which have been regarded as appropriate for a public administrator to study are Law, History and increasingly Political Science." (Elcock, 1991:2)

The focus of public administration has remained the relationship, and distinction, between policy (politics, policy analysis, policy formation, etc.) and administration (implementation, management, etc.). It has been argued that the distinction between policy and administration has broken down in both theory and practice (Elcock, 1991; Heady, 1991; Lynn & Wildavsky, 1990). What has been called 'the new public administration' has breached the 'Chinese wall' between policy and administration, stressing "the interrelationships rather than the differences between policy-making and policy-execution". This has challenged the "traditional emphasis on the techniques of administration, and stressed the obligations of public administrators to be concerned with values, ethics, and morals, and to pursue a strategy of activism in coping with the problems of society" - functions and issues traditionally reserved for the politicians rather than administrators (Heady, 1991:2-3). Nevertheless, the focus of public administration remains public bureaucracy, whose "pivotal structural characteristics can be reduced to three: (1) hierarchy, (2) differentiation or specialisation, and (3) qualification or competence." (ibid.:74).

New Public Management

The first new pattern to emerge from the old "bureaucratic paternalist" or classical public administration approach is identified by Hambleton & Hoggett (Figure 1:6) as the "privatisation" or market based solution. This has been characterised elsewhere as the "new public management" (Hood, 1991).

In traditional approaches to public administration, management (as an academic discipline) was seen as having added, together with political science, important and integral components to public administration but "public administration has defined its identity as something apart and distinct from both political science and management." (Henry, 1990:3)

In seeking to bolster this separate identity, Henry stresses the importance of recognising management's specific contribution to public administration:

> "Management had at least three distinct influences on public administration: It forced public administration to examine more closely what the public in public administration meant; it convinced many public administrationists that a whole new set of methodologies was needed; and it provided public administration with a model of how to assess what, as a field, it was teaching and why." (Henry, 1990:12)

Thus, traditional public administration has not ignored 'management' but has sought to co-opt it.

However, the movement known as the 'new public management' (Hood, 1991) is a far more radical reappraisal of public administration in comparison to 'management'. Gunn describes the new approach as a "simplistic view" which "holds that government has everything to learn from more efficient practices in the private sector and should, literally, become more 'business like'." (1988:21).

For Hood (1991:4-5) the key components of the new public management are:

- 'hands-on professional management' - active, visible, management and control with clear responsibility and 'freedom to manage'

- explicit standards and measures of performance, clearly defined goals, targets, and indicators of success

- greater emphasis on output controls, resource allocation and rewards linked to measured performance

- shift to desegregation and decentralisation, break up of 'monolithic' units, relationship between units on 'arms length' basis

- move towards more competition and mixed provision, contracting relationships, rivalry as the key to lowering costs

- stress on private sector based models of management, greater flexibility in hiring and rewards, need to use 'proven' private sector tools

- emphasis on greater economy in resources, cutting costs, raising productivity, resisting union demands, 'doing more with less'

THE CITIZEN'S CHARTER

It is interesting to note that in Hood's outline of the new public management the issue of consumers' rights hardly appears explicitly at all. Even in areas such as performance, the emphasis in the new public management was, until recently, on performance measurement as a management tool. It focused primarily on quantifiable outputs rather than outcomes. The Citizen's Charter initiative, launched in 1991, sought to address some of these issues and clearly incorporates some of the principles of the new public management:

- explicit, and public, performance standards for public organisations - informing customers or clients of what they can expect

- consultation with customers on measures and standards to be set

- information on the performance achieved to be made public on a regular basis

- openness of management and decision processes and responsibilities - fully

- accessibility of services - making the services more 'user friendly', adjusting opening hours to suit users rather than staff

- means of redress for customers - providing mechanisms for either dealing adequately with complaints or providing some form of compensation to individual users

(Goldsworthy, 1991 cited in Harrow & Talbot, 1993)

The Citizen's Charter initiative, from its initial focus on the relationship between the individual service user and the service providing organisation (Pirie 1991) has broadened out to include a wide range of other policy initiatives, such as privatisations, agency status, market testing and compulsory competitive tendering, amongst others - (Citizen's Charter 1991, 1992 and see Harrow & Talbot, 1993 & 1994b.) However, the core ideas clearly aim to add a "consumerist" dimension to the new public management. In this sense the Charter initiative from the Government falls mid-way between Hambleton & Hoggett's (Fig. 1.4) "privatisation" and "consumerist" solutions (see above). It should be mentioned that the notion of a Citizen's Charter has also emerged from Labour controlled local authorities (e.g. York City Council which launched its own Charter, before either the Government or its unofficial advisors were advocating Charters as an approach) and here the interpretation of "charter" type initiatives has been almost entirely "consumerist" in its approach.

Public Domain Approach

What is here called the 'public domain' approach is seen as a combination of some of the 'consumerist' and 'collectivist' elements of the public service reform off-shoots from the disintegration of the public administration, or 'bureaucratic paternalistic', style of public management.

This approach has been given a variety of names. Gunn argues for a 'third way' which "avoids both the public administration and business management extremes, combining appropriate elements of both." (1988:21). Probably the most consistent advocates of the 'public domain' model of public services have been Stewart and Ranson, arguing that "the public domain has its own purposes" and that "although a management approach developed for the private sector can have relevance to the public domain, that approach may have to be transformed in its application." (1988:13). Crucial to this approach was the notion of the 'public service orientation' (PSO) developed by Stewart and Clarke in the mid-1980s (Clarke 1985; with Stewart, 1985; 1986a & b; 1987). Indeed Pollitt (1992) identifies the public service orientation approach as a distinctive trend, as opposed to public administration and the new public management.

The Public Domain approach, and especially the public service orientation variant, has two crucial points of departure - the service role of public services to the public as customer or client and their political accountability to the public as citizen.

PUBLIC DOMAIN

Stewart and Ranson (1988) argue that:

> "There are dangers if, consciously or unconsciously, management in the public domain adopts models drawn from outside organisations. That is not to say that management in the public domain cannot learn from

40

management in the private sector, or vice versa. Specific management ideas can be transferable. What is not transferable is the model of management - its purposes, conditions and tasks." (1988:13)

They explain what they mean by purposes, conditions and choice as follows:

- **purposes** - the public domain is the arena for organisation of the pursuit of collective public values and objectives and this is done through democratic processes, which is itself a basic value of the public domain

- **conditions** - these are the limits placed on the public domain, in terms of its accountability, its legitimacy and its collectivity - politics and political processes, including protest, are not an optional extra but fundamental conditions of the public domain

- **tasks** - these are the tasks of government, which include balancing different interests, maintaining order and justice and carrying out a range of other activities which are not in themselves 'public' (e.g. managing housing can be a public or private activity) but because they are being carried out within the public domain have distinctive managerial requirements (1988:14-16)

They argue that this leads to a set of dilemmas that are intrinsic to public domain management, some of which include balancing between:

collective vs. individual - the public domain, as the collective expression of values, can impose on the individual but such action needs justification

representative vs. participative - collective action can be determined by popular representation or participation, in practice the two tend to be incompatible

bureaucracy vs. responsiveness - bureaucratic rule can help to ensure equity of treatment at the cost of individual responsiveness

order vs. service - maintaining order and providing services are often carried out alongside one another, yet each has different management needs

controlling vs. enabling - complex urban societies must have both control to function and enabling to involve

political conflict vs. institutional continuity - the public domain has to provide both an arena for conflicting values and a means of continuity

(Stewart & Ranson, 1988: 16-17)

These dilemmas, they argue, lie at the heart of the distinctive nature of management in the public domain.

Stewart has also developed a very similar list for dilemmas in policy making systems (Stewart, 1982:238-242) and these basic issues about the purposes, conditions and tasks of the public domain being different from other private or voluntary organisations have recurred throughout Stewart's work (e.g. Stewart, 1971; 1972; 1983; 1986). More recently, others associated with INLOGOV, Stewart's academic home, have used very similar frameworks to analyse the changing management of schools (Cordingley & Kogan, 1993).

PUBLIC SERVICE ORIENTATION

The public service orientation developed during the mid-1980s in local government. Whilst mostly limited to local government, the approach clearly has a wider relevance to public services management. The phenomenal interest in Peters and Waterman's *In Search of Excellence*, published in the UK in 1984 (two years after the US publication) prompted the Local Government Training Board to publish a collection of responses by Clarke, Greenwood and Stewart (Clarke, 1985) and organise a seminar of senior local government managers to discuss the book. While this particular book clearly had a direct influence, it was representative of a broader

literature which emphasised a 'customer focus', especially in service industries (Normann, 1991). What soon emerged was the 'Public Service Orientation' (Clarke & Stewart, 1985).

The essential components of this approach were explained as being:

- local authorities exist to provide services for the public

- local authorities succeed or fail by the quality of service they provide

- quality of service demands closeness to the public - as client, customer and citizen

(Clarke & Stewart, 1986b:1)

In detail this meant a local authority needed to develop mechanisms for listening more closely to the public; giving greater access to the public; looking at services from the receivers point of view; seeking out views, suggestions and complaints; developing the publics 'right to know' and developing quality of service which would be tested against public opinion of the service. (Clarke & Stewart, 1986a:1). (There are some striking similarities here with the principles underpinning the Citizen's Charter initiative which emerged in the early 1990s - see above).

PUBLIC ORGANISATION DECENTRALISATION

The other major trend, again largely occurring in the local government portion of public management, although not exclusively, was towards decentralisation or localisation. Early experiments in 'area organisation' in Liverpool and Stockport (Hambleton, 1978:223-253) mirrored similar, though more radical, developments in the US. By the mid-1980s "wherever one looks, whether in major cities (like Manchester, Birmingham, Edinburgh or Leeds) or in smaller local authorities (like Rochdale, Norwich, Halton, or Greenwich), officers and councillors will insist that they are busily engaged in new initiatives related to decentralisation." (Hoggett &

Hambleton, 1987:1). The study of this decentralisation movement, largely associated with the School for Advanced Urban Studies in Bristol, has emphasised the difference between what has been called 'service responsiveness' and 'service democratisation' - the former is the localisation of service delivery combined with the sorts of measures suggested by the public service orientation whilst the latter is about a much more radical decentralisation of power and participative involvement of consumers (Hoggett & Hambleton, 1987:4). The source of this movement has been traced, like the public service orientation, to the private sector. Hoggett argues that the emergence of 'post-Fordist' small batch production techniques, coupled with the failures of centralised planning, has forced many private sector organisations down the road of decentralisation and that this has 'spilt over' into the public sector (Hoggett, 1987:215-232).

The theme of needing to combine service responsiveness and democratisation has been pursued in the work of these authors and others (Hoggett & Hambleton, 1987; Hambleton, 1990; Hoggett, 1991; Garrish, 1986; Boddy & Fudge, 1984; Blunkett & Jackson, 1987).

Hoggett's work has extended the examination of decentralisation to other areas of the public sector and argues that there is now a paradoxical process through which radical reforms are leading to decentralisation of operational management combined with greater centralisation of strategic control, citing Murray's phrase about "the decentralisation of production and the centralisation of command" (Hoggett, 1991:249). He suggests "that we use of the term devolved service unit (DSU) to describe the new generation of schools, libraries, leisure centres, area housing and social services teams, etc." because this encapsulates the notion of decentralised service delivery but does not imply local control and command, which is retained centrally.

(III) MODELS OF PUBLIC SERVICE ORGANISATIONS AND MANAGEMENT

Having reviewed the three main trends in public service management writing over the last decade or so we turn to two slightly different approaches. We begin by outlining a

framework for distinguishing 'human service' organisations from other types of public organisations and arguing that the former are now the predominant form of public service organisation in the UK. The human service model has been further developed into the 'domain' model, which situates public service management in a triangular relationship including human service professionals and the accountable nature of public service organisations. A configurational model of 'professional bureaucracies' is also explored, giving useful insights into professionalism.

Human Service Organisations

The notion of 'human services' has been well developed in the US literature. Kouzes and Mico have developed a model contrasting the nature of HSOs with business and industrial organisations, building particularly on the work of Harshbarger (1974) and Hasenfeld and English (1974). Their list of contrasts is meant to be illustrative rather than definitive.

Figure 1:7 Contrasting Attributes of HSOs and Business/Industry

Dimension	Human Service Organisations	Business/Industrial Organisations
Primary motive	Service	Profit
Primary beneficiaries	Clients	Owners
Primary resource base	Public taxes	Private capital
Goals	Relatively ambiguous and problematic	Relatively clear and explicit
Psychological orientation of work force	Professional	Instrumental
Transformation processes	Staff-client interactions	Employee-product interactions
Connectedness of events and units	Loosely coupled	Tightly coupled
Means-ends relation	Relatively indeterminate	Relatively determinant
Outputs	Relatively unclear and intangible	Relatively visible and tangible
Primary environmental influences	Political and professional communities	The industry and suppliers
Source: Kouzes & Mico (1979)		

While this distinction works for human services that are publicly owned, it does not easily apply to other publicly owned services or organisations.

In an authoritative review of UK government during the period 1914 -1964, the authors make a distinction in "social services" between:

> "the 'personal' side, education, the national Health Service, the national schemes of insurance, family allowances, and assistance, etc.: and on the 'environmental' side, housing, town and country planning, public health and related matters." (Chester & Willson, 1968)

Others have made a distinction between the types of professionals involved - between what have been called "personal service professionals" (teachers, nurses, doctors, dentists, social workers) and "impersonal service professionals" (scientists, engineers, architects, surveyors, solicitors, judges, accountants)(Halmos, 1970).

Looking more widely at professionally dominated firms, Parry has combined dimensions of 'physical vs. people assets' and 'manufacturing, retailing and services' to produce a definition of professional service commercial organisations - the majority of costs are salaries; staff tend to have shared professional skills; clients pay time-based fees; staff serve multiple customers; professional skills develop over time, etc. (Parry, 1991:4-13).

Carter et al have developed three internal organisational dimensions which can be related usefully to public organisation classifications:

- **heterogeneity** - the range of products or services produced by the organisation
- **complexity** - the number of different skills that have be brought together to provide the product or service
- **uncertainty** - how clear is the relationship between means and ends; how certain is the relationship between inputs of resources and achieving stated objectives

(Carter et al, 1992:32-3)

Organisations providing relatively simple products, needing a limited range of skills with a clear relationship between inputs and outputs can work relatively routinely - they are ideal candidates for public bureaucracy, such as social security collection and payment (Osborne & Gaebler, 1992:15-6; Metcalfe & Richards, 1990:147). On the other hand, organisations with a wide range of products or services, very complex mixes of skills and uncertain relationships between inputs and outputs are unlikely to be manageable through bureaucratic principles.

For the purposes of this analysis, it is useful to start by dividing the functions provided by public organisations into three broad categories: Human Services; Physical, Environmental and Transfer Services and public Enterprises. The type of function falling into each category is outlined in Table 1.3. (The Enterprises listed are merely illustrative examples of formerly public owned organisations.). Some broad functions contain more than one type of specific function - e.g. employment services contain both a routine function of distributing unemployment benefits and more personalised services such as careers advice and counselling. This has been illustrated by showing some functions spreading across categories in Figure 1:8.

Figure 1:8 Types of Public Organisations

Public Human Services	Public Physical, Environmental & Transfer Services	Public Enterprises
Education	Housing Construction	Automobiles
Fire & Civil Defence	Planning	Coal
Health Services	Public Works	Manufacturing
Housing Management	Road Building &	Steel
Law Enforcement	Maintenance	
Social Services	Solid Waste Disposal	
	Water and Sewerage	

Employment
Environmental Health
Social Security
Taxation

Posts & Telecommunications
Power
Public Transport

Each of these categories has a unique combination of organisational structures, management, staffing, revenue sources, products and success measures (Figure 1:9). It should be stressed that this is a functional analysis, rather than an institutional one. Many organisations contain more than one function (e.g. housing management and maintenance) within a single organisational structure and thus the tendencies described in Figure 1:9 are just that, tendencies.

It should be stressed that these are broad categories and not meant to be exclusive but to identify wide trends. Thus the typology of organisational structure follows Mintzberg's configurational model of organisations (Mintzberg 1983) but it is clear that some human services organisations tend more towards the machine bureaucracy (e.g. social security) whilst some physical services (e.g. planning) tend more towards a professional bureaucracy.

One recent trend has been for certain Physical Services to move to Enterprise status and then to privatisation, whilst many Enterprises have already gone into the private sector. Former Physical Services, which usually enjoy a natural monopoly, have been subject to continuing tight legal and regulatory controls.

Figure 1:9 Types of Public Organisations - Key Differences

	Public Human Services	Public Physical, Environmental & Transfer Services	Public Enterprises
Organisation	professional bureaucracy	machine bureaucracy	divisionalised form
Management	service professionals or general managers	technical professionals or general managers	general
Staffing	professional & clerical	technical, clerical & manual	manual
Revenue Sources	grant	fees, charges & subsidy	sales & subsidy
Principle Products	human services	public goods, physical or routine 'impersonal' services	commodities and physical services
Success Measures	service delivery	service & profit	profit & economic

For example, the UK telecommunications services moved from being a Physical Service (as merely a part of the General Post Office - a central government department) to becoming a public Enterprise (British Telecom plc - a wholly owned public company) to becoming a private Enterprise (through the sale of a majority shareholding to private investors), but still regulated by the Office of Telecommunications (Oftel). Similarly, London Transport moved from Physical Service (as a de facto department of the former Greater London Council) to becoming an independent public Enterprise.

It would appear that the ease of application of 'market forces' runs in a continuum from Enterprises (the easiest) through Physical, Environmental & Transfer Services through to Human Services (the hardest). If we return to the model used in Figure 1:5 to examine application of market forces to public organisations we can see the pattern in terms of human, physical (for short) and enterprises (Figure 1:10).

Figure 1:10 Patterns of Public Organisation Reform

	Single Provider	Public	Multiple Public & Voluntary Providers	Private Providers
Whole Service	Agency		Quasi-markets	Privatisation
	Human & Physical		Human	Physical and Enterprises
Partial Service	Decentralisation		Mixed Economy	Compulsory competitive tendering
	Human and Physical		Human	Physical

Professions and Public Services

There have been several different discussions about professionalism and public management which have overlapped or, sometimes, seemed to have missed one another entirely. Each has focused on differing types of 'professionalism', usually with the definition of 'professionalism' employed more as an antithesis to some other type of professionalism or unprofessional role or behaviour.

PROFESSIONALS - ADMINISTRATIVE, TECHNICAL AND PERSONAL SERVICES

Professionalism, in a public services context, can be taken to embrace three different but overlapping definitions:

- administrative or techno-bureaucratic professionalism, usually defined in contrast to amateurism and politico bureaucratic patronage (chief executives, permanent secretaries, etc.)

- technical specialist professionalism, usually defined in contrast to administrative or techno-bureaucratic generalist professionalism (solicitors, engineers, treasurers, surveyors, etc.)

- human or personal services professionalism, usually defined in contrast to technical or physical services professionalism (teachers, doctors, social workers, nurses, etc.)

ADMINISTRATIVE PROFESSIONALS AND TECHNICAL SPECIALISTS

One debate has been about the 'professionalism' of the senior civil service and local government chief officers, partly stimulated by comparative public administration studies. This has focused firstly on professionalism vs. patronage and secondly on administrative generalists vs. technical specialists.

In the case of central government the issues have in practice been reduced to a dispute between non-technically educated generalist vs. technical educated specialists. Attempts to bridge the gap, such as the Fulton Report (1968), by establishing a system for producing technically qualified generalists have largely failed (Drewery & Butcher, 1991).

In the case of local government 'professionalism' has often been used to justify and explain the need to have technically qualified professional experts to advise elected officials and administer or manage services on their behalf, and the distinction between the two has been the subject of continuing contention (Laffin & Young, 1990).

It is worth making some comparisons here with public administrative systems in other countries, which help to illuminate some of the specific features of the UK system. Heady makes a distinction between two major differing strands within developed countries - what he calls the 'classical administrative system' and the 'civic culture' (Heady, 1991:Ch. 5&6). The former he sees most strongly represented by Germany and France, but also in Italy, Spain, Belgium, the Netherlands, Ireland and to a lesser extent the Scandinavian countries (i.e. the majority of EC countries). The latter he identifies with the UK and USA.

The 'classical' system he defines as being closest to the Weberian model of bureaucracy - rigorously rule bound, merit structured, relatively autonomous of the political system and clearly role defined. He points out that public administration in Germany and France has evolved a strong and stable structure despite intense political instability and in some ways in contrast to it. This 'strong' bureaucracy has an intensely professional or technocratic culture, linked to systematic specialist education, training and selection of its functionaries.

By contrast the 'civic culture' system of the UK and USA is characterised by a stable political environment and a more integrated political-bureaucratic system. The political systems have been dominated by a culture of consensus and diversity, permitting change but moderating and absorbing it. The autonomy and role of the bureaucracy have emerged only gradually from a history of a more patronage based, and far less professionalised, service. Writing about the USA, Osborne and Gaebler have noted that it was not until the rise of the Progressive Movement in the early part of this century that federal, state and local bureaucracies became 'de-politicised' and

officials began to be appointed on merit rather than by political patronage. (1992:12-16)

In the UK in particular this has led to a specific 'culture of deference', quoting Crozier who points out that UK administrative organisations "maintain their effectiveness by relying on the old patterns of deference that binds inferiors and superiors". Crucially, at no time has the public administrative system of either the UK or US had to assume the national burden of government because of the break-down of the political system, unlike many European countries. This creates a distinctive sense of the subservient role of administration, for as Sampson puts it: "the British civil service - unlike the French - has been designed as a passive and obedient instrument" (Sampson, 1965:249)

The early bias against administrative or managerial professionalism in the UK Civil Service is best summed up by a citation from a study by Lowe of the latter during the inter-war years:

> "Establishments policy stereotyped recruitment by increasing the percentage of Oxbridge entrants (at a time when a thorough academic training in the social sciences could only be gained elsewhere)...by banning the appointment of mature outsiders; promotion was likewise biased against those with specialist and managerial skills...[and]...administrative experiment and planning was discouraged by the contraction of the research department...[and]...by an ostracism of administrative experts (such as the founders of the Institute of Public Administration)..."(Lowe, 1984)

Lowe also cites a remark of the head of the then (1920) head of the Treasury establishments division, in response to the founding of the IPA, that "for the most part Civil Servants have no concern with Administration." As late as 1965 Anthony Sampson was able to report that the Civil Service was still dominated by "gifted amateurs" recruited from the Oxbridge Universities (Sampson, 1965:257-8), along lines set out by Lord Macaulay in 1854, in one of a series of critical attacks (Garrett, 1972:30-57) on the Service which culminated in Chapman's famous remark that "at the very heart of British government there is a luxuriant amateurism and a voluntary

exclusion of talent." (cited in Garrett, 1972:32). Despite the Fulton Committee proposals for reform in 1968, a decade later the preponderance of Oxbridge graduates had hardly changed (Sedgemore, 1980:48-153), a position reconfirmed more recently still (Drewery & Butcher, 1991:51-5)

A similar debate has occurred in Local Government with Laffin and Young concluding that the "growth of local government (..over the century and half since reform of the municipal corporations..) is almost synonymous with growth of professionalism." (1990: 4).

It is possible to argue that the less strong definition of the role of public administration and its more subservient culture in the UK is one of the sources of the peculiarly strong role of various groups of more specialist professionals within it, especially the roles of technical specialists and human services professionals. While these groups made little headway in the central civil service they became increasingly important in the areas of service delivery - especially local government and health.

The debate in central government was very much between the amateur generalist and the technical specialist - Fig. 1.5 shows the relative current size of the technical specialist group in relation to the generalists. Despite there being more than double the number of technical specialists (covered by the groups Professional & Technical and Other Specialist) than the generalists (Policy & General) it is the latter that occupy the key roles in most Ministries. It is possible to speculate that in some ways the creation of Executive Agencies will in fact increase the distance between the specialist groups and policy making.

Individuals may seek professional group affiliation and protection as a compensation for a strongly recognised role as autonomous professional administrators. Rather than being seen as the less prestigious 'public servants', they place stronger emphasis on being seen as Solicitors, Treasurers, Teachers, Social Workers, Engineers etc. Whatever its source 'professionalism', in the sense of individual professional groupings as opposed to administrative professionalism, has been peculiarly powerful

in the UK (for a monumental discussion of the peculiar rise of professionalism in the UK see Perkins, H (1989) and has had a dramatic influence on the nature of public services and their management (the role of Consultants in the NHS is the most notorious example).

Figure 1:11 UK Civil Service - staffing by selected professional groups (1991)

Source: derived from Civil Service Statistics, 1991. HMSO
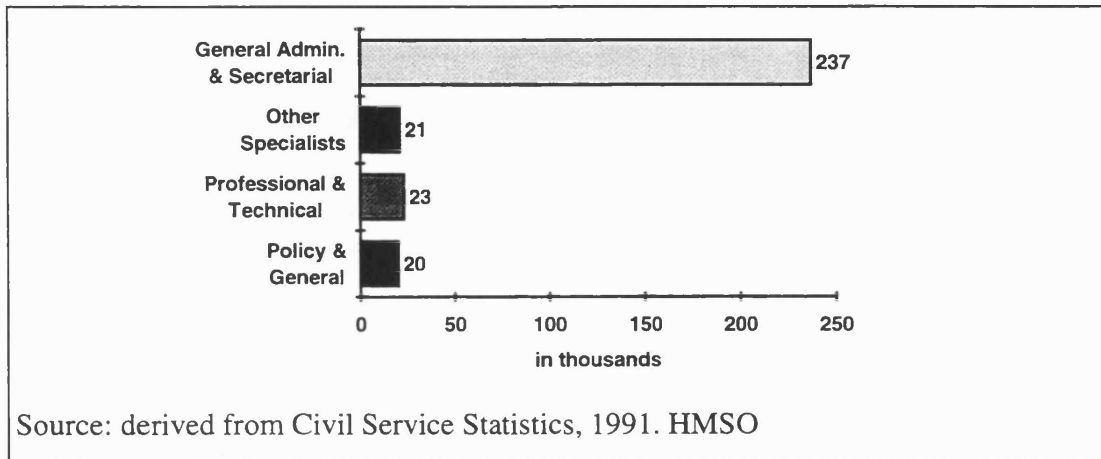
Figure 1:12 UK Health Service - selected staffing by professional groups (1990)

Source: derived from Health and Personal Social Services, 1990
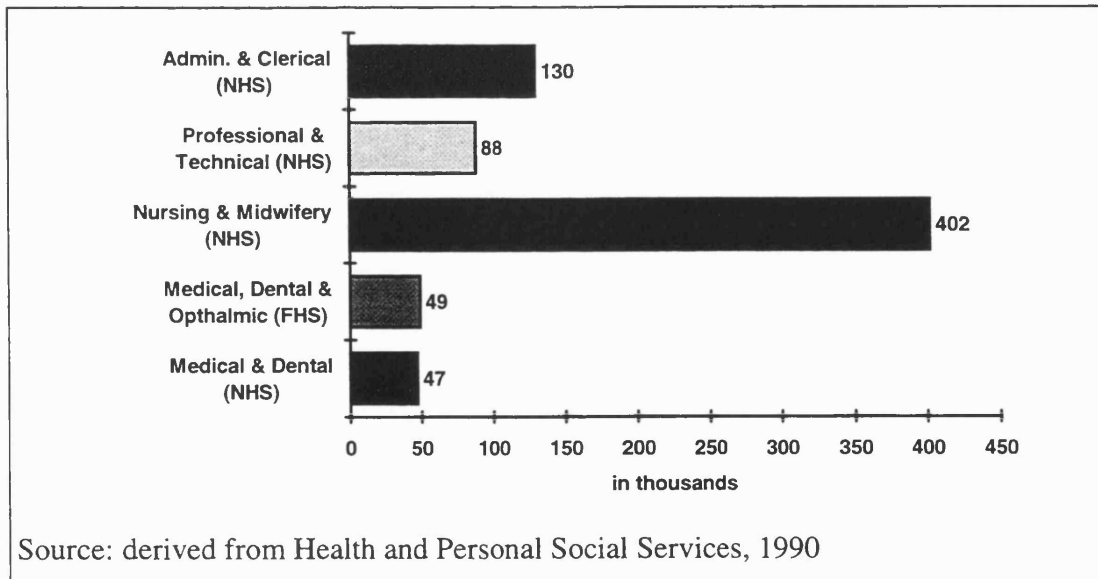
Figure 1:13 UK Local Government - selected staff by professional groups (1990)

Sources: Health Statistics, 1990; Trinder, 1992
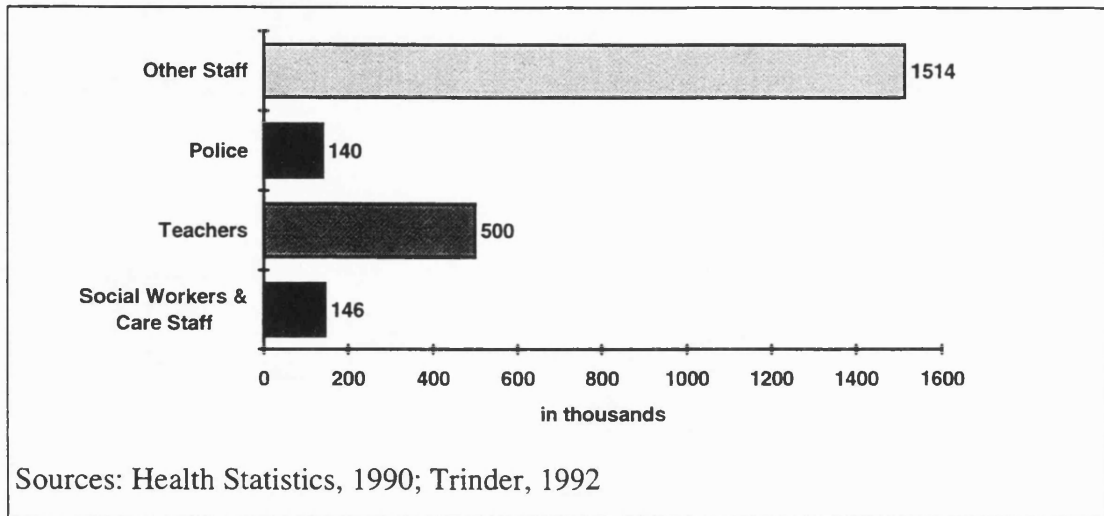
Figure 1:11, Figure 1:12 and Figure 1:13 give some idea of numerical strength of professional and semi-professional groups central and local government and the health service. Figure 1:14 gives an idea of the overall size of the major 'human services' organisations in the UK. These numerical patterns in themselves demonstrate the power of professional groups throughout the UK public services, although it is clear that the actual power wielded by certain groups (e.g. doctors) is out of proportion to their size. Recent events surrounding the police service reforms have demonstrated the power of the police as a professional group (see Talbot, 1993e).

Figure 1:14 UK Public Services - Major Human Services - employment

Sources: DHSS, 1990; Trinder, 1992
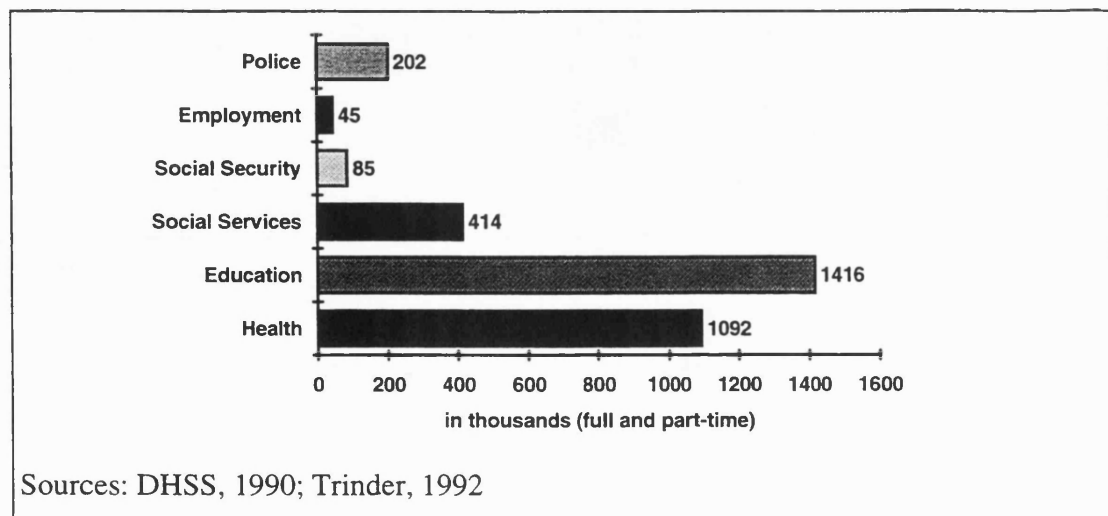
Human/Personal Services (i) - Domain Theory

The Domain model of 'human service organisations' (see Figure 1:16) was originally developed by a pair of organisation development specialists working in the USA in the 1970's. (Kouzes and Mico, 1979). More recently it has been revived to reiterate the different nature of public service management and explore a specific case in the UK national health service. (Harrow and Willcocks, 1990 and 1992, Brazzell 1987 and Edmonstone 1982).

It "can be operationalised fairly comfortably within British public service organisations," according to Harrow and Willcocks (1990). In local government, health services, police and other services the three domains are readily identifiable.

Figure 1:15 Domains of Public Management

	Policy Domain	Management Domain	Service Domain
Principles	Consent of the governed	Hierarchical control and co-ordination	Autonomy, self-regulation
Success Measures	Equity	Cost efficiency, effectiveness	Quality of service, good standards of practice
Structure	Representative, Participative	Bureaucratic	Collegial
Work Modes	Voting, Bargaining, Negotiating	Use of linear techniques and tools	Client-specific, problem solving

Source: adapted from Kouzes & Mico, 1979

It postulates three domains in public service organisations: the policy domain, management domain and service domain. Kouzes and Mico suggested that these three domains operate with different principles, success measures, structures and working methods (Figure 1:15). This creates a permanent state of potential conflict and

disharmony among the three domains and a constant "struggle for power and control" between them (Figure 1:16).

This 'map' of three contending domains is strikingly similar to a more recent characterisation of public management:

> "Analytically, we have chosen to reverse the formula of much contemporary thought and research and to suggest that since public sector managers have to oversee the highly evaluative and discretionary activity of those who deliver services, they have the task of reconciling the sometimes diametrically opposed demands of external 'controllers' and internal 'carers' and it is this which gives public sector management, as it exists today, its special features." (Ackroyd, Hughes & Soothill, 1989:606-7)

Figure 1:16 Domains of Public Service Organisations

Source: Kouzes and Mico, (1979)
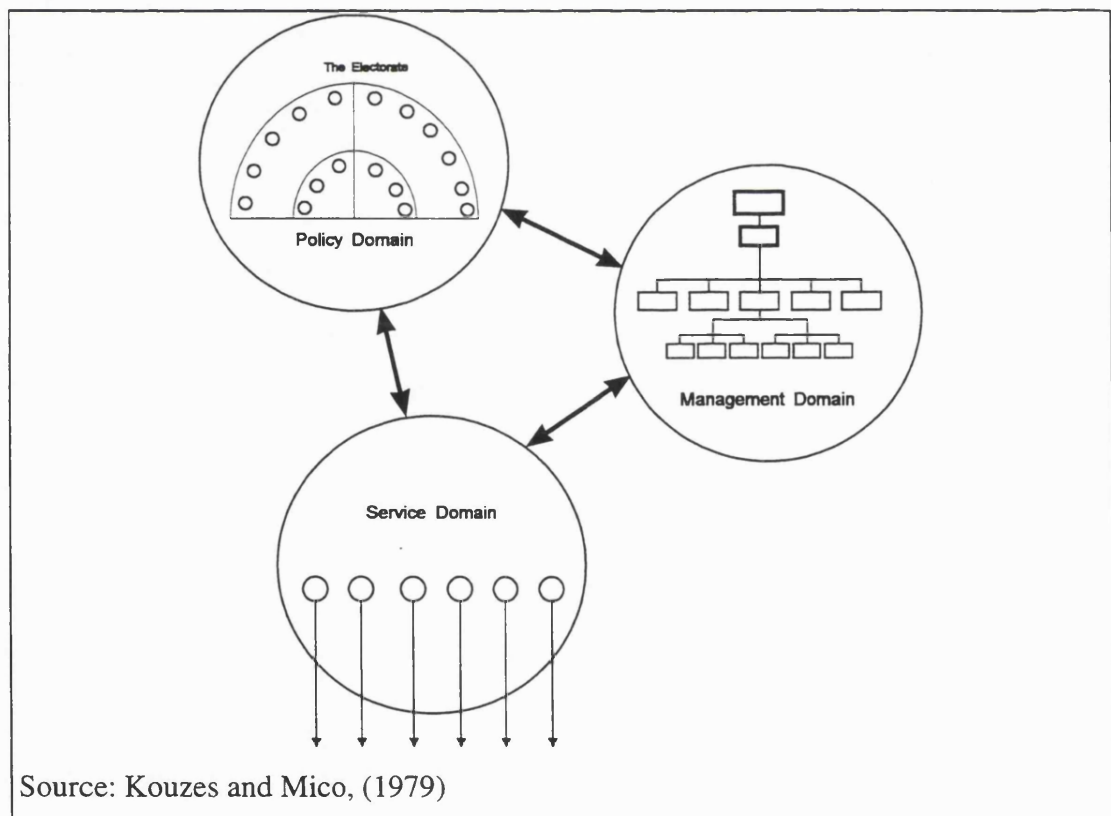
These authors go on to write of the "very real dilemmas confronting public sector managers" and the "ominous silence" in most contemporary accounts of public management on these issues.

Aspects of these different domains have been addressed in a variety of other models, some of which will be briefly reviewed below.

MANAGERS AND PROFESSIONALS

For example, a study of early Social Services Departments started its elaboration with a simple, stereo-typical model of such organisations which emphasises the dissonance between professional and administrative (i.e. managerial) values (Rowbottom et al :20-21 - see Figure 1:17). This intentionally simplistic model parallels the Domain Model's conflict between the Service and Management Domains. The authors base this model on the contemporary sociological view, which sees in particular that administrators (i.e. managers) may be ex-professionals but that their professional competence (and authority) is said to reduce the further in time and managerial level the administrator is removed from professional practice. Their simplified description of the professionals and administrators, culled from contemporary sources, is strikingly similar to Kouzes and Mico:

> "Essentially it (the Agency) contains two groups: the professional social workers and the administrators. By and large the former identify with clients and are primarily concerned with their needs. They bring into the situation 'professional values' which they have imbibed in training and in association with their fellow professionals...On the other hand, the administration tend to identify with 'bureaucratic values'. They see rules and regulations as most important. Their desire is to contain costs and their instinct is to repel what they see as extravagant demands for service." (Rowbottom et al 1974:19).

This same distinction between administration and professionals appears in a discussion of innovation in social administration:

"Career officials may need specific encouragement to put forward ideas that are potentially disruptive or threatening to the self-esteem of superiors on whom they depend for promotion. There is a bias towards the status quo, reinforced by the understandable concern of many top administrators with internal stability and smooth relationships. Professional staff have fewer inhibitions, and may value the esteem of their peers outside the organization more than their reputation as comfortable colleagues within it." (Brown, 1975: 38)

Nor has the issue faded in public services - in November 1990 a London Conference on 'Managers and Professionals' focused on the idea that:

"good public services require management of the tension between professionals and managers. Managers must not regard professionals as obstacles to efficiency; professionals must know that managers are not cavalier with standards of quality and equity." (Office of Public Management, 1991:1)

Figure 1:17 Simple Model of a Social Services Department

The Agency

Administration
(Bureaucratic Values)

Professionals
(Professional Values)

Social Work

The Clientele
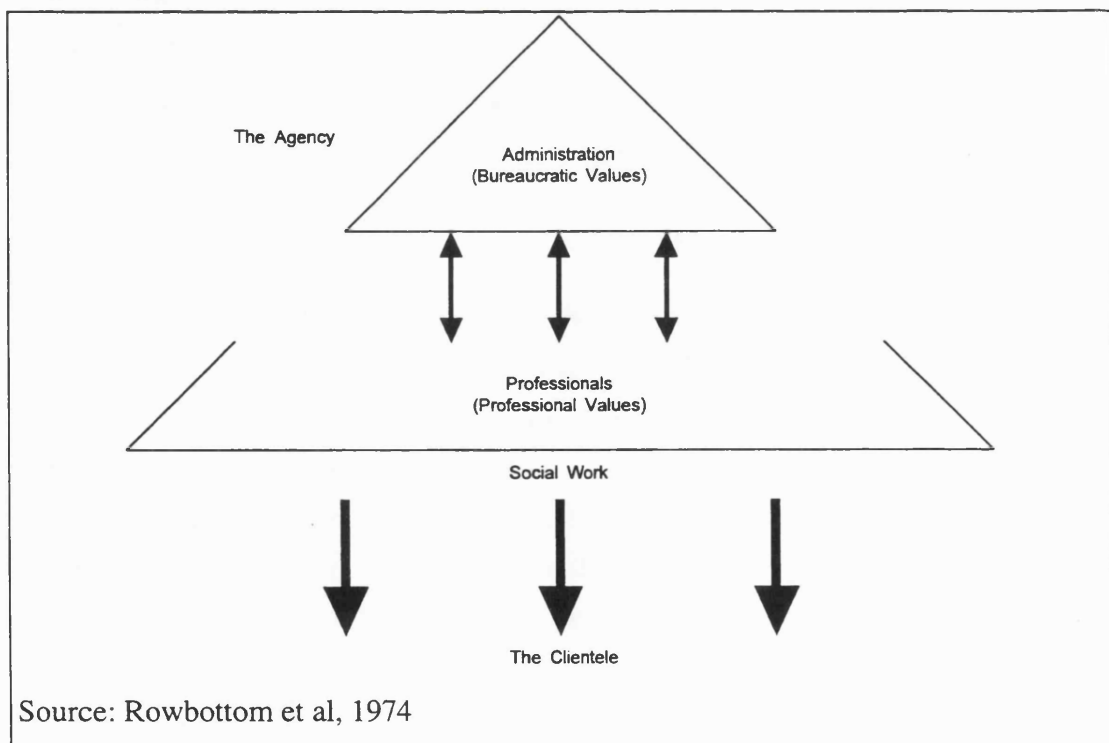
Source: Rowbottom et al, 1974

Rowbottom et al's study went on to develop a more pluralistic systems model, which identifies many more elements of the internal structure and environment of a typical Social Services Department (Figure 1:18). This more complex model includes specific features most of which can readily be subsumed within the domain model - central and local government (policy domain), professional associations, departmental representative structures and professional staff (service domain) and middle and senior administrators (management domain).

Figure 1:18 Complex Model of a Social Services Department

Overview of Social Services Departments - A Complex of Interacting Social Systems)

Central Government

Local Authority

Other Agencies

Other Pressure Groups

Professional Associations

Departmental Representative Systems

Social Services Department

The Public

Source: Rowbottom et al, 1974
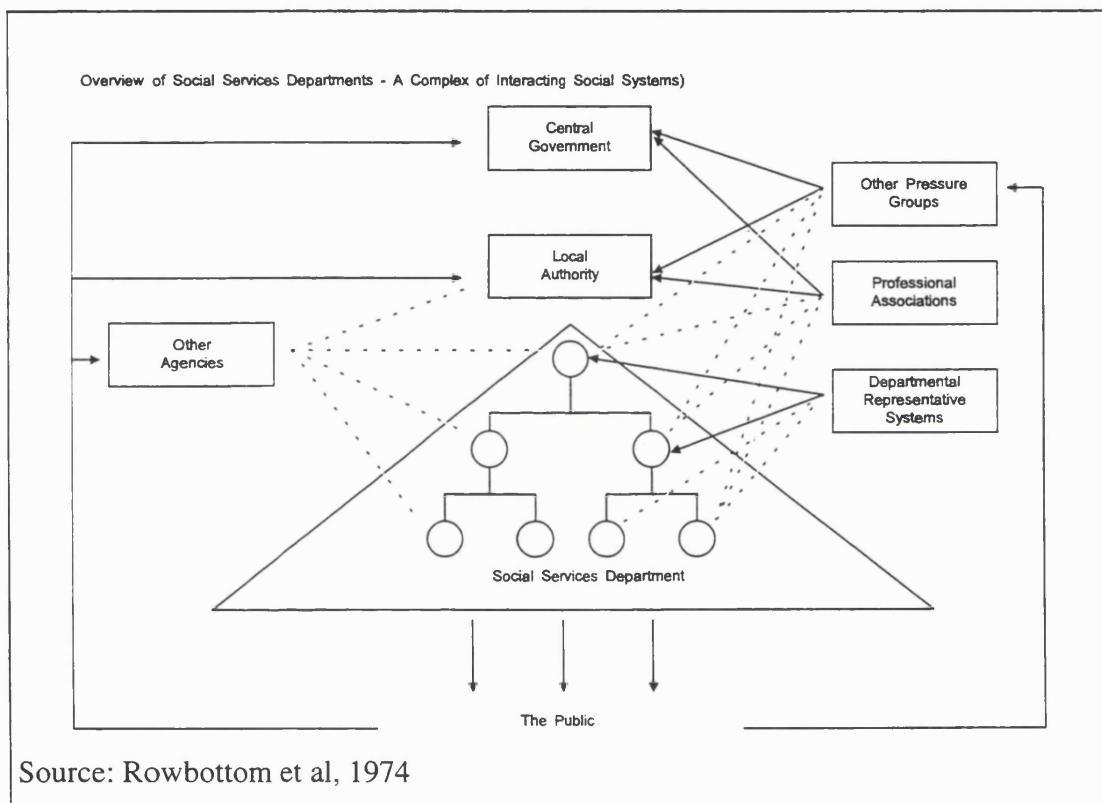
Human/Personal Services (ii) - The Professional Bureaucracy

Mintzberg's configurational model of organisations has, as one of its five 'ideal type' variations the professional bureaucracy (see Figure 1:19 - Mintzberg, 1979). In this particular type the operating core of the organisation is staffed by professionals who largely self-regulate their work.

However, their work is still standardised, as in other bureaucracies, but in this case the standardisation is self-imposed through acceptance of these professional standards and norms. The organisation achieves standardisation by appointing suitably qualified professionals who have internalised the relevant norms for their particular profession. Hence there is a very small techno-structure with very little need or desire for planning and work-study by semi-autonomous, self-regulating, professionals. A relatively large support service (often itself very 'machine' bureaucratic in nature - producing inevitable clashes of culture and norms within the professional operating core) provides the necessary administrative back-up to the professionals.

In the case of the UK National Health Service for example, approximately 66.8% of staff are in the medical, dental, nursing and allied professions whilst of the remainder 14.3% are administrative and clerical staff (NHS Handbook 1991:158 - and see Figure 1:12).

Figure 1:19 The Professional Bureaucracy

External Coalition

Strategic Apex

Techno-Structure

Support Services

Middle Line

Professional Operating Core

Source: Mintzberg (1979, 1983)
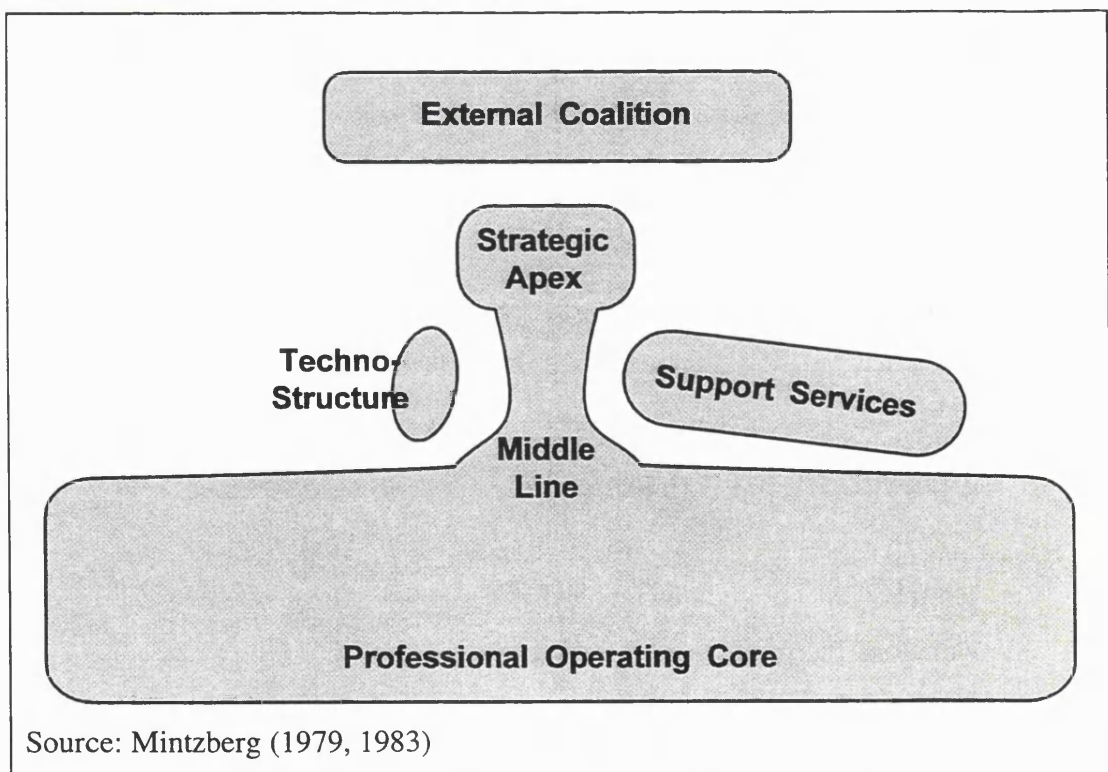
There are some similarities between the 'professional bureaucracy' configuration and 'domain theory'. The 'professional operating core' corresponds closely to the 'service domain', while the 'middle-line', 'techno-structure', 'support services' and 'strategic apex' match the 'management domain'. Mintzberg's later development of his model to include what he calls the "external coalition" (Mintzberg, 1983) which, in the case of public services, corresponds largely to the 'policy domain' (Figure 1:20). However, the senior management parts of the 'strategic apex' and support services, together with the policy and strategy functions of the 'techno-structure' also operate substantially in the 'policy domain' (hence the excursion of the latter into these areas in Figure 1:20).

What is unique about **public** services is precisely this policy domain, as Broterick notes:

> "that political priorities have a significant impact on management...even when managers try to operate efficiently, political imperatives sometimes force different actions. The reason for this is easy to see. The market test of politicians is re-election. Therefore they need to act in such a way that people will vote for them. But what proves to be 'good politics' for getting re-elected is not always good management for the public."(1992:54)

What is special about **human** services is the nature of the service domain or professional operating core. To use a health service example:

> "hospitals are professional bureaucracies, that is organisations where most of the influence lies with the professionals who actually deliver services, rather than with management" (Champagne et al, 1987).

McKevitt argues that much of Government policy (the policy domain) during the 1980's was an attempt to impose regulation on the services professionals (service domain):

> "Thus, for example, the emergence of the National Curriculum could be viewed as an attempt to control the teachers' influence as much as it was a programme for curriculum development" (McKevitt, 1992:37).

It is the combination of **public** service and **human** service, mediated by the management, which is illustrated by domain theory.

While the configurational model illuminates some of the more detailed organisational structuring, the domain model stresses the different nature's of the three domains and their interaction. Both help to explain, as will be shown below, the paradoxical nature of management in public services organisations.

Figure 1:20 Domains and the Professional Bureaucracy

POLICY DOMAIN

External Coalition

Strategic Apex

MANAGEMENT DOMAIN

Techno-Structure

Support Services

Middle Line

SERVICE DOMAIN

Professional Operating Core

Source: adapted from Talbot, 1993
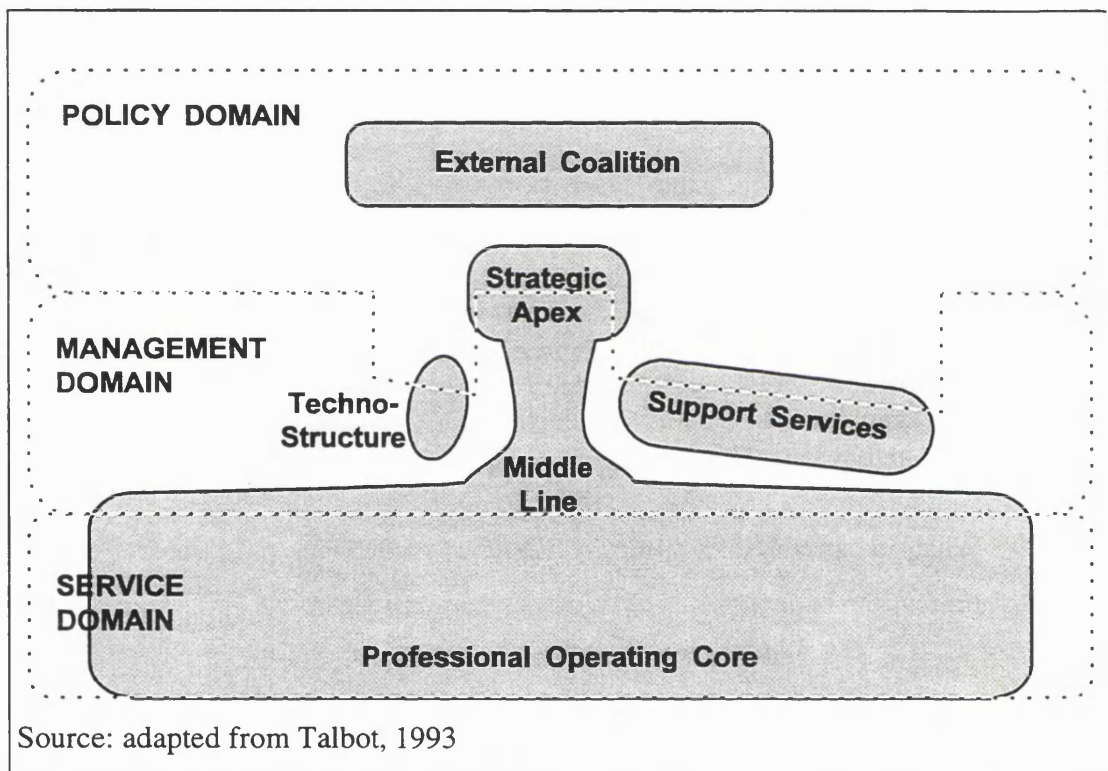
Both the domain (Kouzes and Mico) and the professional bureaucracy configuration (Mintzberg) models may be criticised for being too much closed, as opposed to open, systems models (see McKevitt, 1992). While the configurational model as presented graphically (see Figure 1:19 and Figure 1:20) does appear to be a closed system, Mintzberg's textual presentation (1979) and his subsequent additions (1983) make it clear that this is an open systems model. Similarly, while Kouzes & Mico (1979)

present a diagramatically closed model, the textual explanation shows clearly this is an open systems model.

Both models emphasise the contradictions between various elements within public human services organisations. They suggest strongly that these contradictions are embedded in the structuring of these organisations and are therefore 'paradoxical' in the sense discussed in the Introduction to this thesis.

Government Policy and Domain Theory

In many ways, recent UK Government strategy towards public service organisations can be seen as an attempt to manipulate these paradoxical contradictions by 'resolving' them in favour of the management domain, at the expense of parts of the policy domain and especially the service domain.

Firstly, in the UK a large proportion of public service organisations have traditionally had a divided policy domain, with policy inputs at both national and local level. Of the three main areas of public employment two, the NHS and Local Government, both had national and local policy inputs. There is clear evidence of central government attempting to undermine local policy inputs and centralise the policy domain at national level. In the NHS, for example, the roles of District Health Authorities as the representative bodies of local communities have been systematically removed. Similarly, the systematic increase in Government powers to control Local Authorities is well established (John, 1990; Crouch & Marquand, 1989).

Secondly, in all three areas Government policy has been to strengthen the management domain. This has occurred largely through the policy domain (central government and its allies at local level) adopting or endorsing the principles, success measures, structures and working methods of the management domain. In a sense the centralising tendencies in the policy domain can be seen as the Government gaining greater policy control precisely in order to re-reinforce the management domain. This

can be seen as trying to 'resolve' or 'suppress' the contradiction between the policy and management domains.

Figure 1:21 UK Public Employment (1991/2)

Central Government (excluding NHS)	1,130 (thousands)
National Health Service	970
Local Government	2,280

Source: adapted from Flynn, 1993

Thirdly, central government has launched a sustained ideological critique of "professionalism" in the service domain which the Government has seen as a manifestation (alongside trade union power) of the employees of a service running it in their own interests rather than that of its recipients or the taxpayers. Examples of the practical consequences of this approach would include the introduction of "general management" into the NHS, to weaken the power of health professionals, and the introduction of the "national curriculum" and teacher assessment into education, to weaken the teaching profession / trade unions. Again, this can be seen as an attempt to 'resolve' or 'suppress' the contradiction between the combined weight of the policy and management domains on the one hand and the service domain on the other.

Domain theory also provides a useful way of viewing resistance to Government policy. The Local Authorities which attempted to resist increased central control of their spending did so primarily by trying to form strong alliances between the policy and service domains. As a consequence the objectives of the management domain were frequently under attack in these authorities (Lansley; Goss & Wolmar, 1989; Laffin, 1989).

Before leaving this analysis for the moment it is also interesting to note that the natural monopoly utilities which have been privatised (BT, Water, Gas and Electricity) all still have (albeit greatly weakened) a policy domain in the form of

statutory regulators (the so-called Oftel, Ofwat, and Ofgas) charged with statutory powers to control prices and standards of service.

CONCLUSIONS

This Chapter has sought to argue that the unique features of public services are precisely their 'publicness' and the nature of their professional, human, personal 'services'. It has also sought to explain the nature of the reforms of public services and the nature of public 'markets'.

As will be shown in Chapter 3 these are crucial elements in determining the nature of strategic management in the public sector. Competition is not the only factor in strategic analysis of the public organisation's environment, or its scope for action, but without a clear understanding of the nature of public competition, and how it differs from its private counter-part, it is not possible to clearly analyse this environment. Similarly, without a proper framework for understanding the peculiar internal environment of public services organisations, especially their 'publicness' and the 'services professionals' that predominate in their production of services, issues of strategically matching the organisation to its external environment are difficult or possibly misleading.

However, before turning to look at some of the issues surrounding strategic management in the public sector, it is necessary to look at the nature of strategic management itself, in its generic form, which is the subject of the next Chapter.

Chapter 2 Strategic Management

(I) SOME THEMES FROM STRATEGIC MANAGEMENT THEORY AND PRACTICE

Introduction

> "History proceeds in such a way that the final result always arises from conflicts between many individual wills...innumerable intersecting forces which give rise to one resultant - the historical event." (Engels, 1890:395)

This Chapter sets out to identify some historical characters, definitions, themes and trends in the literature and practice of strategic management and relate them to public services management.

The term strategic management is being employed loosely at this point, to embrace business policy, corporate planning, strategic planning, strategic thinking, etc. As will become clear, there is little consistency or consensus in the literature on the use of terms (Hofer & Schendel, 1978). This is at times confusing, but not as confusing as the semantic contortions engaged in by some writers in search of exact definitions. For the moment we will be content with broad and ill-defined usage, trying for clarity of meaning rather than semantic accuracy.

This Chapter considers the issues of strategy's specialists (those usually associated with the origins of the 'strategic' management literature); strategy's semantics (the variations in definition and military origins of the concept); strategy's substance (the practice and reality of strategic management) and strategy's strands (the themes and trends within the strategic management literature). The inter-relationship between these four is very great and hence there is certain amount of overlap, but hopefully not too much duplication, in what follows.

In the area of strategy's strands the issues of paradox and values assert themselves very clearly and a model of four paradoxical strategic modes, each embedded in a differing values system, is explored.

67

The models of strategy in differing modes, derived from the generic management literature, and the model of strategic systems and elements within public services are then combined to produce a synthesis of strategic management in the public services from a competing values perspective. This model is used to help develop a model of strategic managerial competencies, in Chapter 3, relating to each strategic mode.

Strategy's Specialists?

Most writers attribute to the industrial historian Alfred Chandler the seminal use of the strategy concept in business organisations in his Strategy and Structure: Chapters in the History of American Industrial Enterprise (1962).

However, the view of Chandler as the main progenitor of modern organisational strategy is not unchallenged. Montgomery and Porter (1991) suggest that the "pioneering work on which many modern strategy ideas now rest" was conducted "at Harvard Business School in the early 1960s, led by Kenneth R. Andrews and C. Roland Christensen." While they later acknowledge that others "such as Igor Ansoff, Alfred D. Chandler, Jr., and Peter F. Drucker" participated in propelling "the notion of strategy into the forefront of management practice", pride of place is clearly given to Harvard and Andrews.

It should be noted that this analysis suggests clearly that theory preceded practice, which others (see below) have disputed.

Still others have suggested that it was Ansoff who "effectively founded [the field of strategic planning] in 1963, the year he left Lockheed to teach strategy at Carnegie Institute of Technology" (Kennedy 1991:6).

Other writers have been less definitive about elevating one of the trio of 'usual suspects' - Chandler, Andrews and Ansoff - to sole pre-eminence. Clutterbuck and

Crainer trace a more complex history, but assign Chandler and Ansoff the key roles (1990:141-158) while giving only the briefest of mentions to the Harvard team, interestingly without naming Andrews at all (:143). Moore (1992), in a major contribution to the 'personal' history of strategic management, ranks Chandler and Andrews (including his Harvard Business School colleagues) alongside Ansoff as the three 'founding fathers' (:1-3). He suggests that "no single person can be said to have invented corporate strategy" but that "it 'emerged' during the 1960s, as the consequence of a series of apparently disconnected events, and the articulation - principally - of three people...Kenneth R. Andrews, Alfred D. Chandler and H Igor Ansoff." He suggests they were "the first formally to delimit the area of strategy in terms of concepts, definitions, and methodologies."(:1)

This is probably the closest to a balanced view of the origins of the explicit use of the terminology of strategy but as others have pointed out, just because the term strategy was not in use it does not mean that early management theorists were not addressing similar, if not identical, issues.

As Schendel and Hoffer (1978) have pointed out, others did address similar problems but in different terminology at an earlier stage. They mention Drucker (1954) who posed the questions 'what is our business' and 'what should be' a decade earlier than Andrews and Ansoff, but without explicitly discussing 'strategy'.

An even more instructive example is the following quote from Henri Fayol, originally published in 1925:

> "The Plan is the synthesis of the various forecasts: annual, long term, short term, special, etc. It is a sort of picture of the future, where immediate events are shown clearly, and prospects for the future with less certainty. It gives the known facts, and those forecast for a certain time....
>
> ...The Plan must receive the support of all those with authority and responsibility.
>
> The act of forecasting is of great benefit to all who take part in the process, and is the best means of ensuring adaptability to changing circumstances.

The collaboration of all concerned leads to a united front, an understanding of the reasons for decisions, and a broadened outlook."

(in Fayol, 1949: x-xi)

He uses the terms 'Survey' (which we would now call strategic analysis) and 'Plan' (strategic planning) in this remarkable interview, a full 40 years before Andrews and Ansoff. Indeed, the quotation given embraces a remarkable range of the key issues of debate in contemporary strategic management, when translated into modern terminology:

Fayol	Modern equivalent?
"a sort of picture of the future"	strategic vision and mission statements
"the support of all those with authority and responsibility" and creating "a united front"	leadership and change management
"the act of forecasting is of great benefit to all those who take part in the process"	management development and participative planning
"a broadened outlook"	strategic thinking
"ensuring adaptability to changing circumstances"	flexible and learning organisations

It is difficult to see how Fayol's position cannot be seen as part of the strategic management tradition, in content if not in the explicit use of 'strategy' based terminology. Indeed it could be seen as an extremely prescient part of it. As George notes, Fayol's "broad comprehension of the planning function was unique at the time." (1972, p115)

This contrasts with the position of Hofer and Schendel, who argue that "a hierarchy of strategy concepts has emerged over the past quarter century (i.e. 1953-78) as a response to business needs.." (1978, p15, emphasis added). Prior to this, they argue (following Chandler), only individual business policies existed and that "top

70

management integrated their organisations different functional area policies implicitly in their own minds without the need of special concepts or processes to do so." (p13)

In contrast, Fayol provides a case study of detailed planning activities in a "great mining and metallurgical concern with which I am well acquainted" (1949: 45-48) and later claims that "fifty years ago; i.e. in 1866! I began to use this system of forecasts, when I was engaged in managing a colliery, and it rendered me such good service that I had no hesitation in subsequently applying it to various industries..." (:48).

It is clear that this is very much 'strategic' management, as opposed to simply operations planning, as the following passage illustrates:

> "When serious happenings occur, regrettable change of course may be decided upon under the influence of profound but transitory disturbance...The plan protects the business not only against undesirable changes of course, (But also).. it protects against deviations, imperceptible at first, which end by deflecting it from its objective." (:49).

It is clear that at least some enterprises were engaging in the sort of planning activities usually associated with the post-World War II period as early as the turn of the century. However, Fayol points out that while "everyone recognises the necessity for a Plan...even private undertakings often neglect to prepare one, and the State rarely does so." (: xi) He explains this failure as being due to the fact that "its preparation demands considerable effort from the senior members of staff, lead by a stable Chief."

While it may be true that later strategic theory developments have been driven by practice (although even this is doubtful) the work of Fayol clearly demonstrates that at least some theory preceded any extensive practice of strategic planning.

While Montgomery and Porter claim that theory preceded practice, and Hofer and Schendel the exact opposite, the reality (as will be demonstrated below) is far more complicated.

Even this brief review indicates that it seems safer to return to Moore's judgement that "no one person can be said to have invented corporate strategy" and await a more definite history, whilst treating existing accounts with some caution.

Semantics of Strategy

MARTIAL ORIGINS

The martial origins of the term strategy in the ancient Greek name for a the art of the general, strategos, are well known. (Baucom 1987:3) Prior to the development of the use of the term in management in the 1960s the term had most use in military practice, although it had also crept into other fields such as game theory. As the term has become widely used in management, it has joined a wide assortment of military metaphors used in non-military organisational settings. The use of military analogies and metaphors is not unproblematic however and has been criticised for distorting and confining management thinking (Weick 1979, Webb 1989). As Webb puts it:

> "when there is much of value to learn from a source, the unstated implication creeps in that everything from it is correct...though there are valuable similarities there are also many, many differences between business and military organisations." (Webb 1989:10).

WESTERN MILITARY TRADITION

However the usage of the concept of 'strategy' in military theory and practice has been extremely mutable. Baucom has shown that from ancient Greece to the modern era, the term 'strategy' has undergone a variety of incarnations in military usage (1987). He identifies several phases determined by a variety of economical, political, social and technological factors. The following table uses Baucom's categorisation but also draws on other sources (Evered, 1983; Fuller, 1925; Clausewitz, 1974 and Liddell-Hart, 1967). It should be emphasised that this review of Western (in its broadest sense) military thinking - the Eastern traditions have evolved along very different (but sometimes linked) paths, as will be discussed later.

ancient Greece (circa 500 BC)	The art of the general - embracing everything from military strategy and tactics to operational support and dispensation of justice. Recent historians have also emphasised the leadership role (Hanson, 1989)
limited war period (1648-1789)	Following Thirty Years war a period of limited war - strategy as plan of battle, usually one of attrition not annihilation, involving limited forces (Marshall Saxe thought the optimum size to be 50,000).
mass war period (1789-1914)	Where the limited war period had small armies the French Revolution began a period of mass warfare - the Revolutionary government fielded over 800,000 troops against the armies of the European Monarchs. This period culminated in the American Civil war which saw the industrialisation of warfare. Although concepts of management and organisation become vital, strategy remains in the limited 'plan of battle' variant but with the usual objective becoming one of annihilation. Clausewitz (1974) develops distinctions between 'policy' (national objectives), 'strategy' (plan of warfare) and 'tactics' (plan of battle) but is largely ignored by contemporary practitioners.
total war (1914 - 1945)	The logical next stage of mass war, as attacks on the industrial capacity (including civilians) of opponents became a major aspect of warfare - technological advances, especially airpower and long-range weapons, made this possible. 'Strategic bombing' in WWII formed part of what Liddell-Hart (1967) and Fuller (1925) had advocated as 'grand strategy' between the wars - a total plan to undermine the enemy in the field and beyond. Strategy thus became much wider than merely a 'plan of battle'.

nuclear war (1945 - ?)	the advent of atomic and nuclear weapons redefined strategy into several usages: strategic warfare - nuclear exchanges; national strategy - combinations of military, economic, political and cultural weapons to undermine an enemy without resorting to strategic exchanges; military strategy - more traditional 'plans of battle' or plans for limited wars (e.g. US strategy in Korea and Vietnam)

This by no means exhausts the mutations of the concept of strategy in Western military thinking and practice. An important point to make is the disjuncture between strategic military theory innovations and strategic military practice. Clausewitz's ideas were largely ignored at the time, despite their subsequent popularity in both military and management.

EASTERN MILITARY TRADITION

Two broad trends can be identified in Eastern thinking on military strategy which in turn relate to different philosophical traditions (Taoism and Zen). They are broadly associated with the two most famous military thinkers - Sun Tzu (between 5th & 3rd C BC) and Miyamoto Musashi (1584-1645). They are reviewed briefly here for two reasons. Firstly, they show that the western military tradition is not the only one and as such provide a necessary cross-cultural dimension to thinking about strategy that may, among other things, help to illuminate western concepts by comparison and contrast. Secondly, these traditions have a definite impact on strategic management practice in two ways - firstly in their countries of origin and secondly in the West. There must be few business sections in western bookshops that do not now display copies of Sun Tzu's *'The Art of War'* or Musashi's *'Book of Five Rings'*. Writers on strategy in Japan have noted their influence while recently an effort has been made to apply Sun Tzu to modern Chinese business enterprises, complete with obligatory genuflections to Marxism-Mao Tse Tung Thought (Shijun et al 1990). In Japan, Musashi is not just an influence on business organisations but a national cultural phenonmenon (his semi-fictional biography by Yoshinkawa has sold 120 million copies since it was published in 1935) and he is known as 'Kensei' - roughly translating as 'Sword Saint'.

Musahsi's approach to strategy is limited exclusively to the sphere of actual combat and is extremely intuitive in that it extrapolates from individual combat to group combat: "The principle of strategy is having one thing, to know ten thousand things." (Musashi, 1985:32) Moreover, as Cleary has noted, Musashi's approach is based on an extremely confrontational approach (mirrored in his personal confrontations in which he is reputed to have slain numerous opponents simply to prove the superiority of his system). According to Cleary (1991) Musashi's seemingly amoral approach can be seen as an extreme form of an attempt to attain Zen's 'satori' (enlightenment) through ruthless and single-minded dedication to a 'Way'. (Cleary contrasts Musashi's approach with that of another Japanese warrior-strategist, Yagyu Munemori, whose approach was much more ethically orientated and influenced by both Zen and Taosim). The influence on Japanese military conduct of Musashi's thought has been dramatic - even when fighting for limited objectives in WWII Japanese forces displayed a total commitment:

"Perhaps the abiding paradox of the Second World Was is that of all the major combatants, Japan alone did not aspire to final victory but nevertheless fought with a totality and finality unequalled by countries intent on securing the unconditional surrender of their enemies." (Willmott, 1983)

Sun Tzu's approach falls into a Chinese tradition which is influenced by Taoism's ethical basis and understanding of how events unfold through and with inevitable paradoxical elements. His is much more the view of the General and leader rather than the individual fighter and teacher. For him strategy embraces policy, strategic and tactical concepts and results in a series of broad rules and advice about positional elements in warfare (indeed Mintzberg includes Sun Tzu in his 'Positioning School' of strategic management - along with Clausewitz and Liddell-Hart (Mintzberg, 1990:124)). His writings form part a broad stream of military writings from this period on specific strategies, such as the 'Secret Art of War: The 36 Strategies' (Haichen, 1991). His advice on commitment is always only to use just sufficient force to achieve clearly understood objectives and to recognise the excessive force is self-defeating. Similarly, the 36th Strategy (Haichen, 1991:328-9) is 'Running Away as the

Best Choice', which emphasises that retreat does not equal defeat and is 'as well as advance, a normal practice of war.' In many ways his approach is embodied in individual martial arts such as Tai-Chi (China) and Judo and Aikido (Japan) with their emphasis on avoiding unnecessary combat and turning an enemy's strengths against themselves through avoidance, manoeuvre and decisive application of force at critical points.

Before turning to look at how strategy has evolved in management thinking, it is worth noting that western and eastern military traditions have not evolved in total ignorance of one another. For example, Liddell-Hart records that reading Sun Tzu in 1927 helped him clarify his own thinking while in turn his own and Fuller's books were the amongst the principle textbooks used in Chiang Kai-shek's military academies in 1942 (Sun Tzu, foreword, 1963). The communist movement also provided a transmission belt between west and east, with eastern communist leaders such as Ho Chi Minh (who trained in the USSR) and Mao Tse Tung influenced by western military theorists including Clausewitz and Trotsky (Neuberg, 1970; Semmell, 1981; Keegan and Wheatcroft, 1987 and Pomeroy, 1969).

This review of the military usages of the concept of strategy does emphasise that in military usage 'strategy' has not been a static concept - either in its practice or more importantly in its defined role in relation to other concepts such as policy, tactics, operations, etc. in either western or eastern military traditions. In one respect it has tended to be translated from the military to the non-military organisation consistently - seeing strategy as essentially about combat, competition and defeat of opponents. Arguably this is a misuse, ignoring the more political aspects of concepts like 'grand strategy' or 'national strategy' developed by military thinkers, which clearly embrace elements of diplomacy and alliance as well as conflict (see Kennedy (1983) for a useful discussion of the intertwining of military and diplomatic strategy in British history). Nevertheless it is the conflictual model that has remained dominant in the management literature on strategy. As will be discussed this has possibly contributed to an underestimating of the role of co-operation and alliances even in competitive business environments.

'The concept of strategy in business is analogous to that in war.' (Smith, 1985)

How far has the military, conflictual, view of strategy informed business and management writing and thinking? In this section we explore how this martial metaphor for strategy has impacted on strategic management theory and practice through two approaches - how has the military notions of strategy been translated into management writing? - and how far has the military notion excluded other possible approaches? The latter is specifically examined by a brief look at how diplomatic strategy (i.e. the formation of political co-operation and alliances) could have provided a useful additional framework but has been excluded by the concentration on the military metaphor.

The explicit use of military models of strategy is fairly widespread, examples include: "business war games - using military strategies to beat the opposition (James, 1984); "marketing warfare" (complete with illustrations of tanks, etc.) (Ries & Trout, 1986); etc. A leading strategic management writer, Argenti, specifically uses Clauzwitz's distinction between policy-strategy-tactics in the politico-military domain to apply to business strategy (Argenti 1982).

Kay (1993:336) specifically associates the use of military analogies with the "rationalist framework" in strategic management theory - especially the "appraise, determine, act" sequencing of strategic processes. This is indeed very close to the "analysis-choice-implementation" used so heavily in strategic management textbooks (e.g. Johnson & Scholes, 1993). Whittington (1993:15) echoes this view in associating use of the military metaphor with the classical, rational planning school of strategic management writers. Some writers have been strongly influenced by other military traditions that the rationalist 'Clausewitzian' school. Ohmae's views, for example, have been influenced by the eastern military tradition of strategic thinking, which,

unlike its western counterpart, places more emphasis on the role of intuition and also on strategic alliances and co-operation, as well as the combative dimension (Ohmae 1983).

One of the major writers of the rationalist school, Ansoff has recognised the military origins of the concept of strategy but with a particular approach. Implicit, and sometimes explicit, in Ansoff's work is the notion that competition (conflict) is the only possible relationship between corporations 'Competition is not slackening but intensifying' he writes (Ansoff 1979) and in none of his major works is there any discussion of strategic co-operation and alliances(Ansoff 1965, 1979, 1987 and 1990).

A recent review of trends in strategic management research has shown that strategic management 'experts' rated the issue of strategic alliances and co-operation as the 3rd most important issue (of 12) for practising managers, it was rated only 7th (of 15) for strategic management research and does not feature at all in the list of 'most important issues...in the 1990's' (Lyles 1989). This finding (which is not highlighted by the researcher) is fascinating. While experts in the field see the issue of alliances and co-operation as important to practising managers 'out there', they underplay its importance to strategic management in general and to research in particular. While this trend has certainly shifted since the research was carried out and there has been a sudden surge in publications (e.g. Badarracco, 1991; Lorange & Roos, 1992; Alter & Hague, 1993; etc.) this has yet to be reflected in strategic management textbooks, the majority of which make no mention of alliances.

(Of four major UK textbooks, 1 does not discuss alliances or joint ventures at all, 1 discusses joint ventures briefly, 1 discusses joint ventures slightly more fully and only the remaining 1 has substantial discussion of both alliances and joint ventures (Greenley, 1989; Bowman & Asch, 1987; Johnson & Scholes, 1993; Thompson, 1993)).

It is not improbable to suggest that the reason for reluctance of 'experts' to rate alliances as an important area for exploration, in research or teaching, is the

ubiquitous influence of the combatitive martial view of strategy. A pattern of thought exists which can see the emerging tendency to co-operation and alliances but finds it difficult to integrate such a trend into its own activities and theories, which have been so strongly conditioned by the military metaphor.

On the basis of this changing trend to alliances (as opposed to Ansoff's ever increasing competition), Boderracco suggests that the military analogy is becoming outdated. 'In the world of strategic alliances, the idea of a firm as a medieval fortress that invents, owns, controls and finances all of its assets has faded' Boderracco states (1991:3). This echoes Weick in arguing, 12 years earlier, that the military metaphor has served its purpose and is becoming redundant (1979). While the empirical evidence of increasing strategic alliances is fairly secure, there is no evidence to show that the use of military metaphors in strategic management writing is decreasing and the evidence of Lyles would tend to show that researchers and writers are still working within this paradigm.

In many senses this conflictual obsession is ironic given that the most influential military writer on strategy, Clauswitz, is most famous for his dictum that 'war is nothing more than the continuation of politics by other means' which implies that it is policy which is important, not war itself. Policy can be either conflictual or co-operative, war is only the continuation of policies with the potential for conflict by other means. Co-operative policy is by definition likely to minimise conflict. As Porter's popular 'five forces' model recognises, the level of real competition within an industry, what he calls 'jockeying for position', can vary enormously (Porter 1982).

MUTABILITY OF STRATEGY IN AN MANAGEMENT CONTEXT

According to one author there are currently around 27 books in print with the title "Strategic Management" (Whittington 1993:1). Two major reviews of the use of the concept of 'strategy' - one including military, futures and managerial uses (Evered, 1983) and one looking just at management (Hofer & Schendel, 1978) - confirm that management usage, like its military counter-part, has been mutable, inconsistent and

sometimes paradoxical. In reviewing strategy approaches in management, Hofer and Schendel identify wide disparities of semantic and definitional content for strategic management concepts and terms used by the 13 authors covered in the review.

Before turning to look at the trends discernible within the field, it is worth asking how far strategic management, in the more narrow sense usually associated with strategic planning, has penetrated real organisations?

Substance of Strategy

GENERAL TRENDS

Most writers agree on a broad pattern of evolution of strategic planning practice along the lines of that suggested by SRI (see Figure 2:1). This model indicates the level of strategic management practice, rather than the level of theory output. One significant writer suggests that: "Corporate planning was first started in the United States in the late 1950s and it is now [i.e. 1968] being used, in one form or another, in several hundred companies there. In Britain only a few dozen are yet using it.." (Argenti, 1968: 13).

However, Ringbakk (of SRI) concluded from a survey of 40 US corporations in 1967 that:

> "organised corporate long-range planning is neither as well accepted nor as well practised as suggested by the literature on the subject" and that "although much planning is done, the effort is often sporadic, it is lacking in co-ordination, and is less formalised and sophisticated than much of the literature suggests." (1983: 25)

Figure 2:1 Trends in strategic planning

The Evolution of Strategic Planning

Extent of Corporate Interest / Activity

Heyday of Strategic Planning

Inevitable Reaction

New Thrusts

?

1965   1970   1975   1980   1985

Source: SRI International (Wilson 1989)

A similar study in the UK reported that "few companies have implemented corporate planning" (Hewkin & Kempner, 1968). A further study in the UK in 1969, covering 27 companies, found that "less than half the sample companies were found to have complete corporate plans" and of these some were little more than "extended budgeting". The authors note that, since their sample was designed to "select those companies who were thought to have made substantial progress...one may conclude that industry in general is doing much less." (Taylor & Irving 1983: 126).

It does seem reasonable to assume therefore that SRI's starting point is relatively accurate. How far does the rest of their model correspond to practice? A further UK survey in 1977 of 71 enterprises found that "80 per cent were found to practise corporate planning and a further 6 per cent were found to be developing a corporate planning system." (Higgins & Finn 1977: 89). Given that this survey was based on a random sample taken from 'The Times 1,000 Companies' it clearly suggests a massive increase in corporate planning activity over the decade. This broadly confirms the SRI model.

Wilson suggests that "by the mid-1970s, no self-respecting chief executive officer (CEO) would dare appear before a board without a strategic planning system either in place or under development." (1988: 2).

The apparent failures of strategic planning in the turbulence of the 1970's recession have led to the some of strongest attacks on the rational model coming from the management literature, with the most popular management text of the 1980's (Peters & Waterman, 1982:54) proclaiming "we have to stop overdoing things on the rational side." However, the period that SRI characterises as "the inevitable backlash" does not seem to have diminished organisations appetite for planning.

A more recent report suggests that of 183 UK organisations surveyed, 65% claimed to have a formal strategic business plan, whilst another 19% claimed to have an informal strategic plan. (BDO, 1992:6-9). The same survey showed a wide diversity of approaches to strategic planning on a number of variables (levels of integration, participation, scope of plans, etc.) summarised by the researchers as "no right way to plan" (:7). Interestingly, when asked if the organisation followed a specific management author's philosophy or methodology, of the 6 authorities cited the highest rating was 16% and the lowest 3% (9% average), indicating a lack of knowledge and/or use of the literature. On the other hand, some specific techniques received widespread support: mission statements (69%); SWOT analysis (57%); risk analysis (38%) and five forces analysis (37%) (although Porter himself achieved only 16% recognition)(BDO, 1992:19).

Ansoff gives a chronological account of the development of corporate level management practice, focusing on the type rather than the level of activity (see Figure 2:2).

Figure 2:2 Changing corporate management

Changeability and familiarity of events>	1900-1930 Familiar	1930-1955 Extrapolable	1955-1975 Familiar discontinuity	1975-1990 Novel discontinuity
Unpredictability of the future				
Recurring	* Systems and procedures **Management by Control** manual * financial control			

Forecastable by extrapolation	**Management by Extrapolation**	* Operations budgeting
		    * capital budgeting
		        * Management by Objectives
		            * long range planning		

Predictable threats and opportunities	**Management by anticipation of change**	* Periodic strategic planning * strategic posture management		

Partially predictable opportunities Unpredictable surprises	**Management by flexible / rapid response**	* contingency planning
		    * strategic issue management
		        * weak signal issue management
		    * surprise management		

Source: Adapted from Ansoff & McDonnell 1990

Hussey (building on the work of Gluck et al), develops a chronological model of successive dominant themes in strategic planning (Figure 2:3).

Figure 2:3 Phases in the evolution of strategic planning

| 1950... | 1965... | 1970... | 1975... |

Basic financial   Forecast based   Externally orientated   Strategic management
(meet budget)   (predict future)   (think strategically)   (create future)

Source: Hussey, 1990.
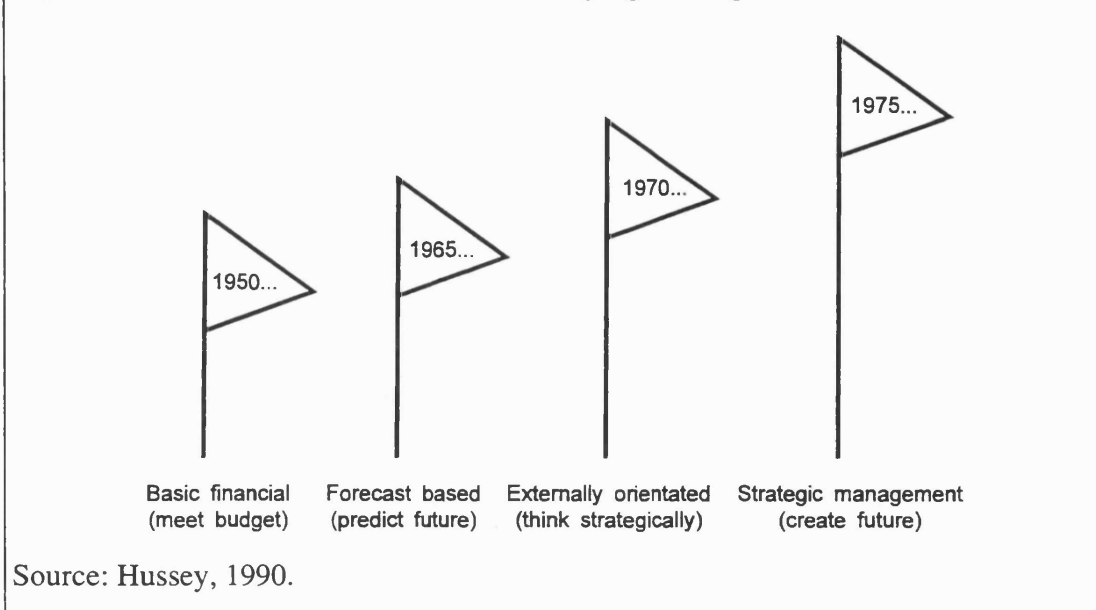
As can be seen, the implicit assumption in all these accounts is that 'strategic management' is strategic management of business enterprises. The concepts employed in model building (Ansoff & McDonnell, 1990) or the research conducted (Ringbakk, 1983; Taylor & Irving, 1983; Higgins & Finn, 1977; BDO, 1992) have all been private sector based.

Strands of Strategy

This section reflects on some of the themes that have emerged from the literature on strategic management and planning. It should stressed that this is a review primarily of what the writers on strategy have said about strategic practice, rather than a review of research on practice itself . Obviously research on practice has informed many (but by no means all) developments in the theory (or rather theories) of strategic management developed by writers in the field.

Sometimes the link between theory and practice is more solid. Many popular 'how to' strategic management books aimed at managers often draw very heavily on practice, sometimes in a case study form but more often merely as collections of anecdotes.

84

The classic strategic management textbook approach also relies heavily on cases, although usually as either illustrations of theory or learning tools. The theory advanced in these books is mainly prescriptive, as with the more popular books, but in this case more systematic and academic in tone, in keeping with their target audience of MBA or other management students. The field of strategic management research has its own confusions and differing themes. The state of the research field has been characterised by two commentators as:

> "hitching a ride on a fast train to nowhere ..(because)... the desire to be scientific in strategic management has meant that most often only quantitative variables are measured ... (while)... lack of robust theory development leads to studies that fail to probe into deeper aspects of the phenomenon and thus fail to provide insight into how organizations work." (Daft and Buenger 1990:96).

We begin by reviewing how some of the strategic management experts have themselves sought to structure the emergence of trends and themes in the literature. The writers have been selected because of their prominence in the field (Ansoff, 1991 and Mintzberg, 1991), because their classification system represents a sustained attempt to produce a typology (Mintzberg, 1991 and Whittington, 1993) or because of the influence of their specific text in the UK (Johnson and Scholes, 1993 - although their approach is based on research reported in Bailey & Johnson, 1992) and finally to provide an international and culturally differentiated perspective (Kono, 1992).

Each writer has suggested differing classifications for the strategic management literature: Ansoff (1991:3) suggests that there are three major trends, Whittington (1993:Ch.2) and Kono (1992:50) four, Johnson and Scholes (1993:39-70) six and Mintzberg (1991: whole chapter) ten. These classifications have been set out in Table x. (It should be noted that Ansoff's is extremely limited, almost an aside, the whole section is only 5 paragraphs of 66 pages outlining his approach, but is included here because of his influential role in the strategic management field.)

It is instructive to compare these approaches and search for matching themes (see Figure 2:4). It quickly becomes apparent that the four sets of classifications contain some related themes. Of these one will be disregarded for subsequent analysis. The

grouping of 'evolutionary', 'natural selection' and 'environmental' themes is clearly a strong one, appearing in three out of four author's lists. However, as it is essentially a passive theme - organisations being seen largely as victims of circumstance, accident and chance and having very little opportunity to influence their future it is not useful as a guide to action for managers - except perhaps to either achieve maximum efficiency within existing organisations or perhaps to play the stock market.

The final category in Mintzberg's list - the configurational school - is an all embracing, contingency based, approach to the other categories. Mintzberg quotes Darwin talking about 'splitters' and 'lumpers' in social sciences (1990:180), or what we would probably now call 'reductionism' and 'holism' (for a useful, if sometimes one sided, discussion of reductionsim Vs holism see Phillips 1976) . The configurational approach, of which Mintzberg declares himself an adherent, is firmly holistic. We will return to this approach after examining the more reductionist 'splitters', including Mintzberg's own

The four remaining common themes identifiable from all four authors' categories are fairly clear - we have called them the Learning Mode, the Political Mode, Planning Mode and the Visionary Mode. We will look at each of these modes and what the authors (and others) have to say about them below, but first we introduce a model which helps to explain the relationship between the four modes. It should be noted that some of the categorisations of the author's cited do not always fit entirely neatly into the broader categories proposed here and their are areas of overlap. What is being attempted is to produce a balance between utility of the model being developed and its detailed accuracy. Some sacrifice of accuracy is necessary to obtain relative simplicity and generalisability (Thorngate, 1976). The degree of congruency of the five typologies is fairly high and the trends suggested very strong and, as will be shown below, can be placed in a theoretical framework which sustains the four ideal types suggested.

Figure 2:4 Themes in strategic management writing

	Ansoff's Three (1991:3)	Whittington's Four (1993: Ch.2)	Johnson & Scholes' Six (1993:39-70)	Mintzberg's Ten (1991:whole chapter)	Kono's Four (1992:50)
Planner	Strategic Management School - strategy formation as a rational and creative process, including planning.	Classical Approach - profitability as supreme goal and rational planning means.	The planning view - formalised planning processes	Planning School - strategy formation as a formal process Positioning School - strategy formation as an analytical process	**Planning Mode** - lare scale innovative and analytical
Visionary			The visionary view - strategies as the influence of visionary and charismatic leaders	Design School - strategy formation as a conceptual process Entrepreneurial School - strategy formation as a visionary process	**Entrepreneurial Mode** - large scale innovation and intuitive decisions
Learner	Creativity School - strategy as emergent, informal, serendipitous, creative, intuitive and visionary Logical Incremental School - strategy as practice - a firm's behaviour	Processualist Approach - Strategy emerges from learning, incremental 'bodges' and compromise	. The logical incremental view - strategy is a broad vision of the future combined with evolutionary steps	Cognitive School -strategy formation as a mental process Learning School - strategy formation as a learning process	**Reactive Mode** - incremental innovation and imitative and intuitive decisions
Politician		Systemic Approach - strategy process and goals reflect social systems within which strategists act.	The political view - interest groups and stakeholders determine strategy by mutual adjustment The cultural view - internal frames of reference determine response to environmental shifts	Political School -strategy formation as a power process Cultural School - strategy formation as an ideological process	**Bureaucratic Mode** - incremental innovation and analytical uncertainty avoidance
		Evolutionist Approach - Markets determine successful strategies by eliminating the losers	The 'natural selection' view - small variations inside organisations match environmental pressures and succeed or fail	Environmental School - strategy formation as a passive process	
				Configurational School - strategy formation as an episodic process	

(II) A Strategic Process and Content Model: Strategy in Four Modes

The four modes of strategy making identified above relate to two central debates in the strategic management literature, which centre on two questions:

- are strategic decisions the outcome of logical, rational, decision processes or of non-rational, intuitive, political or accidental processes?

- are strategic decisions mainly about major, radical, reorientations of organisational goals and aims or the practical result of decisions about small scale, incremental, cumulative adjustments to changing circumstances?

These two questions obviously overlap, as will be shown below.

The classic debate between 'muddling through' (Lindblom, 1959) and 'rational satisficing' (Simon, 1960) in government policy decisions is both about the content of policy (or strategic) decisions and the process. If policy or strategy changes are likely to be radical in nature then large scale effort at rational analysis, options generation and planning would seem, assuming they work, to be worthwhile. If change is to be mainly incremental in practice, regardless of whether more radical change is necessary or not - because of the very nature of organisational decision making and implementation, then 'muddling through' seems not only perfectly adequate but inevitable. In this debate there clearly is a relationship between the content and process of strategic decisions.

However in the strategic management literature there have been two debates or themes focusing somewhat separately on strategy decision processes and on strategy content.

The debate on decision processes has been about non-rational decision processes such as intuition (Mintzberg, 1979:Ch's 4 & 5); politics (Pettigrew 1973) and emergent strategies (Mintzberg 1987b) Vs rational decision processes such as planning (Ansoff

& McDonnell, 1990; Leach, 1982); heuristic learning (Quinn, 1980) and 'soft' rational decision methods (Rosenhead, 1989; Eden & Radford, 1990). (For a somewhat heated exchange on some of the issues see Mintzberg, 1990b; Ansoff, 1991 and Mintzberg 1991b and see Leach, 1982 for a further defence of the rationalist position. The issue of intuitional decision making, which has often generated more heat than illumination, is dealt with in a separate section below.)

The issue of strategic content has been addressed through the development of numerous typologies of strategy content, e.g. Miles & Snow, Gould & Campbell, Millar, etc. While there are many variants and variables in the various typologies which have been developed the simplest and most generalisable issue about strategy content is that posed above: does the strategy mean radical change in the orgnisation's goals, aims or methods or not? Is change to be radical or incremental?

It is possible to develop a matrix based on typologies of strategy making processes on one dimension (rational Vs non-rational) and the content of strategic decisions (radical vs incremental) on the other (Fig.1). It can be seen that the four strategy modes identified above (learning, political, planning and visionary modes) can be mapped onto the matrix and that additionally specific other trends and themes can be brought into the same framework (e.g. organisational learning (Argyris & Schon, 1978)).

Figure 2:5 Strategic Content & Process Model

Strategic Change

	Incremental	Radical
Rational Process	**The Learning Mode** Logical Incrementalism and Learning Organisations	**The Planning Mode** Strategic Planning and Management
Non-Rational Process	**The Political Mode** Incrementalism, Organisational Political and Cultural Systems	**The Visionary Mode** Visionary Leadership, Entrepreneurialism

Decision Process

Strategy in Fluctuating & Paradoxical Modes ?

Before turning to examine each of the strategy modes in detail, it is important to stress that these are broad conceptual themes and few writers or organisations will fit exclusively into one or other category. In reality, most organisations will have mixtures of all four modes operable at the same time, as paradoxical as that may seem. Mintzberg's "configurational school" has a broadly similar approach. Having reviewed his other 9 schools he opens his section on the configurational school thus:

90

"All of the above: that is the message of the confirgurational school but with a particular angle. Each at its own time, in its own place, as an integrated phenomenon." (Mintzberg, 1990:179-180)

However, the approach posited here goes further stressing the paradoxical nature of these modes, their incompatible but parallel existence within organisations together with fluctuating patterns of ascent and descent, whereas Mintzberg's approach suggested a more discrete approach, with each of his 9 types appearing in its "own time" and "own place" with the integrated phenomenon appearing through time sequencing and spatial separation rather than parallel development.

One or other mode may well be dominant in specific situations, the criteria for which will be a mixture of internal and external influences. For example, entrepreneurial and visionary leadership (visionary mode) has been widely attributed to situations of organisational start-up or of crisis driven turn-around (Mintzberg, 1990:140)

More importantly, few organisations practice a 'pure' version of any of these models over time. The combined research of Mintzberg et al and Quinn suggests that some organisations alternate between the 'learning mode' and 'visionary mode' phases. Moreover, there is some evidence to suggest that 'visionary' leaders seek to utilise 'planning mode' strategic planning processes to underpin or reinforce their intuitive, inspirational, initiatives. Once a radical shift in direction has been achieved, the organisation gradually allows the strategic planning system to fall into disuse and slips back to incremental adaptation. It is therefore tempting to suggest an organisational cycle or, more cautiously, that fluctuations occur frequently and there are some patterns to these fluctuations.

Stacey (1990) suggests a balance between opportunistic, intuitional and heuristic principles for long range decisions and rational business planning for more short term-goals. Indeed Mintzberg's research programme on strategy making suggests an episodic alternation between 'logical incrementalism' and 'strategic thinking' or entrepreneurial 'great leaps forward'.

91

Figure 2:6 suggests that not only do fluctuations occur but that each mode, when dominant still contains elements of the other three modes. A 'pure' example is not likely to be found in reality - these are very much idealised abstractions, 'ideal types', conceptual maps not real territories.

Figure 2:6 Relationships between strategic modes
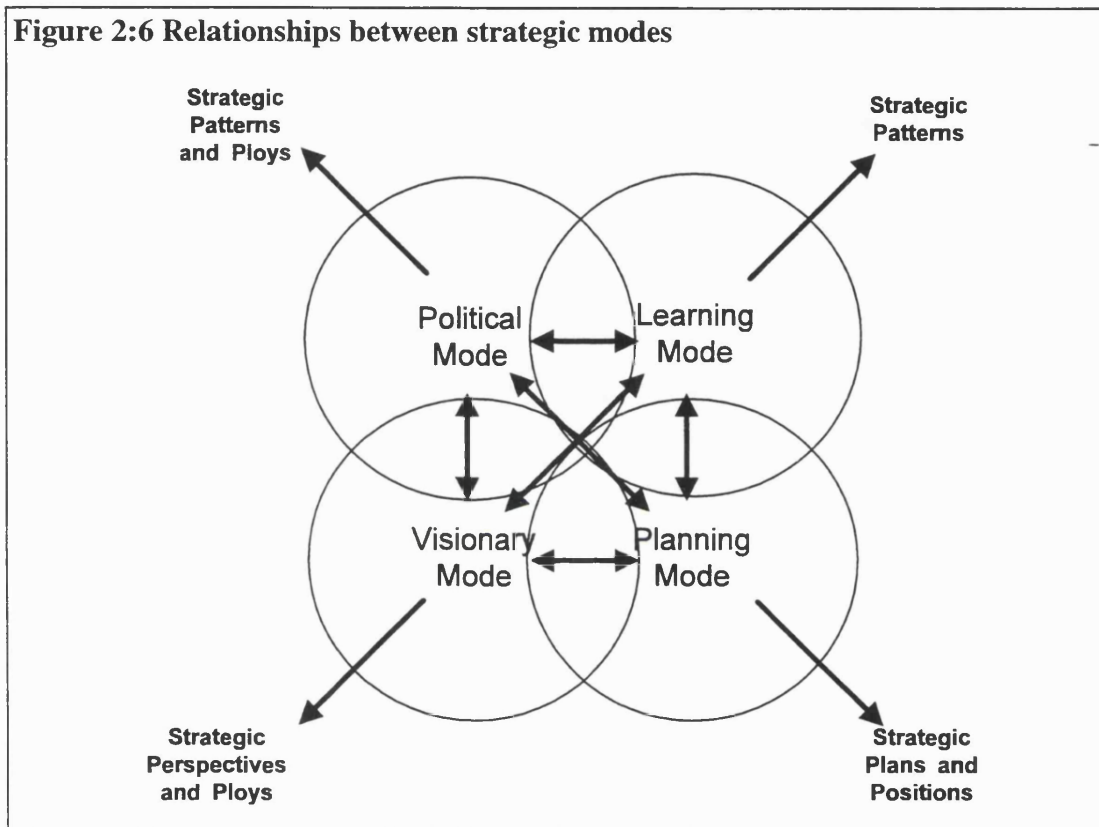
While the content of strategic decisions has been broadly classified as either radical (planning and visionary modes) or incremental (political or learning modes) there are some finer distinctions. Using Mintzberg's five "Ps" of strategy (as plan, position, perspective, pattern and ploy - 1993:12-19) each mode, it can be suggested, would have characteristic strategic outputs.

The planning mode naturally produces strategy as plans ("some sort of consciously intended course of action, guideline (or set of guidelines)") or as positions ("a means of locating an organisation in what organization theorists call an 'environment' ").

The visionary mode produces strategy as perspectives ("not just a chosen position but an ingrained way of perceiving the world") both in the mind of the organisations leader but also as the way in which he/she manages to create a collective, single, way of seeing the organisations way forward. Occasionally as a ploy ("a specific 'manoeuvre' intended to outwit an opponent or competitor'").

The political and learning modes are more likely to produce strategy as emergent patterns ("a pattern in a stream of actions...strategy is consistency in behaviour, whether or not intended"). These are both are incremental, small scale and adaptive and often only recognisable in retrospect as they emerge either from internal conflict and compromise (political mode) or from diverse and uncoordinated learning (learning modes). The political mode can also sometimes, as result of temporary strong internal alliances emerging, produce strategies as a ploy in a similar way to the more directive visionary mode.

A similar exercise can be undertaken using Mintzberg & Water's (1985:270) typology of eight types of strategy, running from the mainly deliberate (planned strategy) to the mainly emergent (consensus or imposed strategy) (Figure 2:7).

Figure 2:7 Strategic modes and types of strategy

Consensus Strategy

Umbrella Strategy

Disconnected Strategy

Political Mode

Learning Mode

Ideological Strategy

Imposed Strategy

Process Strategy

Visionary Mode

Planning Mode

Entrepreneurial Strategy

Planned Strategy
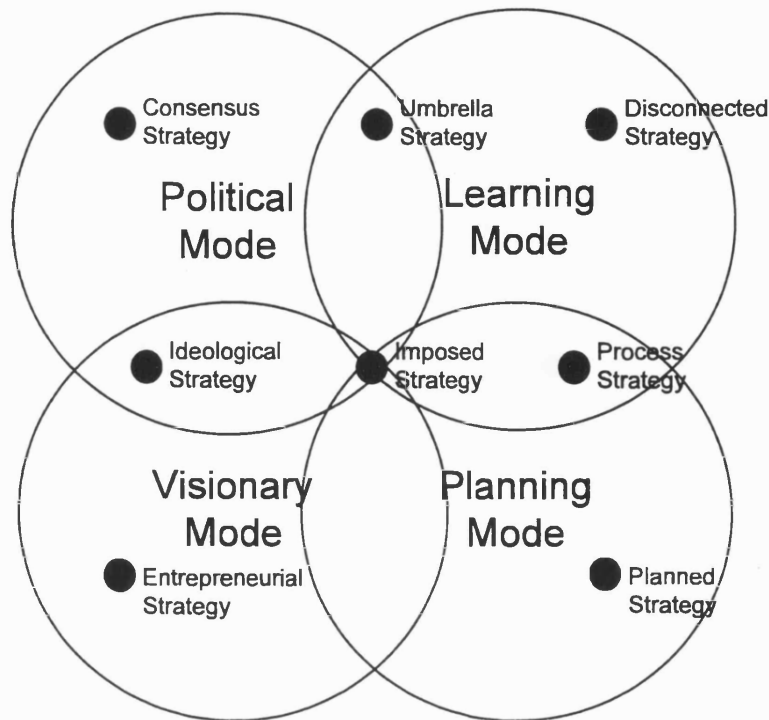
Mapping Mintzberg & Waters (1985:270) Eight Types of Strategy onto the Four Modes

SOME VALUES ISSUES

Finally, each mode is underpinned by quite different values systems and values content. As suggested (see "political mode", below) each mode has distinctive values, culture and ideology which align with Handy's power, role, task and person cultures (see Figure 2:8). This results in differing values systems. In the planning mode, values are underplayed, even suppressed or relegated to differing decision systems, as Leach argues in relation to public policy making:

> "a distinction can still be usefully be made between stages which are intrinsically of value choice (and hence, it is assumed, a political responsibility) and stages which are, in principle at least, technical (and hence, it is assumed, departmental responsibility)." (Leach, 1982:17)

and similarly Carley separates rational analysis and values choice:

> "the output of rational analysis has no special meaning in and of itself - it only becomes relevant to a policy problem when value judgements are applied to the output...the integration of the two aspects of the problem must take place if a realistic decision is to be arrived at." (Carley, 1980:27)

The dominance of 'rationalism' pushes values issues off into spheres (e.g. social responsibility, ethics, personal values, etc.) or decision systems (politics in the public sector, stakeholder or external coalitions in the private) which are seen as separate and related mainly through the mechanism of goal setting.

To take just one values issue: the recognition of what constitutes 'authority'. The differing modes will be underpinned by quite different values. The visionary mode rests on charismatic and persuasive authority values; the planning mode on legitimisation of authority through 'rule of rules'; the political mode posits authority in 'real' manifestations of power (resource acquisition, 'clout', ability to achieve, etc.) and 'realpolitik' (negotiation, bargaining and compromise making); and finally the learning mode vests authority in knowledge, professional or technical expertise.

Figure 2:8 Strategic modes and values

Strategic Mode (Organisational Culture)	Values system	Values content: authority
Planning (Role Culture)	**Neutral** - discussion of values issues is avoided or suppressed, assumed to belong to different domain	**Legitimate** - authority derived from formal status and rule by rule
Political (Task Culture)	**Fragmented** - conflicts of values are recognised, welcomed and accommodated through compromises	**Realpolitik** - authority derived from exercise of 'real' power, e.g. resource control, information control, etc.
Visionary (Power Culture)	**Hegemonic** - the values of the central leader or leadership team dominate	**Charismatic** - authority derived from charisma, leadership abilities, ideological conviction
Learning (Person Culture)	**Consensus** - values are subject to evolutionary change	**Expert** - authority derived from knowledge and skill

These differing values systems are paradoxical and cause tension (not to say stress) in those forced to either change rapidly from one mode to another or to try to co-exist with two or more modes strongly competing for dominance.

THE PLANNING MODE

> "The procedure within each step of the... (*adaptive search method for strategy formation*)... is similar: (1) A set of objectives is established, (2) The difference (the 'gap') between current position of the firm and the objectives is estimated, (3) One or more courses of action (strategy) are proposed, (4) These are tested for their 'gap-reducing properties'. A course is accepted if it substantially closes the gap; if it does not, new alternatives are tried." (Ansoff, 1987:45-46)

The dominant theme in strategic management literature has clearly been the strategic planning and management model (Mintzberg 1990a; Whittington, 1993). This is based on a combination of rational decision making processes and radical strategic change. While the model has softened its overly rationalistic approach lately, through the admission of some creativity to the strategic decision process (e.g. Ansoff, 1991 and Leach, 1982) and the recognition of the iterative nature of these processes, it remains bounded by rationalism and planning.

For Mintzberg the premises of the planning school are:

> "1. Strategy formation should be a controlled, conscious, and formal process, decomposed into distinct steps, each delineated by checklists and supported by techniques.
>
> 2. Responsibility for the overall process rests with the chief executive in principle; responsibility for its execution rests with the staff planners in practice.
>
> 3. Strategies emerge from the process full blown, to be explicated so that they can then be implemented through detailed attention to objectives, budgets, programs, and operating plans of various kinds." (1990:119)

What is a formal strategic planning process? A multitude of examples exist in the literature ranging from the very simple (Argenti, 1989 - which he notes has been "criticized for being naive and simplistic"), through the relatively complex (Johnson & Scholes, 1993) through to the very complex (Ansoff, 1988 - see below).

One simple/intermediate model suggested by Dyson (1990:6-7) involves 11 steps (of which the first 9 constitute strategic planning process whilst the last two are "necessary to implement strategies":

1.	Objective setting and review	7.	Performance measurement
2.	Strategic option formulation	8.	Feedback signal
3.	Feasibility check	9.	Gap analysis and selection
4.	Resource assessment	10.	Implementation process
5.	Assessment of uncertainty	11.	Resources
6.	Coprorate system model		

Dyson insists that for the process to work "every element must be present and working effectively" (1990:7). This (edited) volume looks at a number of strategic models and techniques and concludes with a helpful matrix of how each relates to six areas of the strategic planning process (see Figure 2:9)

Figure 2:9 Strategic planning process and techniques

	Objective setting	Option formation	Assessing uncertainty	Corporate systems model	Performance measurement	Gap analysis and selection
TOWS matrix		P				
Experience curve		P				
Growth/share matrix		P				
Industry attractiveness		P				
PIMS		P				
Cognitive mapping	P	P				
Risk analysis			P			
Scenarios			P			
Corporate modelling				P		
Systems dynamics modelling				P		
Capital investment appraisal					P	P
Robustness analysis					P	P
Evaluation matrix					P	
Analytical hierarchy process					P	P

(Source: adapted from Dyson, 1990:308 - original contained primary impacts ('P') and secondary impacts ('S'), the latter have been removed).

(What is fascinating about this classification is that only one technique (cognitive mapping) is deemed to have a significant impact on objective setting and review.)

A specific variant of the Planning Mode is what Mintzberg calls the "positioning school", primarily associated with the work of Porter at Harvard Business School. The approach concentrates not on the rationalistic planning process but on developing 'generic strategies', by developing typologies of organisations and typologies of their environment and by relating the two producing normative models of organisational response. Besides Porter's own work (1980) similar approaches have been developed by many other writers, e.g. Miles and Snow's 'prospector-analyser-defender-reactor' (1978); Gould & Campbell's typology of strategy and style in diversified corporation (1987) or the Boston Consulting Group's market growth-share matrix (see Johnson & Scholes, 1993:   ). All of these approaches share a common belief in strategy making as a conscious, rational and analytic process and a focus on the organisation-market interface and resulting appropriate strategic stances. In essence they try to simply the more complex rational-analytic approaches by (a) restricting analysis of the organisations environment primarily to its economic (market) environment and (b) producing typologies of organisational-market matches (or mismatches).

The Political Mode

"The processes by which strategic changes are made seldom move directly through neat, successive stages of analysis, choice and implementation. Given the powerful internal characteristics of the firm it would be unusual if they did not affect the process: more often they transform it. Changes in the firm's environment persistently threaten the course and logic of strategic changes: ambiguity abounds.....one of the defining features of the process, so far as managerial action is concerned, is ambiguity...(the)...process may derive its motive force from an amalgam of economic, personal and political imperatives." (Pettigrew & Whipp, 1991:31)

Strategy in the political mode is essentially about issues of power within, and to a certain extent around, the organisation. Pettigrew (1977) suggests that strategy formulation inside organisations can be seen as a set of dilemmas and processes:

- identifying the set of dilemmas facing the organisation

- analysis of which dilemmas become a focus of organisational interest and which are suppressed

- identification of groups and sub-groups which seek to define alternative dilemmas as worthy of attention

- analysis of how these groups mobilise power and demand attention to their chosen issues

- identifying the patterns of outcomes (strategies) of the processes of demand generation and power mobilisation

- considering the implementation of the strategy and how that implementation impacts on future strategy formulation

Thus strategy becomes a process of reconciling conflicting interests in deciding between organisational dilemmas. Similarly, writing about decision-making in organisations McGrew and Wilson (1982:227) state that:

> "to explain decisions as the result of political activity is essentially to introduce the elements of 'power', 'influence', and 'interests' into the equation. Decision making is thus to be considered an activity in which there are conflicting interests at stake, as well as conflicting perceptions of the substance of the problem which requires decision...".

Strategy in the political mode is thus where a number of influential 'stakeholders' both compete for their own interests, mobilise support and eventually agree, after bargaining and negotiation, to decisions. The outcomes of strategy making in the political mode tend towards incremental rather than radical decisions, because the process of internal competition and compromise inevitably tend to 'water down' radical options. This process has been well documented in both strategy making (Pettigrew, 1973, 1977) and in policy formation in government (Richardson & Jordan, 1985). It clearly builds on the work of Cyert and March (1964) on 'the behavioural theory of the firm', which sought to integrate classical economic theory of the firm

100

with organisation theory. Managers, they suggest, spend much of their time managing internal coalitions and strategic decisions result from 'fire-fighting' reactions to immediate circumstances rather than long-term calculation.

This view has been substantiated by research on the nature of managerial work (Stewart, 1988; Mintzberg, 1980 and Kotter, 1982) and on power in and around organisations (Pfeffer, 1981 and Mintzberg, 1983).

Nor is this view of the organisation as a set of competing political interests merely a descriptive account of how things are. Some writers have developed a theme of seeing intra-organisational conflict not as a source of weakness or just as a descriptive device but also as a positive source of improving organisational performance. Thus Tjosvold talks of the "conflict positive organisation" which positively stimulates diversity of views and values, whilst adopting various mechanisms to create unity out of diversity (1991). He lists the benefits of conflict as including increased problem awareness, promoting organisational change, improving organisational solutions, increasing morale, aiding personal development, increasing self- and other awareness, promoting psychological maturity and that conflict can be fun. (:3-4) Probably the most famous advocate of this type of approach is Tom Peters whose more recent writings have celebrated "thriving on chaos" (1988).

The nature of strategy in the political mode suggests that decision making is inevitably incremental. Where there are powerful internal or external coalitions, a dominant autocracy or a powerful ideology which suppresses conflicts of interest strategy making would be in the visionary rather than the political mode (Mintzberg, 1983). Thus the political mode is incremental in content.

Pure incrementalism (Lindblom, 1959) has not remained a popular approach, probably because there is nothing to 'sell' - in the sense that this is a descriptive explanation of practice rather than a prescription (as in the case of strategic planning models). As an explanatory framework it still has its supporters in specific areas. Elcock et al (1989), for example, have produced some persuasive evidence of incrementalism being alive

and well in UK local government budgetary decision processes over the preceding decade. In fact incrementalism probably lies on the border between strategy in the learning and political modes, as it is easy to see how an emerging consensus between organisational actors could lead from 'incrementalism' to 'logical incrementalism'. The source of incremental decision making is a mixture of the impossibility of rational decision making and realities of organisational politics.

In the textbooks the political aspects of strategic management have usually been incorporated as varieties of 'stakeholder' analysis (e.g. Johnson & Scholes 1993:175-188; Bowman & Asch, 1987:23-25), including techniques for assessing the groups of stakeholders, their power, predictability, levels of interest and likely stances on key issues. The political aspects appear not only as issues in formulating strategies but also as issues in implementation and here there is an overlap with the literature on the management of change and organisational development (OD). Hitchin and Ross (1991), for example, develop an OD perspective on strategic management, proposing the use of standard OD techniques to help build a participative strategic management system and overcome implementation problems.

One valuable additional insight into strategy in the political mode is provided by MacMillan (1978) who suggests that not only can the internal strategy formulation process be seen as a political process but that the conceptions of external strategy, including the organisation's analysis of its environment also become political. Thus environmental analysis takes the form of identifying potential allies and enemies and the systems within which they are operating and matching these to the potential resources of the organisation, again couched in political terminology (negotiating base, influence, authority, power, etc). The resultant strategies are seen as being either offensive or defensive and should include anticipating opponents counter-responses and even negotiating compromises with them (1978:1-5).

Why have Johnson & Scholes' (1993:46-51) "cultural view" and Mintzberg's (1990:166:172) "cultural school" been included in strategy in the political mode? The answer is that there are two parts to the 'cultural' explanation usually proffered, one of which really forms part of the political mode (ideology) and the other which (power relations) dissolves into all four modes.

If we use Johnson & Scholes (1993:46) own model of culture they define it (following Schein, 1985:6) as the "deeper level of basic assumptions and beliefs that are shared by members of an organisation" which is remarkably close to Harrison's (1972) definition of "ideologies, beliefs and deep-held values". On these definitions, there is a very close overlap between 'culture' and 'politics', the key word linking the two being 'ideology' - i.e. the expression of basic values and world view. It is ideology, rather than culture, which informs a world view or frame of reference, cultural symbols are merely the symbolic representation of underlying values. Thus if 'culture' were dominating organisational strategy it can and would only do so through a 'world view' or ideology. Mintzberg suggests that when ideology is strong and coherent, the system of authority, expertise and politics tend to be weak (1983:162) as a strong ideology substitutes for these other forms of power. Where this ideology was weak and fragmented, it would result in struggles for authority, expertise and power - i.e. political struggles within the organisation. This is close to Whittington's (1992:28-39) notion of the "systemic approach" which subsumes notions of culture, politics and ideology within an overall sociological approach to the organisation. For Whittington the systemic approach sees organisations themselves, and the societies in which they are embedded, as a web of economic, social, political and cultural relations which condition how organisational actors can and do see their world. Indeed, he suggests the notion of 'strategy' itself is culturally determined and clearly, for example, does not have the same meanings in eastern cultures as in the west (see the discussion on military notions of strategy above).

The second source is a re-reading of a classic text on organisations, Handy's "Understanding Organizations" (1987) which popularised the four-fold cultural typology of organisations as power, role, task or person cultures. Handy had in fact re-

worked Harrison's (1972) work which originally categorised organisations on ideological, not cultural, criteria. An examination of Handy's four 'cultures' reveals that the crucial variable which he uses is not the 'the ideologies, beliefs and deep-set values' (Harrison, 1972) of the organisations but in fact the power relations between organisational members. Kakabadse et al offer a typology of power in organisations which includes reward power (control of rewards); coercive power (based on role); legitimate power (positional or role related); personal power (akin to charismatic power); expert power (based on knowledge); information power (based on control of data sources); and finally connection power (based on personal networks and alliances) (Kakabadse et al, 1988:214-225).

Handy's 'power culture' clearly rests on personal power whilst the 'role culture' uses reward, coercive and legitimate power, or legal authority, in the Weberian sense (see Albrow, 1970:40). Both are hierarchical but with different forms of power relationship, one based on charisma and the other on rules and roles. These two 'cultures' could be seen as corresponding closely to strategy making in the visionary mode (power culture) and in the planning mode (role culture). Strategy formation in both results from the strong hierarchical authority which permits radical strategic shifts, in the power culture through visionary leadership and in the role culture through planning systems.

The other two cultural types - 'task' and 'person' - describe less hierarchical and more egalitarian models, but are no less based on power. Both can be seen as a combination of expert, information and connection power. In the case of the person culture, the predominant power base is clearly expert and knowledge based. In the case of the task culture the strongest power bases could be seen as information and connection power.

Handy makes clear that the task culture is still hierarchical - "control is retained by top management by means of allocation of projects" rather than by the setting of rules or the exercise of authoritarian power as in the role or power cultures. However, these task cultures are difficult to manage because of the partial decentralisation of power

and in difficult times tend to revert to power or role cultures to reassert top management control (Handy, 1987:193-4).

As Handy himself points out, for example, as times get hard in the task culture "the team leaders begin to compete using political resources, for available resources" (:194). This sounds remarkably like strategy making in the political mode, where decentralisation of power prevents radical shifts of strategic position. While in the task culture the power exercised by middle and front-line managers is mainly based on a combination of formal authority and technical expertise and relies heavily on team-working, in the person culture the source of power is professional knowledge which can be converted into services relatively free of the need for close team-working and inter-dependence (Handy, 1987:195-6). Strategy, in such a set of relationships, can only be emergent and comes from a process of learning and adaptation - strategy in the learning mode.

The crucial factor in all these so-called 'cultures' is not the differences in "ideologies, beliefs and deep-set values" but the difference in power relations between the principle organisational actors. The cultural elements can be seen as either functional 'add-ons' to the underlying power relations or as accidental ephemera, but either way it remains power which is crucial. In other words the 'deep-set values' of team working count as nothing in the political struggle for survival. Handy's model is a model of power, not culture, although culture does lubricate and, in some ways, express the power relations. The crucial test is rather simple - is it possible to imagine any of Handy's particular 'cultures' operating in a different set of power relations than the ones implicit or explicit in his own exposition - for example could a 'people culture' exist in an organisation with a rigidly authoritarian, centralised, power structure?

Strategy making in the political mode is therefore seen here as being primarily about the consequences of power and political competition within organisations but does not exclude other behavioural aspects and issues of culture, values and ideology. These are seen as being so closely entangled with the power issues as to be not usefully

distinguishable for the analytical and functional uses to which the model developed here (politics, learning, planning and visionary) is being put.

The Visionary Mode

> "Effective leadership...in complex organisations is the process of creating a vision of the future that takes into account the legitimate long-term interests of the parties involved in that activity; of developing a rational strategy for moving towards that vision; of enlisting the support of the key power centres whose co-operation, compliance or teamwork is necessary to produce that movement; and of motivating highly that core group of people whose actions are central to implementing the strategy." (Kotter, 1988:25-26)

Unlike the learning mode, where intuition is limited to playing a partial role within a decision process fuelled by experience and analysis as well, the visionary mode is much more of a purely intuitive process, linked closely to the leadership abilities and charisma of the visionary central controller of the organisation.

Whilst generally part of the 'classical' school of strategic management and it clearly has strong links with the Mintzberg's (1990:111-116) planning and positioning school, his design school falls into the visionary mode because of the critical role played by the individual organisational 'strategist', who's analysis and intuition, science and art, determine strategy. Indeed, Mintzberg attributes the earliest manifestation of the design school to Selznick's book "Leadership in Administration" (1957) and also cites the more recent "The Mind of the Strategist" by Ohmae (1982). While Mintzberg rightly insists that the progenitors of the design school (Selznick, 1957; Christensen et al. 1982; Andrews, 1982) insisted that while strategic decisions are the work of the single organisational leader and strategist they are the product of conscious, analytical and not intuitive processes. The latter point may be sustainable for what some writers of the design school say, but not all. It is worth quoting Andrew's views on the inter-relationship between analysis and values at length:

> "We have been examining the changing relationship of company and environment as if purely economic strategy, uncontaminated by the

personality or goals of the decision maker, were possible. We must acknowledge at this point that **there is no way to divorce the decision that names the most sensible economic strategy for a company from the personal values of those who make the choice...**

Certain entrepreneurs, whose energy and personal drives far outweigh their formal training and self-awareness, set the course in directions not necessarily supported by logical appraisal. Such disparity appears most frequently in small privately held concerns, or in companies built by successful...owner managers. **The phenomenon we are discussing, however, may appear in any company....**

In examining the alternatives available to a company, we must henceforth take into consideration the preferences of the chief executive. Furthermore, we must also be concerned with the values of other key managers...**We therefore have two kinds of reconciliation to consider - first, the divergence between the chief executive's preference and the strategic choice which seems most defensible and, second, the conflict among several sets of managerial personal values...**" (Andrews, 1971:104-106 - emphasis added).

Nor is the purely analytical approach to strategy sustainable in any detailed analysis of actual strategists, as Ohmae's work attests (1982). Mintzberg's entrepreneurial school, on the other hand, falls completely within the visionary mode (indeed it seems that only the issue of intuition separates the design and entrepreneurial schools). Strategy exists in the mind of the leader, as a vision of the organisation's future, formed by semi-conscious or intuitional processes based on intimate knowledge of the organisation and its environment (Mintzberg, 1990:138-9). For Kono the entrepreneurial mode is characterised by unclear goals but long time horizons combined with radical, adventurous, quick and intuitive decisions (1992:49-53). In a survey of UK entrepreneurs for a leading venture capital company, Lloyd (1992) characterises entrepreneurs as "often holding very strong views and opinions" about their personal visions, dreams and philosophies (1992:123). He goes on to note that the individuals interviewed seemed more outspoken during 'passive' phases of their careers, whilst 'active' individuals were constrained by organisational considerations from making too public their personal visions (1992:142). Lloyd also concludes that entrepreneurs are happiest and perform best in the start-up phase of organisations, but that all organisations require entrepreneurial talents in rapidly changing conditions (:145-147). He also emphasises the internal leadership abilities of entrepreneurs, their

ability to convince and persuade not only that their vision is right but that it can and will work. Strategic decision making is seen as bound up with leadership - strategic leaders need an intimate understanding of their organisations, a 'hands-on' feel which allows them to make intuitive 'leaps of faith' (Iaccoca, 1984) in proposing radical reorientations of their organisations but also provides them with the necessary knowledge to skilfully lead the organisation in the required direction. These leadership characteristics are where the visionary mode spills over into the literature on leadership. Kotter, for example, concludes that "most US corporations today are overmanaged and underled" (1990:103-4). (For a discussion of the overlap between strategy and leadership, see Whittington, 1993:44-49).

The Learning Mode

"A Learning Company is an organisation that facilitates the learning of all its members and continuously transforms itself. This is a dream - that we can design and create organisations which are capable of adapting, changing, developing and transforming themselves in response to the needs, wishes and aspirations of people, inside and outside. Such companies will always be realizing their assets without predatory take-overs; they will be able to flex without hiring a new Top Man; they will be able to avoid sudden and massive restructurings that happen after years of not noticing the signals." (Pedler, Burgoyne & Boydell, 1991:1)

In strategy in the learning mode, the focus is on change being adaptive learning, small adjustments to environmental changes either through incremental processes or by iterative learning processes (as proposed in the 'learning organisation' movement). Decision processes are seen as rational, reflective and analytical while the resulting changes are individually small scale and often experimental. In the learning mode, there is no rigid separation between strategy formulation and strategy implementation, between decision and action. Rather action may precede decision, in that experimentation may precede any thought-out change of direction - what has been called the "Ready. Fire. Aim." approach (an anonymous Cadbury's executive quoted by Peters and Waterman, 1982:119). The idea behind this 'bias for action' is that learning can only occur from experience and that successive, iterative, applications of

'ready, fire, aim' allow for such learning (even making the point that in artillery firing it is common to use 'ranging shots' to home in on a target).

The learning mode can draw on a number of different sources - logical incrementalism (Quinn, 1980), learning organisations (Argyris & Schon, 1978; Argyris, 1992; Senge, 1990; Pedler et al., 1991; Garratt, 1987, 1990) crafting strategy (Mintzberg, 1987a), etc. More recent innovations include techniques and technologies for aiding management learning via parallel learning structures (Bushe & Shani, 1991), small and team group learning (Johansen et al., 1991; Cole, 1991), and group decision support and 'soft' decision making methodologies (Eden & Radford, 1990; Huff, 1990; Rosenhead, 1989).

Logical incrementalism was developed by Quinn (1980) as an explanation of actual strategic decision making in firms, suggesting that this was usually a combination of incremental choices, 'small wins' (Bryson, 1988b) or small scale 'breakthrough projects' (Schaffer, 1988) which were guided by vaguely perceived long term goals:

> "Executives managing strategic change in large organisations should not - and do not - follow highly formalised textbook approaches in long-range planning, goal generation, and strategy formulation. Instead, they artfully blend formal analysis, behavioural techniques, and power politics to bring about cohesive, step-by-step movement towards ends which initially are broadly conceived, but which are constantly refined and reshaped as new information appears." (Quinn, 1988)

Strategic decisions may be based on combining rational analysis and intuition, but actions are restricted and cautious, moving in the desired direction gradually and sometimes indirectly. J. B. Quinn's (1980) work fed into the 'strategic thinking' or 'crafting strategy' approach developed by Mintzberg (1987a) and there is a strong cross-over. Stacey (1990) proposes as best practice a balance between opportunistic, intuitional and heuristic principles for long range decisions and rational business planning for more short term-goals.

'Learning organisations' is one of the latest trends to emerge in the organisational strategy literature, even though its origins are somewhat older (Argyris and Schon,

1978). The main theme has been to offer a re-combination of the ideas of rational decision making and progress through small steps, with an underlying theme of iterative or even continuous processes. Some of the learning organisation literature appears to be repackaged management development (MD), assuming that creating a learning culture or learning individual managers will create organisational learning (e.g. Garratt, 1987, 1990). Some also seems to be trying to give organisational development (OD) a new lease of life by concentrating on the social psychology of organisational learning or creating new techniques to overcome bureaucratic barriers to learning (e.g. Bushe & Shani, 1991; Cole, 1991). Finally, some has concentrated on information systems as the key to learning (e.g. Boisot, 1987).

Senge (1990:6-11) proposes that five new "component technologies" or disciplines are converging to create learning organisations:

- systems thinking - seeing the network of interrelationships that make up organisations
- personal mastery - clarifying and deepening personal vision
- mental models - learning to understand personal 'maps' of reality
- building shared vision - creating a shared pictures of the organisational future
- team learning - promoting genuine dialogue within teams and recognising and removing barriers to collective learning

Of these five, he sees systems thinking as the 'fifth discipline' because it provides the framework for integrating the other four into organisational behaviour, whilst itself relying on each of the other four to work (:12). While the approaches described above (focusing on MD, OD or information systems) undoubtedly have merits, they appear to fragment the 'learning organisation' concept rather than, as Senge suggests, integrating a variety of disciplines or technologies to create organisational learning.

Benchmarking can be seen as the latest wave in the organisational learning tide. The notion of benchmarking organisational performance and practice against perceived examples of "best practice" in either whole organisations or functional areas is

arguably simply another version of organisational learning, but focusing very explicitly on inter-organisational learning.

MANAGEMENT INFORMATION SYSTEMS IN DIFFERENT MODES

This model is remarkably similar by one developed by Hopwood (1980) to analyse aspects of behaviour and organisation in organisational budgeting and control. Using two dimensions about the levels of uncertainty over the objectives of action and the outcomes of action, he produced a two-by-two matrix (see Figure 2:10) whose elements correspond closely the model above. (The categories developed above have been added in brackets.)

Figure 2:10 Decision Making Processes and supporting information "machines"

Uncertainty over Objectives of action

Uncertainty over Consequences of Actions	Relative Certainty	Relative Uncertainty
Relative Certainty	Computation "Answer Machines" (Planning)	Bargaining "Ammunition Machines" (Political)
Relative Uncertainty	Judgement "Learning Machines" (Learning)	Inspiration "Rationalisation Machines" (Visionary)

Source: adapted from Hopwood, 1980

Translating Hopwood's categories onto the Strategic Modes Model, the role of management information systems is seen to vary considerably in different modes. In the classical planning mode, the role of MIS is firmly as part of the machinery of strategic planning based on comprehensive analysis and rational choice - what Hopwood calls an "answer machine", in the computational sense of a device for

producing "the" answer. In the visionary mode where strategic analysis and decisions are much more intuitively based the role of MIS becomes more one of self-justification, a "rationalisation" machine to endorse and sustain the strategic decisions taken by the organisations entrepreneurial leader. In both these roles, answer machine and rationalisation machine, it can be seen that MIS systems have a clear, integrated function with relatively stable and uncontradictory aims. The next two categories, as learning and ammunition machines, are both categorised by a fragmentation of MIS aims and uses. In the learning mode, MIS's become fragmented because learning is not a logical, single or coherent process in organisational contexts but can occur anywhere, at any time. To use the famous Honda example (Pascale, 1992, in Quinn & Mintzberg, 1992), the serendipitous learning by Japanese sales executives in California that there might be a hitherto unknown market for the small Honda, 50cc, Super Cubs (completely contrary to Honda's marketing strategy) was the archetypal learning opportunity. To accommodate such opportunities MIS's have to be flexible, open and inevitably to a certain extent 'disorganised'. In the case of strategy in the political mode the disorganisation of MIS comes not directly from external sources but from the internal power struggle. Just as the telephone exchanges, radio and television stations and newspaper offices are the habitual targets of revolutionaries and leaders of coup d'etats everywhere some control of the organisations communications networks, especially its MIS, is a vital element in organisational political struggles, thus Hopwood's "ammunition" machine (another military analogy).

A NOTE ON THE ROLE OF INTUITION AND CREATIVITY

Mintzberg has probably been the strongest advocate of recognising the role of intuition in strategic management (see for example Mintzberg, 1987a, 1989, 1990a, 1990b, 1991a, 1992). He suggests a test for managerial intuition: (1) that it is deeply, often passionately felt; (2) it is rooted in experience of the context, even if the learning is subconscious; (3) it emerges as a conscious choice and direction (1991a:109). Mintzberg also makes it clear that intuition plays a role primarily in synthesis - creating an overview of a problem or choice - but that it must be backed and tested by

rigorous analysis. This is very similar to the view of 'systems thinking' as advanced by Senge (1990) as "a body of knowledge and tools that has been developed over the past 50 years, to make the full patterns clearer, and help us see how to change then effectively." (:7). He goes on to add that the underlying world view of systems thinking is extremely intuitive. Ohmae (1983:4) argues that:

"great strategies, like great works of art or great scientific discoveries, call for technical mastery in the working out but originate in insights that are beyond the reach of conscious analysis."

Nor is this emphasis restricted to academic commentators. The former head of Chrysler, Lee Iacocca, comments in his autobiography that:

"..there's a new breed of businessmen, mostly people with MBA's, who are wary of intuitive decisions. In part, they're right. Normally, intuition is not a good enough basis for making a move. But many of these guys go to the opposite extreme. They seem to think that every business problem can be structured and reduced to a case study." (Iacocca, 1984:55)

This is not, it must be emphasised, to suggest that Mintzberg, Senge, Ohmae or Iacocca decry the use of analysis - rather they see analysis and synthesis as complimentary and that while the former can be produced by detachment and rational techniques the latter requires intimacy and intuition. Moreover, as both Mintzberg (1991a) and Goldberg (1983) have pointed out, intuition works best when well fed by data and experience, and analysis can help to provide this intimacy with the subject, provided it is not allowed to dominate thinking. As Ohmae puts it:

"strategists do not reject analysis. Indeed they can hardly do without it. But they use it only to stimulate the creative process, to test ideas that emerge, to work out their strategic implications, or to ensure successful execution of high-potential "wild" ideas that might otherwise never be implemented properly." (1983:4).

Goldberg (1983) has developed a model of differing types of intuition which is useful for understanding different types of intuiton and the roles they might play in the strategy process. He suggests intuition can be divided into discovery, evaluation, prediction, operation and creative forms. If a common framework of strategy were

113

adopted, such as strategic analysis, choice and implementation (Johnson & Scholes, 1993) then intuitive discovery and prediction would be important for analysis, intuitive creativity and evaluation for choice and intuitive operation for implementation.

This model can also be used in assigning intuition differing levels of importance in differing strategy modes as in the following table - in which the size of the ✓ indicates the probable importance of intuitional, as opposed to rational decision making, processes (see Figure 2:11).

Figure 2:11 Intuition - types and strategy modes

Type of intuition	Planning Mode	Visionary Mode	Learning Mode	Political Mode
Discovery - new laws or facts from insufficient data		✓	✓	
Evaluation - making choices between alternatives		✓	✓	✓
Prediction - forecasting future trends		✓	✓	
Operation - knowing what the right thing to do is		✓	✓	✓
Creative - generating alternatives	✓	✓	✓	✓

It is obviously least accepted in the planning mode, but here it is assigned a role which is restricted mainly to the creation of alternatives.

At the other extreme lies the visionary mode, where intuitive decisions play the critical role in strategy formation. Not only is it used in all five ways (discovery, evaluation, prediction, operation and creation) but it also plays a dominant role in most of these. (Given the lack of importance attached to 'alternatives' when an organisation is operating in the visionary mode intuition plays a smaller role). The learning mode, on the other hand, whilst utilising intuition combines it with rational analysis both before (to provide 'food' for intuitive thought) and after (to provide

planning and coherence) a leap of intuitive insight. Its strongest role in this mode is in making Iacocca's 'leap of faith' or what Vickers calls 'the art of judgement' in selecting between alternative courses of action.

Japanese strategic decision making appears, to many westerners, to present a paradox - on the one hand Japanese firms spend more on data gathering and analysis than their western counter-parts whilst their actual strategic decisions seem to be taken in intuitional, even inspirational ways (see Pascale's account of 'the Honda effect').

As Mintzberg and Iaccocca have argued (cited above), only someone intimately knowledgeable about their organisation and its environment can make really useful 'intuitive leaps'.

The Japanese approach is therefore based on a sound system of combining analysis with intuition. However, it requires organisational leaders schooled in 'the art of judgement' (Vickers), more than (or as well as) the science of decision and organisational information systems to feed this decision process.

The Japanese have concepts of 'omote' and 'ura'. In martial arts this means to attack from or throw in the direction of the opponents front (omote) or towards their rear (ura). In business and government this means in public view (omote) or behind the scenes (ura). The Japanese place great emphasis on 'ura', behind the scenes preparation and planning, before the 'omote' phase - the public unveiling. Omote is the culmination, after all the real work has been done. So while strategic decisions may be intuitive in nature they are preceded by data-gathering and analysis and followed by careful organisation and planning. Only then do they burst upon a (usually unsuspecting) world.

The popularity of the intuitive approach to decision making amongst senior Japanese managers is clearly illustrated in a summary of interviews with presidents of large manufacturing companies, conducted by Nihon Keizai Shimbum (during 1980-81).

The key "conceptual skill" identified by 34% of the 47 interviewees was "long range vision" which:

> "is the ability to see into the future...such future vision is arrived at by a kind of flash of intuition after the analysis of information. Great flexibility is necessary to be creative in this way - to see the new approach, new applications and methods that are quite different from today's products and process." (Kono 1984: 38).

Summary of Strategic Modes

When the quotes used to introduce each of the strategic modes, which are illustrative examples of each approach, are placed together the contradictory and paradoxical nature of the strategic modes is fairly obvious:

The Learning Mode

"A Learning Company is an organisation that facilitates the learning of all its members and continuously transforms itself. This is a dream - that we can design and create organisations which are capable of adapting, changing, developing and transforming themselves in response to the needs, wishes and aspirations of people, inside and outside. Such companies will always be realizing their assets without predatory take-overs; they will be able to flex without hiring a new Top Man; they will be able to avoid sudden and massive restructurings that happen after years of not noticing the signals."
(Pedler, Burgoyne & Boydell, 1991:1)

The Planning Mode

"The procedure within each step of the... (*adaptive search method for strategy formation*)... is similar: (1) A set of objectives is established, (2) The difference (the 'gap') between current position of the firm and the objectives is estimated, (3) One or more courses of action (strategy) are proposed, (4) These are tested for their 'gap-reducing properties'. A course is accepted if it substantially closes the gap; if it not, new alternatives are tried."
(Ansoff, 1987:45-46)

The Political Mode

"The processes by which strategic changes are made seldom move directly through neat, successive stages of analysis, choice and implementation. Given the powerful internal characteristics of the firm it would be unusual if they did not affect the process: more often they transform it. Changes in the firm's environment persistently threaten the course and logic of strategic changes: ambiguity abounds.....one of the defining features of the process, so far as managerial action is concerned, is ambiguity...(*the*)...process may derive its motive force from an amalgam of economic, personal and political imperatives."
(Pettigrew & Whipp, 1991:31)

The Visionary Mode

116

"Effective leadership...in complex organisations is the process of creating a vision of the future that takes into account the legitimate long-term interests of the parties involved in that activity; of developing a rational strategy for moving towards that vision; of enlisting the support of the key power centres whose co-operation, compliance or teamwork is necessary to produce that movement; and of motivating highly that core group of people whose actions are central to implementing the strategy."
(Kotter, 1988:25-26)

Figure 2:12 seeks to summarise the key features of each strategy mode as presented in this Chapter. These serve to more fully explain the model, whilst also placing some emphasis on the contradictions and paradoxes between the different modes.

Figure 2:12 Summary of features of strategy modes

	Planning Mode	Political Mode	Visionary Mode	Learning Mode
decision types	radical and detailed 'cascade' plans	incremental, sometimes coherent, sometimes fragmented	radical and broad brush, leave details to implementation	incremental, fragmented, though sometimes innovative
strategy types	plans and positions	patterns and ploys	perspectives and ploys	patterns
decision processes	computational	bargaining	inspirational	judgmental
information systems use	answers	ammunition	rationalisation	learning
values system	neutral	fragmented	hegemonic	consensual
authority system	legitimate	'realpolitik'	charismatic	expert

Definitions of Strategic Management

The conclusion of the analysis in this Chapter is that there is no one definition of what constitutes 'strategic management' and that, for the operational purposes of this thesis, it is divided into four contradictory definitions.

Strategic Management as:

Strategic Planning - rational decision making processes by senior management to achieve major changes in organisational direction.

Strategic Vision - non-rational, intuitive, decision making processes by senior management to achieve major changes in organisational direction.

Strategic Politics - non-rational, bargaining, processes of decision making by senior management and other important organisational actors to achieve a coalition for, usually incremental, changes in organisational direction.

Strategic Learning - rational decision making at decentralised points within the organisation which lead to incremental and evolutionary changes in organisational direction.

Chapter 3 Strategic Management and Public Management

The main part of this Chapter examines three interrelated issues about strategic management as applied to the public sector. Before doing so, however, it briefly reviews some evidence on strategic management trends in the public sector, pointing out particular evidence which supports the notion of paradoxical practices.

It looks at the environment in which public organisations have to operate in terms of both competitive and some non-competitive forces. The latter are the directive, mainly legislative and political, forces affecting public organisations. Other environmental factors affecting public organisations are categorised as non-market, quasi-market and market competitive forces.

It investigates the uncertainties over objectives affecting public organisations and the impact this has on strategic issues. The issue of values, already explored in Chapter 1, is especially relevant here.

It examines how the models of public management (developed in Chapter 1) and models of generic strategic management (developed in Chapter 2) might be combined to create a preliminary idea of how a strategic management model can be developed for public organisations. This is in turn used to identify some strategic competences which public managers may need to operate successfully.

TRENDS IN THE PUBLIC SECTOR - THE RISE, FALL AND RISE OF STRATEGY

Lawton and Rose (1991:116-7) suggest that planning and the use of rational techniques was highly popular in the expanding UK public sector in the 1960s and early 1970s. With the mid-1970s economic and fiscal crisis, and the 1979 change of government, planning became firmly out of favour. Some writers began to analyse the failure of corporate planning in local government in the early 1980s (Skelcher, 1980; Norton & Wedgewood-Oppenheim, 1981). By the late 1980s planning and strategy

was making a comeback, in the form of setting organisational missions and targets, performance measurement and efficiency and economy measures. This echoes Pollitt and Harrison's view that:

> "one of the ironic features of the 1980's was the way in which 'planning', at first scorned by the market purists of the new right, crept back in [to the public services]. By the late 1980's... 'strategies' were firmly back in fashion." (1992:281)

Caulfield and Schulz (1989:9-16) paint a very similar scenario for local government in the UK - strategic management, under the rubric of "corporate planning" being very popular in the early 1970s, falling out of favour due to a variety of factors but re-emerging in newer, more business orientated and slimmer guises in the late 1980s, whilst Ascher and Nare (1990:299) explicitly use the SRI model (see Chapter 2) but suggest a distinct time lag of about 5 years in the public sector pattern compared the private sector.

Few of these broad brush accounts give any details of the levels of penetration of strategic or corporate planning in public services organisations. One tangential exception may be Greenwood's (1987) study of UK local government strategy and structure relationships, which included a survey of chief executives to establish the organisation's strategic style, using Miles & Snow's (1978) typology of strategic styles (see Figure 3:1).

Figure 3:1 Strategic styles in UK local authorities

Style	Council Nos.	Percentage of sample
Prospector	23	11%
Analyser	60	29%
Defender	20	10%
Reactor	105	50%
Total	208	

(source: adapted from Greenwood, 1987:300)

This was not a survey of local authorities' strategic styles, but merely what their Chief Executives said was their organisations strategic style. Some respondents may have opted to avoid the slightly unglamorous "reactor" option (as Greenwood suggests),

thus the figure of 50% "reactors" is both a remarkably high one and probably an underestimate. Miles and Snow's model (which was private sector based) describes "reactors" as inconsistent and liable to go out of business rapidly and they are seen as a minor category. This sample of UK local authorities suggests, on the other hand, that half had (in the mid-1980's) no consistent strategic style and therefore, presumably, no systematic strategic management.

Young and Mills' survey of UK local chief executives (conducted in 1992) showed that the prevalence of corporate or strategic planning was indeed increasing in the early 1990s. The number of respondents who said that their local authority had adopted a formal strategic plan since 1989 rose steeply to almost half, with a further quarter saying that they were considering adopting one. Almost one quarter (24%) said that they were definitely not considering adopting one. The projected rate of formal strategic planning would therefore be expected to reach around 75% (see Figure 3:2).

Figure 3:2 UK Local authorities - formal corporate or strategic plans

Percentages of respondents - cumulative. N=285
Source: adapted from Young & Mills, 1993:25
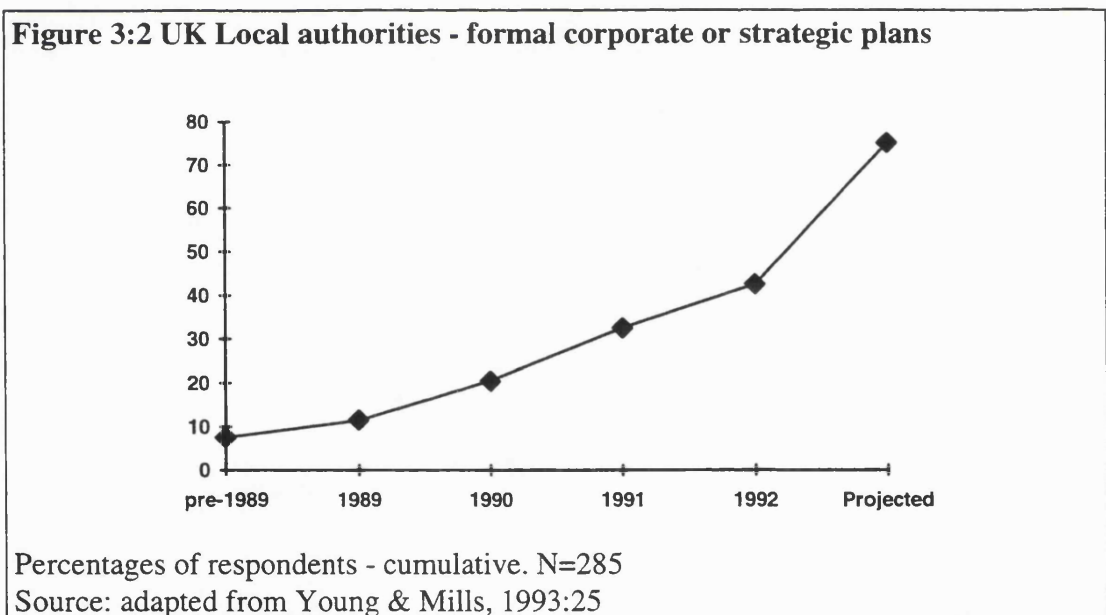
This could be taken as confirmation of the general scenario of the "rise-fall-re-emergence" of strategic management. The Greenwood survey occurred in the 'fall' period whilst the Young & Mills survey occurred in the hypothetical second 'rise' period.

Greenwood's survey also raises more important issues about why so many local authorities can, and do, have such inconsistent and unstable, even paradoxical, strategic stances as characterised by the "reactor" style? Remember that the "reactors" are defined as having unstable styles, often trying to implement more than one approach.

The reason why they might do so could be linked to the issues of competing values and domains discussed in Chapter 1. Firstly, the 'policy' domain itself has institutionalised values conflicts embedded in it (in the form of organised politics) and secondly this domain conflicts with the value systems underpinning the 'management' and 'service' domains as well. This endemic system of conflicting values makes having consistent strategies very difficult (and in setting broad organisational objectives) - the exception is where one of the three domains becomes dominant and has a consistent approach itself.

The second important the question is - why can local government have so many "reactors"?. The answer could simply be that they can have so many organisations with inconsistent strategic styles because, unlike their private sector counter-parts, pursuing inconsistent and even incoherent strategies doesn't necessarily lead to rapid demise (see Chapter 1). In Meyer & Zucker's phrase, performance and persistence have become 'de-coupled' (1989).

A small indicator of trends may be given by evidence from Long Range Planning, the main UK journal dealing with strategic management issues. A count of articles dealing with the public sector over the period 1970-1992 does show a similar rise-fall-rise pattern. (Given the time-lag between research/writing and publication - often as long as two years - then the peaks and troughs do correspond reasonably well to the picture painted by other commentators.)

Figure 3:3 Strategic management in the public sector?

Public Sector Articles - Long Range Planning 1970-1992
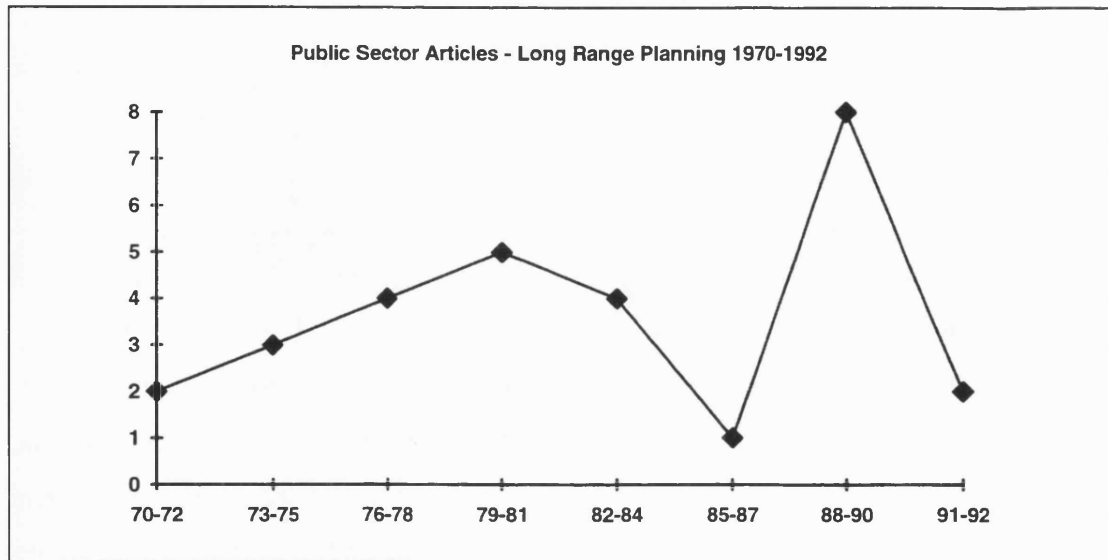
Source: derived from LRP Index, 1970-1992.

COMPETITION, MARKETS AND THE PUBLIC SECTOR

Private sector organisations which fail usually go into liquidation. They cease to exist. Public organisations however can continue to fail without ceasing to exist, which is why they can so easily become bad performers. This argument has regularly been advanced about public and private organisations:

> "The single key fact which makes the public sector different in kind from the viewpoint of consumer sensitivity is that the customer cannot take his or her money and shop elsewhere. In the private sector the need to retain customers ... makes businesses acutely conscious ... at the bottom line is profit. Without customers there is no revenue flowing in from which to draw profits....The public sector does not usually make profits...Its revenue, derived from the taxpayers, reaches it from government hands rather than from its customers." (Pirie, 1991:4-5)

This has always been the principal argument for the privatisation of public organisations. The common view of the nature of free market competition vs. public ownership is that in the former the successful survive and prosper whilst the failures close down and the resources embedded in them (finance, materials, equipment,

123

labour, etc.) are reallocated elsewhere, whereas in the latter public organisations are virtually indestructible.

However this view is challengeable on three counts: that at both macro-economic and individual organisation level, "failing" private organisations do not always cease to exist and also at the organisational level, public organisations do "die", even if the causes of death aren't always "failure".

Firstly, at the macro-economic level, successful national economies or business networks can accept and support "failing" organisations for strategic reasons. As Lazonick has shown persuasively in his study of UK, US and Japanese economic and business organisation history the inter-organisational structures which determine overall economic success are not determined by simple market forces (Lazonick, 1991). As a consequence, it is perfectly possible to have within a network of business alliances both successful and 'failing' organisations because it is the success of the ensemble which counts. He specifically cites the peak of inter-organisational alliances achieved by Japanese companies which, he suggests, do everything "wrong" in terms of free-market theory but are nevertheless brilliantly successful.

The idea of variable levels of real competition within industries is also explicit in Porter's (1979) "five forces" model of industry competitiveness. The central element of Porter's model, "jockeying for position", poses the question: to what degree do competitors really compete? The answer is obviously that in some industries 'real' competition is fiercer than in others, and that in extreme cases of monopoly or cartels there is virtually no real competition.

Secondly, at the individual private organisational level, even isolated individual private sector organisations can bee seen as "permanently failing organisations" which may be kept in existence because of the benefits to "dependent actors" such as workers, communities or other organisations and performance and persistence have become "decoupled" (Meyer & Zucker, 1989:91-118)

Thirdly, public organisations are not immortal - in a classic study of US federal agencies it was shown that of 175 organisations in existence in 1923, by 1973 (50 years later) 27 (15%) had ceased to exist. Interestingly, the average age of the group in 1923 was 27 years and the average age of the 148 survivors in 1973 was also 27 years - the average age of the fatalities at 'death' was 44. In other words, public organisations seem to have a 'life span' which, while undoubtedly much longer than their private sector counterparts, is far from being immortal. Also interesting was that 'staff' organisations (i.e. policy making organisations) had a disproportionate 'survival rate' compared to 'line' (i.e. service providing organisations) - 81% of 'deaths' were line organisations although they made up only 64% of the sample. (Kaufman, 1976). Unfortunately, this study did not examine the 'cause of death' of these organisations so it is not clear whether this was from competition or some other mechanism.

What is clear is that public sector organisations have always operated to some extent within a market setting. The issue of the relationship between the capitalist market economy and public sector organisations has never been whether the latter are affected by the market, but to what degree.

In the case of public enterprises, the impact of the market has often been very strong and public ownership has been a means of mitigating market forces, by subsidy and/or preferential purchasing by other public bodies, in order to preserve what are seen as nationally important organisations (for social, economic, political or technological reasons).

Public enterprises are, by definition, those parts of the public sector which usually are seeking to compete through the sale of goods or services within markets and thus are competing directly with private sector organisations, either nationally or internationally. While their 'bottom-line' profitability may be under-written or protected by a variety of measures, they usually still have to sell at least some goods in competition with private sector rivals. The degree to which this is true fundamentally affects their position. Thus 'natural monopoly' providers do not have many direct

competitors for their goods or services (e.g. water, telecommunications) whilst other state owned enterprises may face stiff competition (e.g. British Leyland, as a state-owned car manufacturer, or the former INMOS, as a state owned 'micro-chip' producer).

The case of human and physical services is different to that of public enterprises. Whilst not 'natural monopolies' (e.g. there is no intrinsic reason why there should not be competing hospitals or schools or even fire services) they are de facto monopoly suppliers because they either provide public goods (e.g. non-exclusive physical services) or they provide services which have been politically deemed to be primarily 'public' services (e.g. health, education, policing).

Whilst there has (in the past in the UK) therefore largely been no 'market' for their products or services (there are no rival producers, no paying customers, etc.) the organisations are nevertheless affected by market forces. Their supplies of goods, services, labour and finances are to a greater or lesser extent affected by market changes for each of these resources. Changing interest rates, labour shortages, inflation in supplies prices, all affect these organisation despite their core functions operating outside the market as such. They are not closed systems. Using a classical organisational environment analysis framework (PEST - political, economic, social, technological), even in situations of relative stability in political and social terms, organisations may need to adjust to changes affecting economic and technological factors.

A model of the factors affecting public human service organisations could be seen as involving four levels of forces, ranging from non-competitive forces through to fully market based competition (Figure 3:4). Each of these four levels will be examined briefly below.

Figure 3:4 A Model of Forces Affecting Public Organisation

1. **Policy constraints** - non-competitive, non-market, forces	• legislative and directive political power • demographic, social, environmental and technological change
2. **Policy competition** - competitive non-market forces	• competition between policy/provision sub-spaces to "capture" issues and resources (e.g. between health and social services over community care) • competition within policy/provision sub-spaces over resource distribution (e.g. within health over regional distribution)
3. **Quasi-markets** - constrained competitive forces	• competition between purchasers over providers* • competition between providers over purchasers • competition between purchasers and providers over the terms of exchange (e.g. nature of contracts, price, etc.)
4. **Markets** - less constrained fully competitive forces	• competition within external markets (e.g. for labour, finance, supplies, etc.)

(* providers may include non-public organisations, e.g. voluntary and private)

Policy Constraints - Non-Competitive Forces

There are numerous non-market, non-competitive forces which impact directly and more-or-less equally on all organisations, public and private. By non-market, non-competitive forces are meant forces which are not directly based on fluctuations in either market or political forces. These include factors such as demographic changes, social trends, environmental changes, technological changes, etc.

There is another set of forces which also acts on all organisations but are more likely to impact disproportionately on public organisations. These include the coercive and taxation powers of government, embodied in legislation and enforcement.

Some policies of government, which apply across all organisations, are likely to impact more on public organisations than others because public organisations are subject to both ordinary enforcement procedures and political accountability, making them more susceptible to these policy initiatives than their non-public counterparts. Thus, for example, a public organisation which breaches anti-discrimination legislation can be subject both to enforcement through the courts and to direct

political intervention. The power of political rule-makers to govern bureaucratic discretion should not be exaggerated - see, for example, Wilson (1989:333-4) for an example where such anti-discrimination rules were effectively side-stepped by local bureaucrats.

Policy Competition - Non-Market Competition within Public Services

The idea that no competition takes place within the public sector because there are no "market forces" is rejected by both traditional policy analysis and public administration writers on the one hand and by the advocates of applying economic analysis to political systems, the "public choice" school (see Wilson, 1989; Self, 1993). From the debates over bureaucrats as "budget maximisers" promoted by public choice theorists through to models of "bureau shaping" advocated by those from the more traditional political science school, one key assumption is that there is some form of non-market competition operating within the public sector (for a discussion of these different approaches, see Dunleavy, 1991).

Skok (1989) has developed, through a synthesis of some US public policy literature, a model of non-market based competition between public agencies within what he calls "policy sub-spaces". He argues that within these broad policy sub-spaces (e.g. education, transport) a variety of public agencies may compete for power (which he defines in terms of their access to political support, expertise and their internal organisational cohesion and leadership). They use these sources of power to protect or extend their 'turf' within existing policy sub-spaces or even to invade other sub-spaces. He argues that agencies may compete, aggressively or defensively, and form co-operative alliances for both purposes, both within their policy sub-space and to mount 'poaching' attempts on other sub-spaces. A contemporary UK example might be the defensive alliances formed, in some cases, between local authorities and housing associations in order to maintain local control over social housing against attempts by central government to take-over its management through the mechanism of Housing Action Trusts (in some cases local authorities legally transferred ownership of their housing stock to local Housing associations to avoid the effects of the Housing legislation).

This model is very close to the notion of a "super program budget" advanced by Dunleavy (1991:182) in his model of the hierarchy of bureau budgets (Figure 3:5)

Figure 3:5 Components of Core, Bureau, Program and Super-program Budgets

Super-program budget
- other agencies resources controlled by top-tier agency
- plus

    Program budget
    - funding passed to other public agencies for spending
    - plus

        Bureau budget
        - funding used to purchase external services
        - plus

            Core budget
            - direct spending on bureau personnel, buildings, etc.
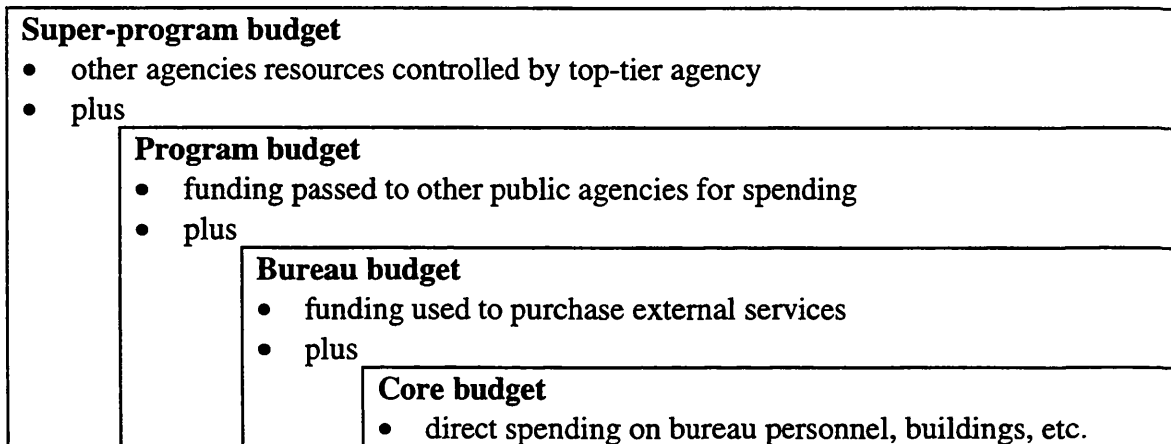
Source: adapted from Dunleavy, 1991:182)

Dunleavy's model suggests a missing element from Skok's model, which is the more tangible resources available to public agencies (e.g. control of existing revenue/budgets, ownership of property, etc.) which in some instances can be a major area of dispute. This needs to be added to his list of organisational resources: political support; technical expertise and organisational cohesion and leadership. This gives a four factor model, as shown in Figure 3:6

Figure 3:6 Public Organisations competitive advantages

Skok's (1989) model: adding the level of material resources controlled by the organisation: simplifying the terminology and linking with 'domain theory'
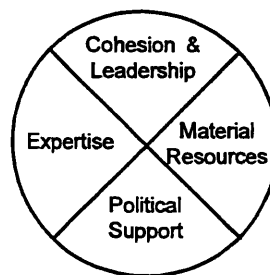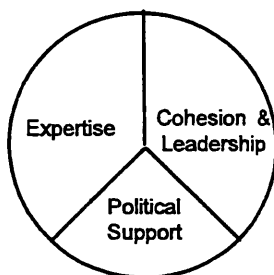
Skok's concept of a policy sub-space also needs to be expanded to embrace the notion of service provision as well as policy formation. If this is done, it is possible to apply this notion of a policy/provision sub-space, embracing all the key "institutions, agencies, and groups with (both) a seriously felt stake in the outcomes of policy" and a role in providing services. (Skok, 1989:141).

Quasi-Markets - Constrained Competition

A relatively new phenomena for public organisations, and their managers, in the UK has been the introduction of "quasi-markets". What are "quasi-markets"?

> "They are 'markets' because they replace monopolistic state providers with competitive independent ones. They are 'quasi' because they differ from conventional markets in a number of key ways." (Le Grand & Bartlett, 1993:10)

Le Grand and Bartlett suggest the limitations of quasi-markets are that on the supply side some, if not all, providers may be non-profit organisations whilst on the demand side consumer purchasing power is not expressed directly in money terms, but through a purchasing agency or allocated to the users in the form of vouchers rather than cash (1993:10).

These points can be expanded and added to by utilising the notion of a policy/provision sub-space developed above. Thus, in quasi-markets there are a number of limitations which would not apply in open market situations. These include the size and structure of the market being politically determined, limitation of choice to within the market, limits on the expansion/diversification of public providers and limits on the legal enforceability of contracts and consumer's rights.

Figure 3:7 Quasi-markets and conventional markets

Quasi-Markets in the Public Sector	Conventional Markets
total size of the market is determined by the agency(ies) controlling resource allocation to the sub-space (e.g. the total health budget determined by the DoH)	total size of market determined by consumer choice
the quasi-market is structured by allocative decisions within the overall policy/provision sub-space (e.g. regional or sub-programme allocations of health budgets)	internal structure of market determined by consumer choice
choice by consumers (through vouchers) or agents acting on their behalf is limited to within the sub-space (i.e. recipients can't use training vouchers to buy health services)	consumers can "exit" market altogether and choose alternative markets
expansion/contraction of individual public provider units is limited (e.g. a successful NHS Trust cannot begin purchasing other Trusts)	providers can take-over less successful rivals
diversification of provider units is also controlled (e.g. a successful NHS Trust also cannot start purchasing Grant Maintained Schools)	providers can diversify into other markets
contracts within quasi-markets (in the UK) between public organisations (e.g. DHAs and NHS Trusts) are usually unenforceable in law.	contracts are legally enforceable
consumers have very limited legally enforceable rights	consumers have extensive legal rights

(on the last two points see Harden, 1992)

Thus, quasi-markets have severe limitations placed upon them even in theory. In practice, research is beginning to show that the degree of actual competition within quasi-markets is quite limited by other operational factors, including geographical problems, incomplete information, transaction costs, and others (see e.g. Le Grand & Bartlett, 1993; Tilley, 1994).

Indeed, it is arguable that some of the actual effects of the introduction of quasi-markets have been to stimulate greater non-market competition. Thus Tilley (1994) shows that in one London NHS purchasing area non-GP fund-holders were stimulated into using much greater lobbying and other pressures (i.e. non-market) pressures to achieve their objectives.

It is also arguable that policy towards quasi-markets has been less than consistent. For example, when the NHS internal market reforms of 1990 threatened to produce a major market-driven structural change in provision within London, the Government immediately responded with a non-market (but nevertheless competitive) process embodied in the Tomlinson Commission and subsequent specialist reviews and the London Implementation Group. The keynote of this process has not been quasi-market competition but political and lobbying competition at a variety of levels.

Markets - Less Constrained, Fully Competitive

As has been argued above, all public organisations are subjected to some market forces in so far as they have to compete in markets for labour, finances, supplies and other services within conventional markets. Thus many public organisations were badly hit by shortages of certain types of skilled personnel (e.g. in IT) during the mid-1980s boom.

However, some public organisations have been pushed much further into the conventional market place. Some 12 UK Executive Agencies that have become full "trading funds" (i.e. they receive no direct public money but must earn it by competitive bids, and can also earn income from non-public sources) operate in (almost) conventional markets (e.g. HMSO, Fire Service College, etc. - see Harrow and Talbot, 1994). It is unclear how far these Agencies will move into a fully conventional market setting and how far they currently receive covert support from their traditional public customers or government.

Analysing Competition: Policy, Quasi-Market and Market

All public organisation are affected by three of the four forces examined above - non-competitive force; competitive non-market forces and market forces - and many are now also affected by variants of quasi-markets (Le Grand and Bartlett, 1993).

This section concentrates on the question: how can competition within a policy/provision sub-space be analysed?

This policy/provision sub-space is clearly analogous to the idea of an 'industry' in private sector organisation and management theory. (Indeed, some policy/provision sub-spaces are sometimes colloquially called 'industries', e.g. the "education industry"). Can models of competitive forces in 'industry analysis' be adapted to analyse the competition within policy/provision sub-spaces. Figure 3:8 gives an example of trying to adapt the most famous industry competitive analysis model, Porter's "five forces" (1979), to analysing competitive forces within a public policy/provision sub-space.

In this model the bargaining power of suppliers in the private sector has been replaced by the main 'supplier' in the public sector - the power of the agency which provides material resources and policy frameworks. The power of buyers is replaced by the power of customers/clients, service recipients, to affect the levels of and types of services provided. The threat of new entrants includes both non-public providers (private and voluntary) as well as rival agencies from other policy/provision sub-spaces. The threat of new products or services is very similar to Porter's model, whilst the 'jockeying for position within the industry' becomes the level of competition/co-operation within the policy/provision sub-space by different agencies.

Figure 3:8 Competition in Public Policy/Provision Sub-Spaces
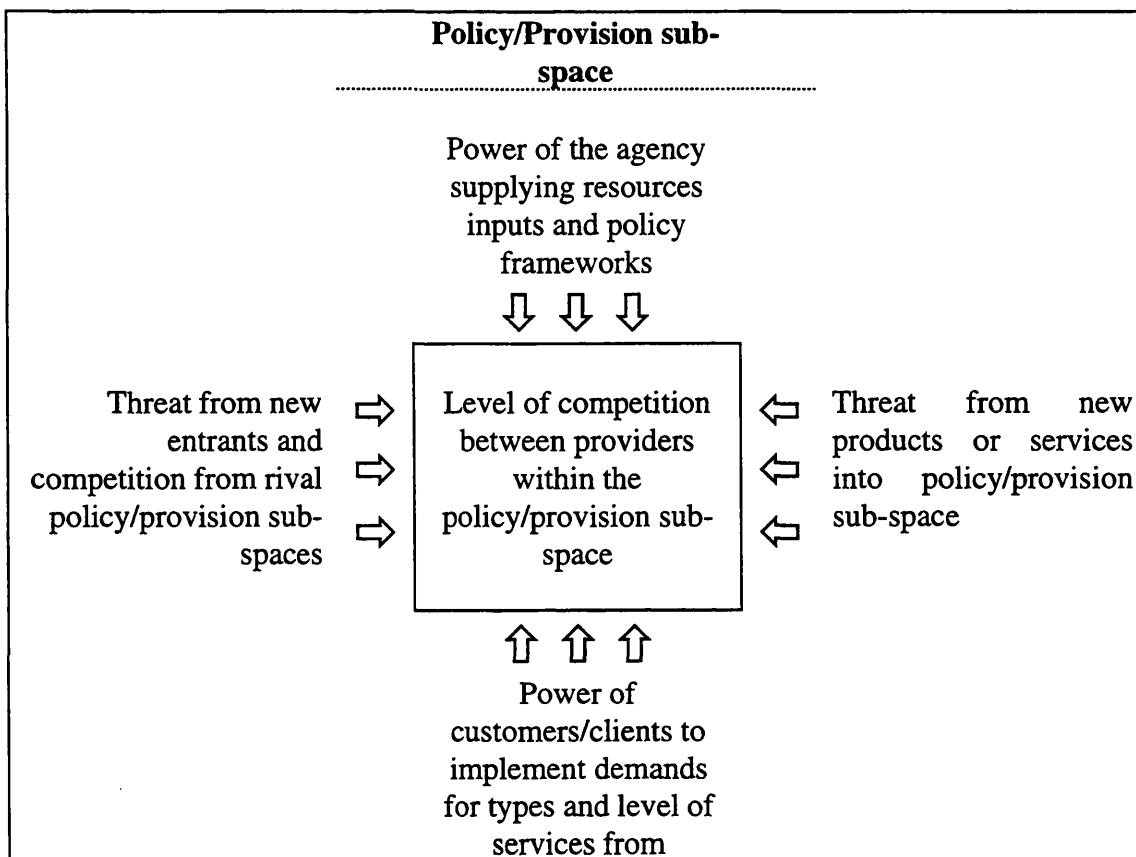
This model can also be used to explain changes in other sectors and indeed to illustrate the policy options being pursued by central government to positively promote increased competitiveness in most policy/provision sub-systems. Thus the Citizen's Charter is purported to increase the power of customers/clients whilst the use of market testing and CCT is meant to promote the power of new entrants. The creation of the NHS internal market is clearly an attempt to create greater competition within the health policy/provision sub-system by forced break-down of previous alliances and co-operative arrangements whilst the education reforms do the same by removing the local education authorities as the vehicle of co-operation, increasing the power of the central state and (supposedly) the customer and even creating new entrants (e.g. City Technology colleges, TEC's, private sector training providers, etc.) Similarly, the Higher Education reform (creating single status HE) can be seen as a deliberate attempt to disrupt old alliances within the two parts of the old binary HE and promote greater competition.

Common et al (1991) have suggested a six fold model of public markets in the UK, based on their analysis of a number of organisations subject to varying degrees of competition:

1. single providers - single purchasers ("playing at shops")
2. multiple providers - single purchasers (monopsony)
3. single providers - multiple purchasers (monopoly)
4. multiple providers - multiple purchasers (competitive internal market)
5. multiple providers - multiple purchasers; limited individual consumer choice (competitive internal market with limited individual choice)
6. multiple providers - multiple purchasers; limited individual consumer choice; mediated by limited political control (competitive internal market with limited individual choice and political control)

This typology is clearly of varieties of quasi-markets and a further category should be added - the 'non-market' or classical public administration model.

Their definition of "political control" for type (6) is that the overall amount of resources allocation is still determined by political decision making (e.g. the total NHS budget), whilst allocation within the internal market is by various competitive mechanisms. It is difficult to see how this condition does not apply to all the types suggested, which reduce their typology to 5 types, each one operating within a framework of overall resource determination by political decision.

It is also possible to distinguish between those instances of multiple providers (in types 2, 4 & 5) where competitors include both public and private providers and those where competition is limited to public organisations. Applying these factors to the "five forces" model developed above we get the following sets of possibilities and questions (Figure 3:8).

Each of the Common et al types can be mapped onto this structure, (Figure 3:8) e.g.:

1. single providers - single purchasers ("playing at shops")

The establishment of the Next Steps Agencies, which mainly involves splitting the overall agency determining resources and policy (e.g. Dept. of Social Security) from a single provider of services (e.g. Benefits Agency, in the distribution of benefits).

5. multiple providers - multiple purchasers; limited individual consumer choice (competitive internal market with limited individual choice)

Figure 3:9 Internal Markets in the Public Sector

	1. Resource/Policy Agency 1.1 Power of the agency supplying resources inputs and policy frameworks (e.g. is it sole source of funding)? and 1.2 is it separated from provision (e.g. Next Steps agencies)? ⇩ ⇩ ⇩	
2. New Entrants 2.1 Threat of entry from private/voluntary providers? ⇨ 2.2 Threat of take-over ⇨ by rival public ⇨ providers (e.g. local government/ NHS over community care)?	**3. Providers** 3.1 single or multiple public providers? and 3.2 how much do they compete?	**4. New Services** 4.1 Threat from new ⇦ products or services into policy/provision ⇦ sub-space (e.g. ⇦ 'alternative' medicine)
	⇧ ⇧ ⇧ **5. Purchasers/Consumers** 5.1 multiple purchasers (e.g. NHS reforms)? and 5.2 public only purchasers? and 5.3 how much individual consumer choice (e.g. patients-GP fund holders; fee paying; etc.)?	

It should be added that in some cases the 'market' for public sector providers has been subject not only to multiple purchasers but that the reduction in overall resource provision and the freeing of the agency to 'sell' services outside the public sector has resulted in private purchasers or individual paying consumers also becoming part of the organisation's market position, e.g. in the case of HMSO (see Common et al) or the Fire Service College.

Problems of Transferring Private Sector Tools

One point worth mentioning here is the implication of the above analysis for the viability of transferring analytical tools used in the private sector to the public sector. The "five forces" model needs substantial adaptation, along the lines suggested here, to be useful to public managers. The need to adapt 'generic' (in reality private sector based) approaches to public management conditions is made, but not greatly expanded upon, by Bryson when he analyses nine private sector approaches to strategic planning and concludes that all of them could be used for public organisations but only either with modifications or if certain conditions are met (1988:24-30).

Strategic management is clearly derived as an idea and a practice from profit-making, private sector institutions. Can it be transferred to public service organisations? Some of the strategic management experts certainly have their doubts. Argenti, one of the earliest strategic management writers in the UK, thought that strategic management ought to be applied to 'non-for-profit' (NFP - public and charitable) organisations but wasn't sure that it could be:

> "Most these (non-profit) organisations do not do corporate planning as I define it; most of them do not do it as anyone would define it. Why not? Chiefly because they cannot determine their corporate objectives to the same standard as companies can and, consequently, cannot use corporate planning....Alas, they fall at the first fence." (Argenti, 1989:87).

He goes on to set out a tentative, and not too convincing, method for establishing corporate objectives for NFP's based around defining intended beneficiaries, benefits and corporate performance indicators.

Most textbooks on strategic management seem to be still grappling with, or trying to slide around, this central problem identified by Argenti.

Many textbooks simply seem to ignore public sector organisations altogether (e.g. Boseman and Phatak, 1989). Others address the issue but conclude that public organisations are really no different. Johnson and Scholes, for example, give some reasons why public sector organisations are different - greater political influence, their 'market' is a political one for resources, quasi-monopoly position, emphasis on value for money and performance measures, the criterion of ideological *acceptability* in public sector strategies is more important than for private companies, etc. They then still go on to conclude that "the model of strategic management discussed here still holds" (1993:27-29). Similarly, Thompson sets out a similar list of differences of NFPs, whilst still treating them as essentially the same as private sector companies:

- importance of stakeholders, especially those providing funding
- potentially conflicting objectives, with financial ones seen as less important than more qualitative ones
- financial objectives are easier to measure than more qualitative ones, making assessing performance in terms that are important more difficult
- efficient use of resources (rather than effectiveness) tends to become key objective

This approach is explicitly rejected by Bowman and Asch who state that:

> "...there were fundamental differences between [not-for-profit and profit seeking] types of organisations....In contrast, [to Johnson and Scholes] we believe that NFPs require special treatment in a book on strategic management" (1987:379)

and go on to identify key differences in areas such as goals, performance measurement, funding and external coalitions and internal power structures (:379-400).

Perhaps the best illustration of the problematic nature of transferring many of the processes, techniques and tools of private sector strategic management to the public sector is the dearth of serious attempts to tackle public sector issues in many strategic management textbooks. We have already mentioned, for example, Jonhson & Scholes fairly cursory treatment. However, even Bowman and Asch, who at least recognise the issue (see above), state that:

> "As this book is primarily concerned with strategic decision-making in the firm we make no apologies about the overwhelming emphasis on private sector organisations." (1987:379)

Whilst commendably honest, and they do at least include a whole Chapter on not-for-profits, the 'overwhelming emphasis' on private sector companies does little to help public managers struggling with strategic issues. Others have virtually ignored the issue altogether, either failing to recognise any fundamental differences or covering public organisations very little or not at all (e.g. Greenly, 1989; Boseman & Phatak, 1989, Thompson, 1993).

This problem is reinforced by the lack of textbooks on strategic management specifically for the public sector. While there are some, they are relatively few and far between compared to the mass of private sector based books. Of these, most simply transfer the basic models of private sector strategic management with very little explicit discussion of the constraints operating in the public sector (e.g. Koteen, 1991 or Burkhart & Reuss, 1993). In one case the authors talk about "stripping the 'business' veneer" from strategic planning to "demystify" the subject (Burkhart & Reuss, 1993:x). This seems to imply that the private sector orientation of most strategic management literature is just a veneer and what they have to say is easily transferable to the public and non-profit sectors once the veneer has been stripped away.

They implicitly recognise the differences - few of them, for example, would bother to include a section on product/market strategies or portfolio analysis. However, Bryson (1988) argues that most private sector approaches to strategic management (if not all techniques) can be transferred, with reservations or modifications, to the public sector. However, Bryson (1988) offers one of the few attempts at constructing a public sector model for strategic management which differs substantially from the private sector based models and seriously addresses the specificity of these types of organisations. As will be discussed below, the crucial difference identified by Argenti (above), in setting organisational objectives, is also the major defining difference between the model offered by Bryson (and other such as Nutt & Backoff, 1992) and the private sector based models. The next section examines this issue.

ORGANISATIONAL GOALS - PUBLIC SECTOR PROBLEMS

In the previous section some of the differences in the environment within which public organisations operate have been mapped out. Public organisations are controlled by policy constraints and participate in competition over resources, whether through policy competition, quasi-market and market. Of these four forces, only one (conventional markets) apply to fully private organisations. In this section the problems associated with setting goals for public organisations are considered.

An interesting example of how crucial, and difficult, the issue of overall organisational objectives is implied in the Audit Commission's 'Handbook' for Local Authorities on *'Improving Economy, Efficiency and Effectiveness'* (1985). This reproduces the McKinsey '7S Framework', much publicised by the success of Peters and Waterman's *'In Search of Excellence'* (1982, for a more detailed account of the model see Pascale & Athos, 1981).

Figure 3:10 Shared Values or Vision?
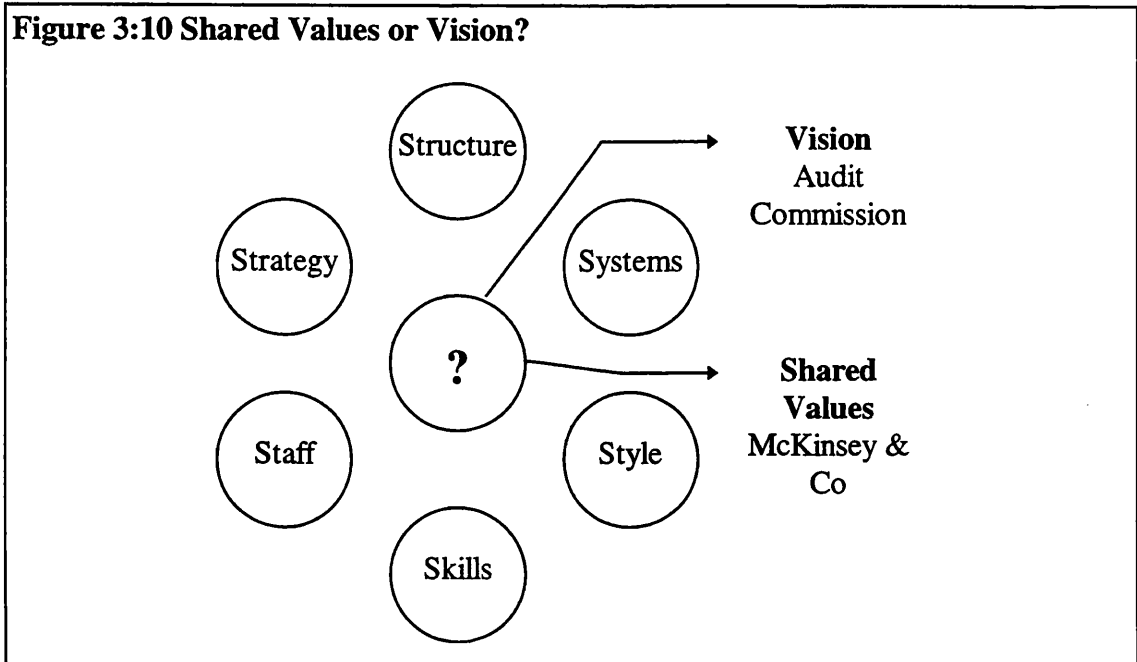
However, the Audit Commission's version of the '7S's' has a notable difference from the McKinsey version - the central 'S' is not an 'S' at all (Figure 3:10). In the McKinsey version, this central 'S' was 'superordinate values' (later changed to 'shared values' for simplicity). The Audit Commission version, which perhaps understandably is not attributed, changes the 'shared values' into 'vision' - "what the authority is seeking to be or to achieve" (1985:5). They go on to discuss how 'vision' should be set out in "the manifesto presented to the local electorate" but that:

> "councils have been reluctant to accept risks inherent in setting out explicitly, a philosophy of 'what we are about and how we want to change' with which people can disagree, and priorities...which by definition favour some interests at the expense of others...(which) may be difficult to achieve in a democracy (and may lead to a polarisation of opposition)..." (1985:6).

It is of course not "councils" who will not accept this approach but politicians. Publicly accountable organisations like local authorities, which operate through institutionalised values conflicts, otherwise known as political parties, cannot have 'shared values' (McKinsey) but can only manage 'vision' (or 'dominant values') at best (Audit Commission) and often not even that.

STRATEGIC PROCESS AND CONTENT IN THE PUBLIC SECTOR

Strategic Contradictions

The 'espoused theory' (Argyris & Schön, 1974) of public sector policy and strategy formation for three decades, or more, has undoubtedly been strategy in the 'planning mode'. From PPBS in the 1960s through to contemporary attempts to apply private sector strategic management techniques this model has dominated theory and practice (Tomkins, 1987). The 'theory in use' (Argyris & Schön, 1974) of public sector management has probably tended to be more dominated by strategy in the political mode - strategic decision processes dominated by 'political' processes of conflict and coalition forming and strategic decision content of an mainly incremental, piece-meal, nature.

The identification of most UK local government as having no coherent strategies of their own (being 'reactors') (Greenwood, 1987 - see Figure 3:2 above) and of adopting 'compliant' budgetary strategies towards central government (Elcock et al, 1989) adds significant evidence that 'strategic management' in its active, private sector, sense is more prescribed than practised. Yet it is practised by some, in the case of the "prospectors" (10% in Greenwood's study) in quite radical and innovative ways. Certainly the external pressure, from bodies such as the Audit Commission, to adopt more strategic planning and management remain strong (Audit Commission, 1986; Caulfield & Schultz, 1989).

This, implicit, acceptance of competing values in local authorities by the Audit Commission reinforces the findings of Greenwood (1987, and see above) about the single largest 'strategic style' of these organisations being 'reactors', i.e. pursuing unstable and inconsistent strategies (using Miles & Snow's 'prospector', 'analyser', 'defender' and 'reactor' categories of strategic style). This instability and lack of consistency clearly comes from the competing values of the 'policy domain' and their impact on strategy, as well as the differing values underpinning the 'policy', 'management' and 'service' domains discussed in Chapter 1, and is more or less pervasive throughout public organisations.

This chronic system of conflicting values makes having consistent strategies very difficult - the exception is where one of the three domains becomes dominant and has a consistent approach itself. For example, a radical local authority ruling party, with a strong majority and policy, may be in a position to impose a consistent strategy on the other domains (becoming a 'prospector' or 'analyser'?) Similarly, a very weak and evenly divided 'policy' domain may allow a strong 'management' team or powerful 'service' domain to drive strategy in consistent directions (i.e. 'prospector', 'analyser' or 'defender'). Conversely, a 'balanced' conflict between the three domains would undoubtedly produce a 'reactor' style.

Likewise, the flux of competing values systems within the public organisation will produce fluxes in strategic modes - in particular periods of stable domination by one strategic mode are fairly unlikely, with the exception of the 'political' mode which is best suited to such internal conflicts.

Many writers on strategy in public service organisations have raised the issue of contradictory forces operating in these organisations, although the terminology used varies through 'dilemma', 'dualities', 'quandary', and 'choices'. As will be discussed in Chapter 5, these variations can be reduced to three responses to contradiction: 'dilemma' which seeks to pose either/or alternatives, 'dialectics' which seeks to resolve contradictions through synthesis, or 'paradox' which recognises the inevitability of contradictions and seeks to work with them rather than 'resolve' the irresolvable. It is the latter approach which is adopted later to examine strategy sub-systems in public services organisations. In the examples of commentaries on contradiction which follow, it tends to be the 'dilemma' approach which predominates.

Pettigrew et al (1992), in a longitudinal study of strategic change in the NHS, talk about the "dualities and dilemmas in managing change", which reflects Pettigrew's wider approach to strategy (Pettigrew, 1977, Pettigrew & Whipp, 1991).

Bryson (1988b), writing about the public sector generally, discusses the "strategic quandary" of big wins and small wins. The process of strategic planning and management is not a 'one best way' issue: "it should be clear that strategic planning is not a single concept, procedure or tool" Bryson (1988a:43), which are more or less applicable in the public services. While he describes a model system, he stresses the importance of context and sensitivity in developing specific applications.

In the same vein, commenting on a set of case studies of strategic management in a variety of public services, Pollitt and Harrison (1992:281) state that the cases represent both differences in strategic management models and differences in context of application. Thus there is no 'one best way' for strategy formulation or management, content or process, in the public services.

Stewart, in a commentary on 'approaches to public policy', suggests that in designing policy making systems in public organisations there are series of dilemmas to be confronted (which could apply to strategy making systems): comprehensive vs. selective; uniformity vs. diversity; intervenes vs. permits; participatory vs. directive; certainty vs. flexibility; incremental vs. radical; political vs. neutral; centralised vs. decentralised; quantitative vs. qualitative (Stewart, 1982:239-241).

Elcock et al (1989) have identified three common strategies which UK local authorities used in budget preparation, as a response to constant central government pressure:

- **compliance strategies**, which incrementally adjust existing strategies to meet reduced provision;
- **shadow-boxing strategies**, which seek to marginally increase revenue through bargaining with central government whilst hiding real spending patterns;
- and **brinkmanship strategies**, which seek to defend existing levels and patterns of provision by through political conflict

Whilst the first of these was found to predominate, the organisations were seen to be faced with real dilemmas about which to adopt.

Strategy Sub-Systems in the Public Services

As can be seen from the examples given above, the focus on 'dilemmas', making either/or choices tends to dominate the analysis of strategic practice in public services organisations. Yet it also clear from these analyses that in practice making such choices is problematic a best, if not unattainable in practice. The 'paradox' or 'competing values' approach developed in this thesis (following Quinn, 1988; Quinn & Cameron, 1988, Quinn et al, 1990, etc.) offers a different view of the contradictions which so clearly predominate in strategy processes and content in public organisations.

In this section a particular 'map' of some key paradoxes is developed. An attempt is made to identify strategy sub-systems within public services organisations, using domain theory as a frame of reference, and to establish some key contradictions or paradoxes, within each domain. This is not to suggest that these are the only contradictions, as can be seen from the previous section contradictions abound. The particular set which have been identified have been kept simple and broad enough to provide a useful framework for beginning to identify 'strategic competences' which is attempted later in this Chapter.

That there are strategic paradoxes between the approaches of the 'policy', 'management' and 'service' domains is best illustrated by using an example from more generic or private sector issues in strategic management: what are our products and who are our customers?

PEOPLE AND PRODUCTS

In private sector models of strategy these would be markets and products and would form the real core of strategic decision processes - what to produce and who to sell it to? The public services are far more complex. As domain theory suggests, each domain perceives 'customer' and 'product' very differently. The terminology of 'customer' itself would be viewed differently from different domains, so for the sake of this analysis the more 'domain-neutral' word 'people' will be used.

For the policy domain, 'people' are seen simultaneously as the 'Public' (as voters), the 'Citizen' (an ideal type individual with rights and responsibilities) and as 'Constituent' (real individuals pressing real claims, casting real votes). Correspondingly the product of public services is seen primarily in political terms as either 'public service' (a service done to the voters), 'public duty' (a service done for civic principle) or as 'dispensation' (a service done for specific interest groups with specific political objectives).

Figure 3:11 Public services - people and products

Public Service Domain	People as....	Product as....
Policy Domain	'Public' 'Citizen" & 'Constituent'	'Public Service' 'Public Duty' & 'Dispensation'
Management Domain	'Consumer' & 'Customer'	'Products' or 'Services' Provision
Service Domain	'Client' & 'Participant'	'Personal Services'

The management domain perceives 'people' mainly as 'consumers' or as 'customers' (in the new public management) to whom 'products' or 'services' are provided. As 'consumers' or 'customers' they can complain and make legitimate demands on their 'suppliers' for quality services and reasonable treatment.

For the professionals in the service domain 'people' are seen as 'clients' and often as 'participants' in the provision of individually tailored 'personal services'.

Thus the two key components of strategy, markets (who) and product (what) are seen quite differently by the three domains. Inevitably this leads to different types of strategy, as will be examined below. The three views of 'people' and 'product' are clearly incompatible and contradictory and, domain theory suggests, paradoxical.

In the next three sections a key strategic paradox <u>within</u>, rather between, each domain is suggested.

STRATEGY IN THE POLICY DOMAIN: POLICY VS. PROVISION

"Deciding corporate objectives for non-profit-making organisations is the last unconquered peak in the study of management." (Argenti, 1989:xiv)

As Argenti suggests, and as the Audit Commission/McKinsey 7S 'vision' or 'shared values' example discussed earlier, deciding on objectives for public organisations is beset with problems. Setting of organisational objectives or mission is seen as a key issue which separates public sector organisations from their private counterparts at the strategic level. Strategic objectives can be viewed from two perspectives:

- strategic objectives as 'policy' is the broad, long term, (usually formalised in legislation or other authoritative documents) approach to both specific areas of public services and the general principles underpinning particular approaches

- strategic objectives as 'provision' is embedded in decisions about the of resources allocated to different policy areas as well as the total allocated for public services

The usual perception, and often criticism, of public services organisations has been that they are budget driven. The Audit Commission's 'Handbook' for Local Authorities (1986) suggests strongly that local government has been often reluctant to set clear, broad, policies about organisational objectives. Setting of budgets, or 'provision', is therefore by implication the key strategic objective setting system. In

147

practice, 'policy' and 'provision' systems are often out of step with one another. For example, a critical difference between these two systems is their differing time-cycles. The time horizons of 'policy' systems are largely determined by electoral cycles and the process of developing manifestos, policy documents and legislation or rules - i.e. they are usually spread over 4-5 years. The time horizons of 'provision' systems are usually much shorter, determined by annual budget cycles. These differing cycles obviously contribute to the contradictions and tensions between the two systems. One local government manager commented to the author "we seem to spend 9 months every year talking about broad policy issues and then promptly forget everything in the scramble for resources in the annual budget period."

This view is confirmed by a review of research on public management which identified public management as 'custodial management' but drew a distinction between 'budgetary' and 'policy' management:

> "The first of these [budgetary management] in which the requirements of meeting predetermined budget limits are the major device of control. The second [policy management] is where policy, in the sense of a definite choice between different ends, has in some way dictated the direction and character of managerial action." (Ackroyd, Hughes & Soothill, 1989:603-604)

This model is presented as a dilemma between two forms of custodial management, with the authors choosing to favour the 'policy management' end of the dilemma, but it could equally be seen as a paradox between two competing elements in strategy making.

Strategy in the 'policy' domain can therefore be seen as concentrating on two, paradoxical, sub-systems: 'policy' making and 'provision' or resource allocation. Managers who operate at the strategic level, it can be suggested, need competences to deal with both sub-systems and, perhaps more importantly, how to manage the paradox between the two.

'Planning' and 'pragmatism' appear to be logically contradictory and clearly a problem for strategic managers in whatever organisation they work. Writers on strategy, from all strands of thinking, have constantly rehearsed the arguments about the tension between 'plans' and 'pragmatism'. Hampden-Turner (1994) poses this as a "dilemma within strategic learning loop" (see Figure 3:12).

Figure 3:12 Strategic learning loop

Top management
designs strategies from
the top down so that...

Strategic initiatives
emerge from the bottom
up, so that...

Source: adapted from Hampden-Turner, 1994
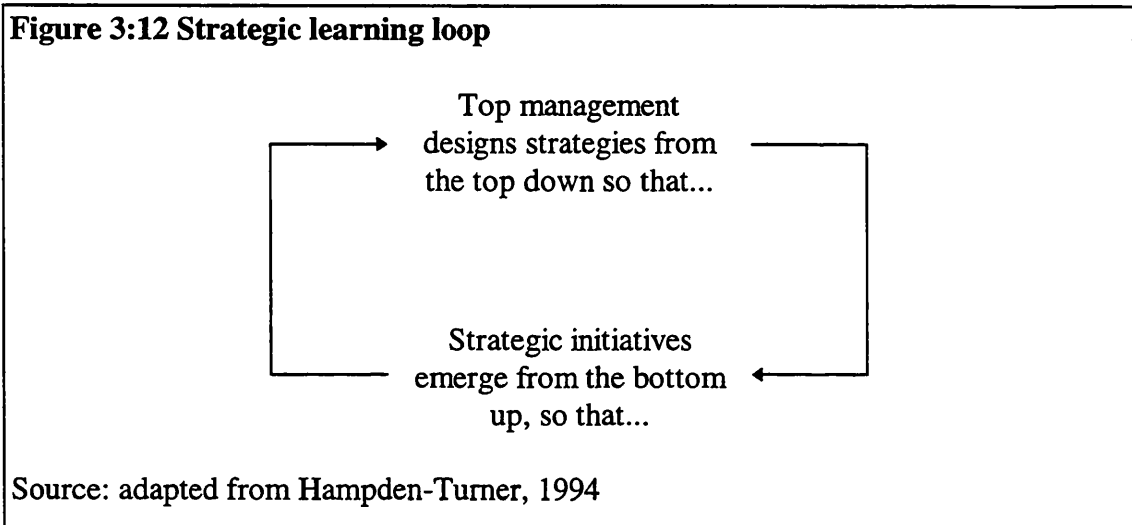
Others have talked about the dilemma between 'big wins and small wins' (Bryson, 1988b) or 'balancing opportunism and planning' (Stacey, 1990).

This tension has led public managers to try to 'resolve' it through 'blending planning and pragmatism', as two Kent County Council managers put it in describing their own organisations strategic management system (Lavery & Hume, 1991). They point out that:

> "the production of a paper plan often appears to be an end in itself. How often have you been in an organisation which goes through the motions of preparing a plan but the status quo remains unchanged? There is no point in producing a plan if you do not expect to make significant changes in resource allocation, major policies or methods of service delivery." Lavery & Hume, 1991:40).

Parston makes a similar point that "strategy is not simply a plan" and echoes Lavery & Hume in suggesting that "strategic planning, though, more frequently produces a plan than a strategy." (Partson, 1986:59). He goes on the argue that J.B.Quinn's 'logical

incrementalism' offers a link between strategy making and learning from practice (implementation).

The two strategy systems in the management domain can be thus be suggested as:

- strategy as 'plan' can be seen as both about strategic process (a planning cycle) and about strategic content (a plan), although the emphasis is usually on the latter. Bryson (1988) outlines a general, formalised, planning process for public and non-profit organisations, while Joubert (1988) argues that such processes will only work if the political and managerial domains are clearly separated, with the latter given a great deal of autonomy.

- strategy as 'pragmatism' is about 'response systems' or 'learning' from implementation and experience. It is about responses to changing circumstances, which sometimes fall within broad plans and sometimes require radical re-orientation, often without the time to re-plan effectively.

STRATEGY IN THE SERVICE DOMAIN: PROFESSIONAL PRACTICE VS. PRODUCT/SERVICE DELIVERY

As has been argued in Chapter 1, professional practice, which is heavily influenced by national professional bodies (Mintzberg, 1983), usually evolves only slowly, and is difficult for the policy or management domains to control. On the other hand, there has been a strong tendency, culminating in policy initiatives like the Citizens' Charter, for the policy and managerial domains to want to impose standards of service delivery, and often new organisational forms to support such standards, on to the 'professional operating core' or service domain.

A good example of the tension between what will be called here the 'professional practice' and the 'product/service delivery' sub-systems is the introduction of total quality management (TQM) initiatives. Some difficulty has been encountered in applying TQM - one report of US public sector TQM initiatives shows that less than half of the sample measured 'customer satisfaction' at all (Brockman, 1992), largely

150

due to opposition from professionals. Morgan & Murgatroyd likewise argue that TQM has often been seen by professionals as a managerialist challenge to their traditional autonomy and self-defining standards of practice. They point out that other systems besides TQM, such as clinical audit, are also forcing professionals, reluctantly, to come to terms with organisationally imposed systems for delivering, standardising, measuring and evaluating services (1994:73-74).

The two paradoxical strategy systems which can therefore be identified as operating in the service domain could be described as:

- professional practice which leads to emergent and evolutionary changes in service delivery (and hence organisational strategy), often driven by professional innovations imported from outside of the organisation through professional channels

- product/service strategy which defines the standards and delivery methods of services to be provided by the organisation, which can often be imposed by the managerial or policy domains and linked to technological changes (in the broadest sense of both managerial/organisational technique and service delivery technology).

The three pairs of strategic sub-systems described above can be mapped onto the domain structure of public service organisations as in Figure 3:13. It should be stressed that this is not an attempt to produce an exhaustive analysis of possible contradictory and paradoxical elements in strategic processes and content in public human services organisations. Its purpose is primarily to allow analysis of the types of paradoxical elements which strategic public managers have to cope with. The elements have therefore been deliberately kept reasonably small in number, to prevent over-complication of the issue and allow for feasible research within the constraints discussed later in Chapter 5.

Figure 3:13 Strategy sub-systems in public service organisations
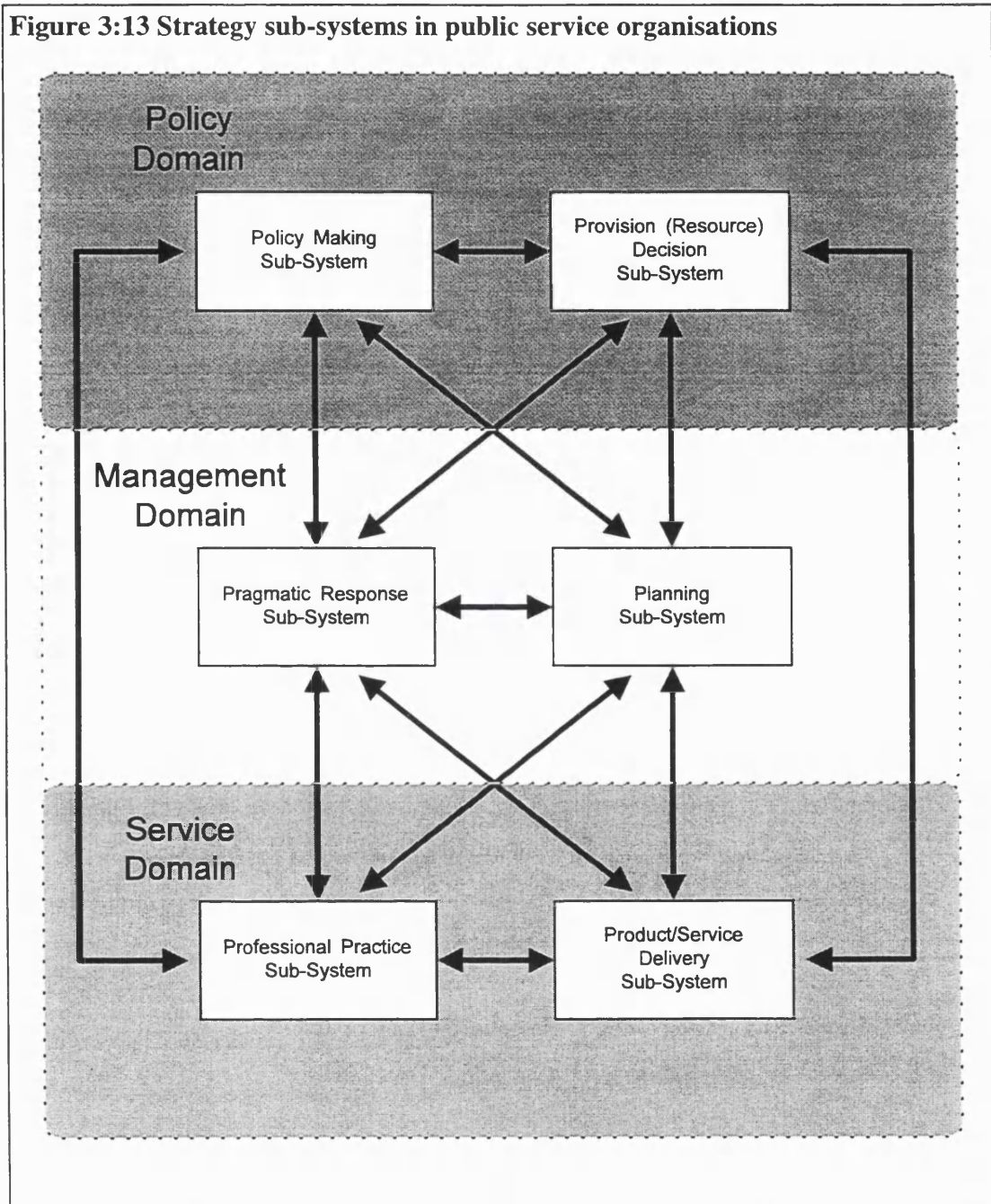
As can be seen from Figure 3:13, it is also not the case that these six sub-systems which relate to strategy are merely three pairs of mutually contradictory and paradoxical elements. As the diagram suggests, in reality all six elements can be regarded as to some degree paradoxical and interactive. Strategy making, this model would suggest, will often be the consequence of a particular configuration of relative strengths and weaknesses amongst these six elements or sub-systems.

For example, an account of strategy making process and outcomes of the Ministry of Social Security, British Columbia, makes explicit the links between managerial planning and policy decisions (Russell & Prince, 1992). Another detailed examination of strategy formation as a combined policy and planning process in local government is given in Rider (1983). Both these could be viewed as examples where the policy, planning and product/service delivery sub-systems predominate.

Joubert (1988) argues that strategic planning will not work in public organisations without substantial reforms to separate more clearly policy making from management, along the lines of the UK government's "Next Steps" initiatives. This is an example of how the close link between policy and planning sub-systems, as noted in the two cases above, can also be seen as detrimental to planning. Policy making can just as easily be seen as (values driven) political interference in the (managerial) planning process as it can be seen as a rational integration of the two sub-systems.

In the case of local authorities that make medium term revenue and spending plans which are "projections of levels of spending necessary to sustain the present pattern of services" then "if there is strategy in these cases, it is often concealed in the detail of the planning process" (Caulfield & Schultz, 1989:7). This is perhaps an example of the resource allocation system dominating strategy almost exclusively.

Strategic Modes in Public Services

The strategic modes discussed in Chapter 2 (planning, learning, politics and visionary) are derived from the trends in generic literature and research on strategic management. In this section each of these four strategic modes is very briefly reviewed in the literature on public services organisations. These comments are intended to be additional to the outline of the four modes developed more fully in Chapter 2, appending some ideas from the public sector to the basic concepts.

THE PLANNING MODE

Just as the planning mode has dominated writing and prescription in generic strategic management so it has also dominated the in public sector:

> "Despite the criticisms of PPBS as a top-down, over rational planning system, many publications, managers and consultants still think in terms of its basic building blocks and form of deductive logic when asked to describe what planning and control is all about." (Tomkins, 1987:77)

Tomkins goes on to show how such varied official initiatives as central Government's "Financial Management Initiative" and the Audit Commission's advice to local authorities in the mid-1980's are all based on rationalist approaches and that while:

> "those responsible for improving management in the public sector recognise the arguments against totally comprehensive rationalistic planning but, given that they have responsibilities for achieving progress, still adopt the only model of management that they feel has a general logic and acceptability; despite its imperfections." (Tomkins, 1987:78-9)

The rational planning model has been strongly defended from more recent attacks, for example Leach writes 'in defence of the rational model' (1982) whilst Caulfield & Schulz write about the need for 'restoring strategic planning's reputation' (1989).

The planning systems have evolved from Plan, Programme and Budgeting System (PPBS - originated under the Johnson administration in the US); Zero Based Budgeting (ZBB - Carter administration); cost-benefit analysis; etc. More recently writers have proposed a range of strategic planning models which have the same sorts of rationalist, step-by-step, models as dominate generic models (e.g. Bryson, 1988a; Osborne & Gaebler, 1992; Hughes, 1994; Caulfield & Schulz, 1989; etc.). Many of these models do stress one difference between private and public organisations, that is that the setting of broad policy, organisational mandates or objectives in the policy domain. In most cases they propose specific solutions, for example Bryson's (1988a) discussion of a necessary stage of clarifying mandates as a precursor for the rest of the strategic planning process. However, in most cases this is the only essential difference between these models and their private sector equivalents.

154

In one sense, the stage of resolving political direction for public services organisations discussed above forms part of strategy in the political mode.

> "Policies are frequently ambiguous; but their ambiguities are less a result of the deficiencies in policy makers than a natural consequence of gaining necessary support for the policies, and of changing preferences over time. Conflict of interest is not just a property of the relations between policy makers on the one hand and administrators on the other; *it is a general feature of policy negotiation and bureaucratic life.*" (Baier et al, 1986 - emphasis added)

It is important here to avoid a confusion in terminology. The 'political mode' is used to describe the generic situation, in public or private organisations, when contending forces vie for power and control within the organisation. These struggles, which include issues of expediency and values, take place in all organisations. 'Politics' is the best metaphor for this situation, but it is only a metaphor and is not to be confused with the real political activity of parties, politicians, elections, etc. surrounding public organisations and within which they are embedded. The difference is between organisational politics (small 'p') and electoral Politics (big 'P').

Having said that, public sector organisations have a propensity for encouraging organisational politics precisely because of the instability and institutionalised values conflicts which go to make up organised Politics. Domain theory (described in Chapter 1) posits on-going potential for conflict between the policy, management and service domains because of their different modes of operating, success measures, underlying values, etc. This already provides scope for plenty of organisational politics (small 'p') without adding that each of the three domains are often themselves divided: the policy domain by organised Politics; the management domain by normal bureaucratic divisions; the service domain by professional rivalries where more than one profession operate.

There is therefore a great need in public services organisations to find positive ways of dealing with these political forces, which many writers now suggest can give rise to

creative tensions as well as destructive conflict. As Pollitt and Harrison (1992:282) put it:

> "if strategic management is anything it is relational; that is it requires the creation and nurturing of relationships of trust and respect between different levels and groups within an institution."

THE VISIONARY MODE

As the quote from Baier (above) captures some of the possibilities for the political mode to become dominant in public organisations. This poses the question, given all these potential conflicts why is it that the 'political mode' isn't always dominant in public service organisations? Potential for such a development always exists but it can be mitigated in a variety of ways. For example, one small UK district council (Braintree) has attained a remarkable string of successes in gaining awards (e.g. Charter Mark; BS 5750; etc.), establishing performance targets and performance related pay, etc. This does not sound like incremental, non-rational decision making in the political mode and indeed it is not. The Council had a very fragmented policy domain throughout the 1980s because the Council was 'hung' (i.e. no political group had a majority) and the Parties themselves were characterised by pragmatism and willingness to compromise. At the same time, being a District council it did not have responsibility for education or social services, the two biggest and most powerful professionally driven services in UK local authorities. Thirdly, it had a strong Chief Executive who, with the support of a significant group of chief officers, was able to drive through a number of reforms. In other words here was a Council dominated by the management domain because of weaknesses in the policy and service domains, enabling it to act initially more in the visionary mode and latterly more like the planning mode. (Based on unpublished case study, Talbot, 1993).

Other examples of visionary mode public service organisations might include where radical political leaderships have driven through reforms - either in the case in right-wing radical local government (e.g. Wandsworth or Westminster) in the direction of managerialist solutions or in the case of some Labour (and Liberal Democrat) councils (e.g. Islington or Tower Hamlets) in democratic decentralisation initiatives. In other

cases unified political leaderships have adopted what Elcock et al (1989) called 'brinkmanship' strategies to confront central government over cuts in funding (e.g. some left-wing Councils in the mid-1980s, on slogans like "Services Well Worth Defending" - Lambeth).

THE LEARNING MODE

In a very useful review of organisational learning within a public sector context, Willcocks & Harrow (1991) conclude that many of these organisations have either been steered, or are steering, towards external learning sources derived largely from the public sector. Indeed, further research by Harrow & Talbot (1992, 1993) has indicated that inter-organisational learning between public sector organisations has at least partially, and possibly temporarily, been impaired by the reaction of public service organisations to the introduction of quasi-markets, especially in the form of somewhat over-zealous interpretations of what competition and commercial secrecy may mean in practice.

(At one recent seminar, the author was struck by an NHS Trust manager introducing his organisation with an overhead showing its metropolitan location and pointing out "this is us - and here are our competitors" - pointing to neighbouring hospitals).

As Willcocks & Harrow point out, there are some unique features to the public services, not the least of which is the existence of a plethora of official and semi-official conduits and interpreters for information about "best practice", such as the "Audit Commission, the Social Services, Prisons, Police and Education Inspectorates, and the Health Advisory Service" (1992:32) to which could be added the National Audit Office (NAO); Local Government Management Board (LGMB); Local Authority Associations (AMA, ACC, ADC etc.); National Association of Health Authorities and Trusts (NAHAT); etc. While these bodies have some parallels with private sector associations and organisations, the power which they exercise (often with official and in some cases legal sanctions to enforce them) is quite different to the private sector.

These externalities are further complicated by the internal developments already mentioned - the development of maladapted private sector models, the new managerialism. As Edmonstone (1990) has pointed out the role of political support (or lack of it), of professionalism, of competing interpretations of organisational values and purpose all make creating learning public organisations more difficult.

Strategic management in the public services - competing competences?

In this Chapter, and Chapter 2, two models have been developed from the existing literature on strategic management and the public services, adopting a competing values and paradoxes approach.

The first of these models gives four modes in which strategic process and content can evolve (planning, vision, learning, politics) and suggests that these are contradictory and paradoxical modes which can often co-exist in organisations alongside one-another. It suggests that there is a constant evolution in the particular configuration of strategic modes in an organisation.

This in itself has obvious implications for the competences required by strategic managers - they need to have the skills to work with any particular mode; they need to be able to recognise the different modes of working and when it is appropriate to deploy the skills relevant to a particular strategic mode; and finally they have to have a tolerance for ambiguity, contradiction and paradox in order to work with what are often conflicting strategic modes simultaneously.

These are generic strategic management competences, applicable in both the public and private sector. Also developed in this Chapter is a model of some of the strategic sub-systems which may be operable in public services organisations. Six specific sub-systems have been identified, based on the theoretical framework of domain theory and existing literature on strategy in public organisations. Each of these six sub-systems imply specific competences. Rather than spell these out as individual

competences however, the model of strategic sub-systems has been combined with the model of strategic modes to produce a matrix of strategic competences for public services organisations (see Figure 3:14 Strategic competences: in public services and strategic modes

Figure 3:14 Strategic competences: in public services and strategic modes

Public services strategy sub-system ⇩	Planning Mode	Visionary Mode	Political Mode	Learning Mode
Strategic Mode				
Policy Making	set detailed missions, policies, objectives and rules for the organisation	set broad missions, policies, objectives and values for the organisation	integrate ambiguous missions, policies, objectives and rules for the organisation	tolerate diversity of missions, policies, objectives and rules within the organisation
Provision (Resource Allocation)	integrate resource allocation and policy making systems	derive resource allocation and targeting from mission and policy objectives	adjust resource allocations to meet conflicting priorities and policies	allow flexibility in resource allocation and allow resources to follow 'success'
Planning	use the organisation's planning system to produce rational solutions to problems	use the organisation's planning system to justify the organisational mission	use the organisation's planning system to support particular projects or policies	use the organisation's planning system for learning and adaptation
Pragmatism	make pragmatic adjustments to stay within the overall plan	make pragmatic adjustments to stay within the broad organisational mission	make pragmatic adjustments through negotiating internal compromises	make pragmatic adjustments through experience of practical service delivery
Professional Practice	integrate, through persuasion or coercion, professional practice to match plans	integrate, through persuasion or coercion, professional practice to match mission	integrate, through compromise, professional practice into organisational goals	allow professional practice scope for innovation, within broad goals
Product/ Service	ensure services are clearly defined and organised to meet plans	ensure services are broadly organised to meet mission and policies	achieve compromise and consensus over the design and organisation of services	allow for diversity and innovation in design and organisation of services

The resulting twenty-four competences identified here are suggested by the matrix using the strategic modes and strategic sub-systems and are therefore seen as

competing competences. This can be illustrated by looking at one set of competences - those associated with the 'product/service' sub-system. The common element in all four suggested competences is 'the ability to organise and define services'.

In the planning mode this is posed as 'the ability to ensure services are clearly defined and organised to meet plans', in other words services are tied to strategic plans. In the visionary mode the definition of services is linked to the organisational mission and policies rather than the plan: 'ability to ensure services are broadly organised to meet mission and policies'. In the political mode the emphasis is placed on obtaining compromise and consensus: 'achieve compromise and consensus over the design and organisation of services' whilst in the learning mode the emphasis is not on obtaining consensus but on tolerating diversity: 'ability to allow for diversity and innovation in design and organisation of services'.

This approach has been applied to all the other five sets of competences, to produce twenty four competences which can be seen as competing competences. This initial suggestion of some strategic competences for managers in public services organisations is developed for the exploratory research survey which is explained further in Chapter 5. It should be emphasised here that these suggested competences have been deliberately constrained by the intention to carry out exploratory confirmatory research - it is not suggested that this is an exhaustive or comprehensive model. It has been derived by a process of synthesis and deduction from existing research and theory from the general perspective of paradoxical systems elements. Obviously, different approaches would produce different sets of potential competences which could form the basis for exploratory research.

Chapter 4 Management Development and Public Services Management[1]

INTRODUCTION

This Chapter begins with a review of current generic approaches to management development (MD). It offers a simple framework for the analysis of these generic approaches, based on Kolb's work on experiential learning (Kolb, 1984). It develops a four-fold analytical model which embraces both the practice and theory of MD in the UK and elsewhere. This is not intended as a fully comprehensive examination of MD but as sufficient a review to provide a reasonable framework for analysing the development of strategic managers, especially for the public sector. It makes some brief mention of attempts currently being made to elevate MD programmes currently focused on general MD into programmes for strategic managers. It examines the relative paucity of advice on how strategic managers are to be developed.

It then looks at some additional models of management education and development MD) of public managers, using domain theory. It argues that there are 'domains of academia' broadly corresponding to the domains of public organisations and each with its unique approach to the issue of management, and hence MD, within them. Finally, it examines the small amount of extant advice on developing strategic managers in public services.

DEFINING MANAGEMENT DEVELOPMENT

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[1] parts of this Chapter have appeared in earlier, draft, forms in: Talbot, C (1993) *Twin Peaks: MBAs and the Competence Movement, A Tale of Two Courses*, MEAD, Vol. 24, No. 4., AMD; and Talbot, C (1993) *Developing Public Managers in the UK*, International Journal of Public Sector Management, Vol. 6 No. 6., MCB.

It would be useful to explore some of the definitional problems associated with this area and what is meant by terms such as "management development," " management education," etc.

Chapter 1 discussed some of the issues in defining the term "management" in relation to the nature of public services management. It is clear that differing definitions of "management", in a generic sense, have fairly substantive relations with differing approaches to defining what is meant by terms such as "management development" and "management education". Lee and Piper have pointed out, for example, that the growing understanding of the role of organisational politics in managerial practice has had significant impact on the nature of management education (1986).

So far, the term "management development" has been used as an all-embracing one to cover all activities and approaches to the "formation" of managers. This will continue to be done.

The three key terms usually discussed in relation to MD are "education", "development" and "training."

A useful starting point is the definitions offered by the former Manpower Services Commission (1981):

Education
"Activities which aim at developing the knowledge, skills, moral values and understanding required in all aspects of life rather than knowledge and skill relating to only a limited field of activity...."
(:17)

Development
"The growth or realisation of a person's ability, through conscious or unconscious learning. Development programmes usually include elements of planned study and experience, and are frequently supported by a coaching or counselling facility"
(:15)

Training

"A planned process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities...."
(:62)

There have been extensive discussions of more precise definitions in both the general training and management development literature (for a brief review see Silver, 1991b).

Much earlier discussions tended to use different terminology, but widely similar concepts - thus Hooper (1960, first published in 1948) suggests three levels of management "training":

1. general training in principles and science of management
2. practical training relating to specific businesses
3. training to develop the "whole man" to enable managers to practice the art, as well as the science, of management (:176).

These broadly correspond to the MSC definitions given above - education (iii); development (i) and training (ii). However, there is clearly a great deal of overlap in these three definitions and it is virtually impossible to draw exact lines between them.

Hooper also argues, incidentally, that an "administrative staff college", similar in nature to an army staff college, is needed to provide (iii) as "many men need what amounts to a mental revolution" which short, intensive courses at such a college could provide (:182). This was in fact the style developed at the Administrative Staff College at Henley, which opened in 1947 and gained a good reputation for its 12 - week courses aimed at both civil servants and private sector managers. (For a contemporary discussion of the state of UK MD at the beginning of the 1960s see Falk, 1961:170-191 and for an historical account see Wilson, 1992:Chapter 1).

Mant (1979) has argued that the character of "management development" and "management education" in the UK has been determined by the traditional split in British education between generalist education (represented in the post-war period by public schools, grammar schools and Oxbridge) and vocational training (secondary

schools, technical colleges and 'red-brick' Universities). He also argues that this split determined the characters following the Franks Report, 1963) with University based educational approach winning out (Chapter 8)

As Wilson points out, the Franks Report, which led to the establishment of the London and Manchester Business Schools (launched in 1965), was itself was the result of a clash between those who wanted a "educational" approach run by the Universities (represented by the Foundation for Management Education) and those who wanted a "training" approach run by industry (the so-called "Savoy Group"). The former won the argument (although by the mid-1980s most UK managers received neither education nor training - see Handy et al, 1987 and Constable & McCormick, 1987).

Thus, as Silver argues (1991b), running through the history of UK MD is a debate about "knowledge versus action", or between education and training, with development falling somewhere in between. However, a fourth term also emerges - "experience", with Handy et al (1988) defining management development as "a mixture of experience, training and education."(:12).

Handy et al also make a distinction between what they call "business education" and "management development". This distinction is, for them, both about the content of the activity and the responsibility for engaging in them. Thus "business education is to a large extent the responsibility of the individual" and is about "learning the languages of business" which they see as something to done by someone aspiring to become a manager. On the other hand "management development is a mixture of experience, training and education which is usually initiated by the organisation with the necessary co-operation of the individual." (1988:12)

The distinction between pre-managerial "business education" and "management development" which can only be done with practising managers, is interesting and partially concurs with Mintzberg's views on the nature of the process of developing managers (1989:Ch.5). However, Mintzberg goes much farther, arguing that

164

undergraduate and graduate education in management (by which he clearly means degrees in business administration at both levels) is not useful at all (:80) and that only "management training...directed at people who have substantial organisational experience coupled with proven leadership ability as well as the requisite intelligence" is really useful (:80). Thus the "business education", such as that enjoyed by the 70,000 or so US MBA graduates per year (the vast majority of whom have no managerial experience), cannot be classed as management development.

Here is also clearly some imprecision in Handy et al's definition, for the word "education" appears both as part of "business education" and a part of "management development" ("a mixture of experience, training and education"). It is thus not clear how to distinguish between "education" which is business education and that which is management education, other than on the criteria of the degree of experience of management of those undertaking the education. This is particularly problematic when the majority of management education (at least at the post-graduate level) in the UK is directed at practising managers doing part-time post-graduate Certificate, Diploma or Masters courses (Handy et al 1987, Constable & McCormick, 1987).

Having said that, it is clear that Handy et al's identification of "management development" as learning or development directed at practising managers is broadly in line with the common usage in the MD literature (e.g. Mumford, 1986; Cooper, 1981; Margerison, 1991; Taylor & Lippitt, 1983). However, as Lees has pointed out, the usage of MD as a term has tended to shift being a set of activities carried out by the organisation upon their own managers, to something delivered by external professionals on behalf of the organisation (Lees, 1992:89).

The definitions used here embrace all four categories of management development, education, training and experience (see Figure 4:1). Management development is seen as an integrative term embracing all aspects of management learning. Management education is seen as focusing on knowledge, management training on skills and management experience programmes as developing competence.

Figure 4:1 Defining management development

	Management Development embraces all of the below, as well as non-learning systems such as reward systems:	
Management education developing knowledge of business, organisation and management	**Management training** developing skills in the practice of business, organisation and management	**Management experience** programmes of systematic exposure to a variety of business, organisation and management settings to develop competence in applying skills and knowledge

These definitions are seen as analytically useful broad concepts rather than mutually exclusive categories. For example, much of management education in the UK now includes skills development (especially competency based programmes) and in many cases incorporate elements of experience based learning (e.g. through action learning approaches). These broad definitions (or at least education/training/experience divide) are therefore not particularly useful in trying to categorise approaches to MD. In the next section, as model will be advanced which helps to understand differing stances on MD.

TRENDS IN GENERIC MANAGEMENT DEVELOPMENT

This first section looks at various approaches to MD, some of which are used very widely in MD practice and others which are much less extensively used, and in some cases are more recommendations rather than practised approaches.

Few attempts seem to have been made to develop typologies of MD approaches, with most major textbooks and reviews of the subject area offering no attempted classifications (e.g. Mumford, 1986; Cooper, 1981; Margerison, 1991; Taylor & Lippitt, 1983). One encyclopaedia of MD (Huczynski, 1983), covering over 300

specific approaches and techniques, offers only a utilitarian model for selecting techniques according to need, based on the levels of student autonomy, objectives and group size (:7-19).

One relatively simple categorisation is offered by Wallace (1991) as set out in Figure 4:2 below, which utilises the dimensions of "concern for task" and "concern for learning" to group MD approaches. This model is most useful in distinguishing between "theory" based approaches, which it characterises as low on concern for task and "practice" based approaches, which is asserts are high on concern for task.

Figure 4:2 Types of management development

High	Type 1: Accidental	Type 2: Business-change schemes, combining tasks and learning opportunities
Concern for task	Type 0: No learning, no challenge	Type 3: Formal diploma programmes with little linkage to job
Low		

Low   **Concern for learning**   High

Source: adapted from Wallace, 1991:80
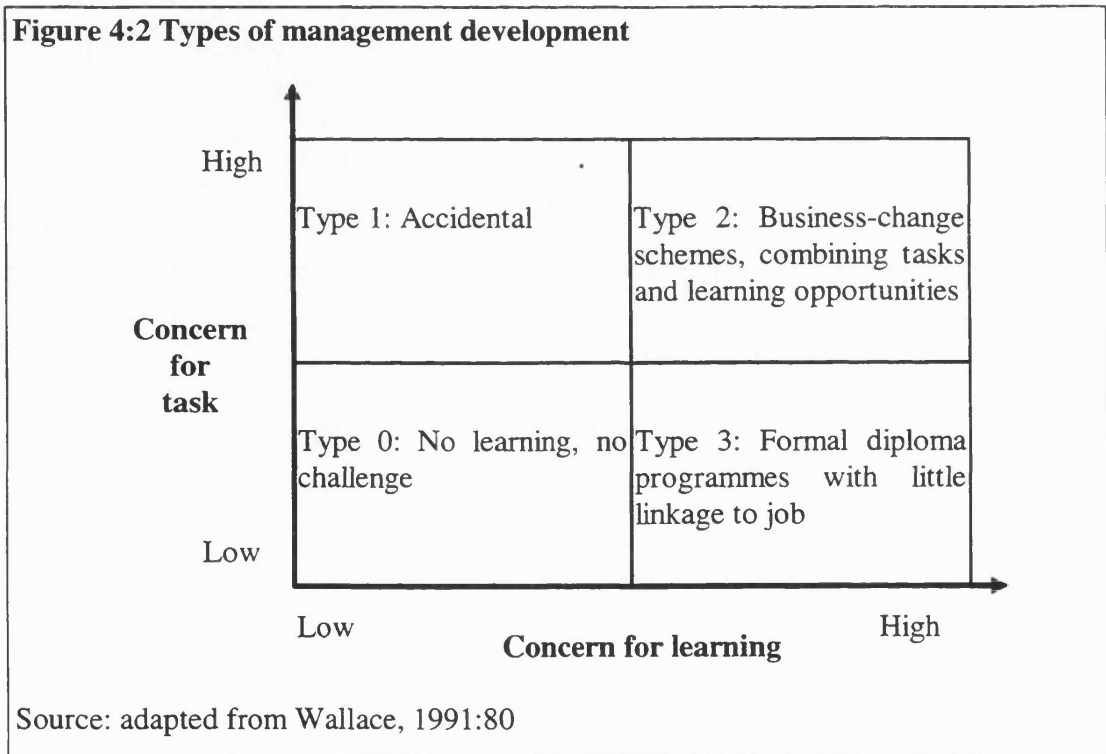
Kubr and Prokopenko (1989) offer a categorisation of methods which related to MD (see Figure 4:3) which uses the distinction between management training needs and interventions on the one hand and on the other somewhat overlapping non-training interventions to improve organisational performance (a similar distinction to Wallace's).

On the basis of this distinction they evaluate seven approaches to improving organisational performance, of which six can be seen to have some MD component (Figure 4:3). Only management education is seen as wholly falling within the management "training needs or interventions" whilst only improvements to organisational systems and practices is seen as wholly "non-training." The other five methods are all seen as having some component of both: management development, management training, experiential learning, organisational development and management consulting. (The somewhat confusing use of terminology should be noted - management "education" is a "training" intervention? We will return below to the issues of definitions and confusing terminology.)

Figure 4:3 Interventions for improving performance

Training needs and interventions		
	Non-training needs and interventions	
Management education		
	Management development	
	Management training	
	Experiential learning	
	Organisational development	
	Improvements in organisational systems and practice	
	Management consulting	
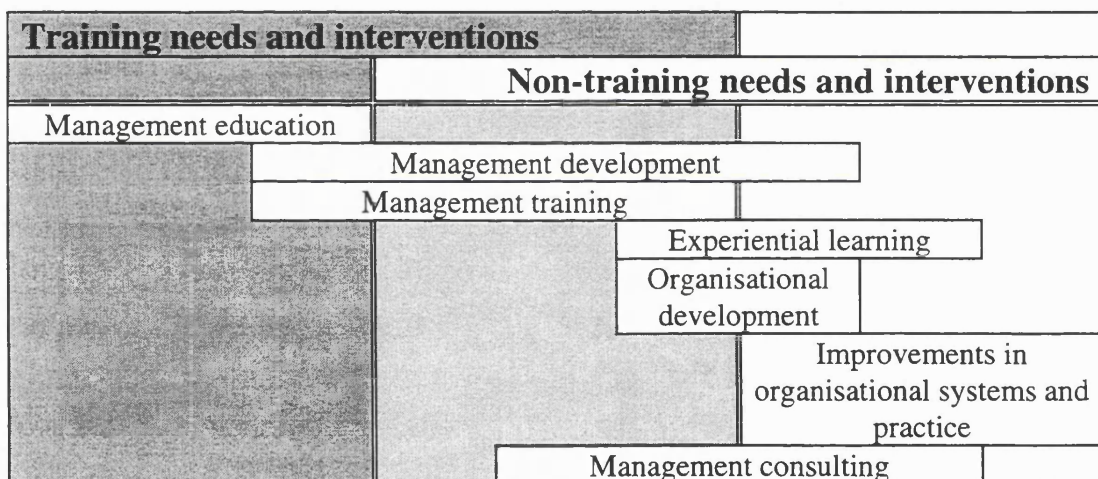
Source: adapted from Kubr & Prokopenko, 1989:13

Lees (1992) offers an intriguing categorisation. Arguing that MD can be constructed as the intersection of three variables - individual career, organisational succession and organisational performance - he contends that while these three are usually seen as reconcilable, in reality there are tensions between them. In the "socio-political domain of management" which is driven by "a complex dynamic of hopes and fears, ambitions and opportunities, threats and disillusionments, conflicts and contradictions" there is a gulf between ideals of MD and reality of management (:91). He suggests ten "faces of MD", many of which are usually hidden but are nonetheless potent:

a) **Functional-performance** - MD as an organisationally driven direct contribution to organisational performance through increased individual performance

b) **Agricultural** - 'grow our own managers' similar to above, but more emphasis individual responsibility and less direct or immediate links to organisational performance

c) **Functional-defensive** - MD as luxury, the organisation doesn't really need it but it might come in useful and individuals like it - can lead to dysfunctional behaviour due to frustration by those developed

d) **Socialisation** - MD as a mechanism for transmitting organisational culture and attitudes

e) **Political reinforcement** - MD as an instrument for reinforcing the political credibility of those shaping the vision of how organisational improvements are to occur

f) **Organisational inheritance** - MD is seen, either by the organisation or individuals, as a key for individuals to establish their 'right' to succession to senior posts

g) **Environmental legitimacy** - MD as a mechanism for giving credibility to the organisation as a responsible part of society

h) **Compensation** - MD as a fringe benefit of employment

i) **Psychic defence** - MD as a vehicle for recognising "officially" what managers already know or do and a "badge" of achievement

j) **Ceremonial** - MD as a symbolic system placing legitimacy on a managers progress through the organisation

(adapted from Lees, 1992).

These "faces" of MD may appear slightly cynical, they do correspond with views of the organisation as a competing systems of values discussed earlier, with "faces" clearly representing competing value systems both about the purposes of the organisation and the purposes of MD within it. Some of them also correspond to ideas advanced by Schein (1988), that much of management education is in reality about socialisation and indoctrination.

Schein advances what he calls "four troublesome realities" about management education:

1) the occupation of management is, in fact, many different occupations involving different kinds of responsibilities, skills and attitudes

2) management is not, has never been, and probably should not ever be a "profession" in the sociological sense of what a profession is

3) we do not really understand the nature of learning and development

4) though the world needs more leaders and entrepreneurs, we do not know how to identify or educate such people (Schein, 1988:5-15)

Others have investigated the problems of different managerial "skills languages" which cloud discussions about the nature of management development (Hirsh, 1989)

MD - A Competing Values Model

In order to give some shape to an analysis of MD Kolb's "experiential learning cycle" (Kolb, 1984:42) has been used (see Fig.4.3). Kolb's model suggests a cyclic learning

experience moving through concrete experience, reflective observation, abstract conceptualisation and active experimentation. (Kolb derived his model from two dimensions: prehension - the dialectic between apprehension (of concrete experience) and comprehension (of abstract conceptualisations); transformation - the dialectic between transformation by active experimentation and transformation by reflective observation (Kolb, 1984:43-58)).

The emphasis in Kolb's model is on an integrated process, involving all four stages of the cycle, although as the title "experiential learning" suggests, Kolb's emphasis is on concrete experience as the starting point of the cycle.

The model presented here (Figure 4:4) suggests Kolb's learning stages can be used as a framework for categorising differing approaches to MD, according to the emphasis placed on different stages of the learning cycle and, as will be shown below, the exclusion of other elements. Each embodies a set of values about the nature of learning and relationships between the learner and others. In particular the relative allocation of value between theory and practice, between self-managed or organisation directed learning, between peer and superior guidance and assessment, between experimental, experiential, reflective and didactic learning, and so on.

It should be stressed that this is not to suggest that the approaches concentrate exclusively on only one stage of the learning cycle, but that the particular stage represents the focus for those particular approaches. As will be shown below, some of the approaches do seem to either distort or "short-circuit" the learning cycle, excluding some elements of the learning cycle almost completely.

Traditional management education (as practised in MBA and other post-graduate courses) can be seen as primarily focused on abstract conceptualisation - developing cognitive skills and analytic ability as well as an understanding an knowledge of a wide-ranging set of management theories.

Figure 4:4 The Learning Cycle and Approaches to Management Education and Development.
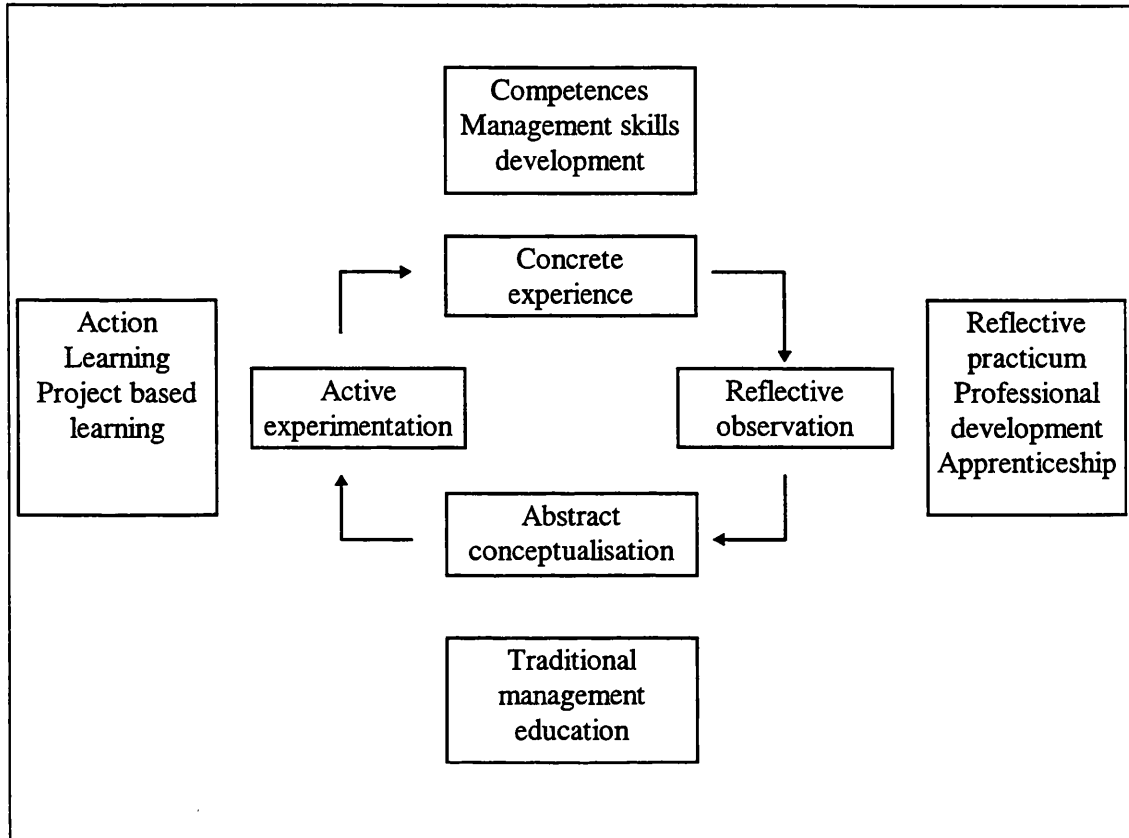
Reform of these programmes has recently led some to develop approaches based on active experimentation in management interventions, either through projects or Action Learning, aimed at applying management theory in organisational contexts.

A stronger reaction against the perceived "academic" quality of much MD is the application of the competences approach, which has been widely adopted in the UK's National Vocational Qualifications system, to management. Management competences (in the UK embodied mainly in the MCI's management Standards (MCI, 1990)) focuses on managerial action, concrete experience, and its outcomes, demanding that managerial performance be the key to both learning and assessment.

Finally, some have advocated models of MD based mainly on reflection on practice, reflective observation. Most notable has been Schon's "Reflective Practicum" which

has been most popular in areas of professional development (e.g. teaching - see Schon, 1991) but is clearly applicable to management. The most high-profile attempt to apply something along these lines to MD are embedded in the recommendations of Handy's report on UK management development (Handy, 1987).

It has been argued that two of these approaches - traditional management education and the competences approach - represent the dominant "twin peaks" of current UK MD (Talbot, 1993). In the sections that follow, all four approaches will be briefly examined.

Before moving to look at each of these approaches it is worth noting that a version of Kolb's work has been popularised and operationalised into an instrument for detecting an individuals preferred "learning styles" (Honey & Mumford, 1988).

Abstract Conceptualisation: the traditional Management Education (MBA) model

> 'I am pleased if a student does well in my subject even though that student might not be able to find a brewery, never mind organize anything in it.'
> Silver (1991b:80)

Internationally, there may now be over 100,000 MBA graduates every year, from around 800 business schools (Bickerstaff, 1993) with about 70,000 graduating in the US and nearly 6,000 in the UK, provided by over 92 institutions(Francis Beckett, *Ind. On Sunday*, 8/5/94). In Britain, besides the MBA there are also about 2,000 graduates from post-graduate Diploma and Certificate courses per year (mainly from the 70 or so "new" Universities - formerly CNAA institutions).

This section will concentrate on the MBA as representative of "management education" as an approach to management development. It should be noted however that many providers of management qualifications have now adopted the competence based Management Standards and methods of assessment developed by the Management Charter Initiative (MCI), which will be examined below.

A summary of the traditional MBA (or pre-competences post-graduate Diploma in Management Studies - DMS) structure is suggested in Figure 4:5. The assumes a model of management that embraces knowledge and skills in the three broad areas of:

- **strategy** (strategic management, business policy and environment, etc.).

- **functional management** (personnel, marketing, operations, etc.) and

- **management skills** in its broadest sense, including management science, quantitative methods, inter-personal skills and organisation theory and practice;

Figure 4:5 The traditional management education model
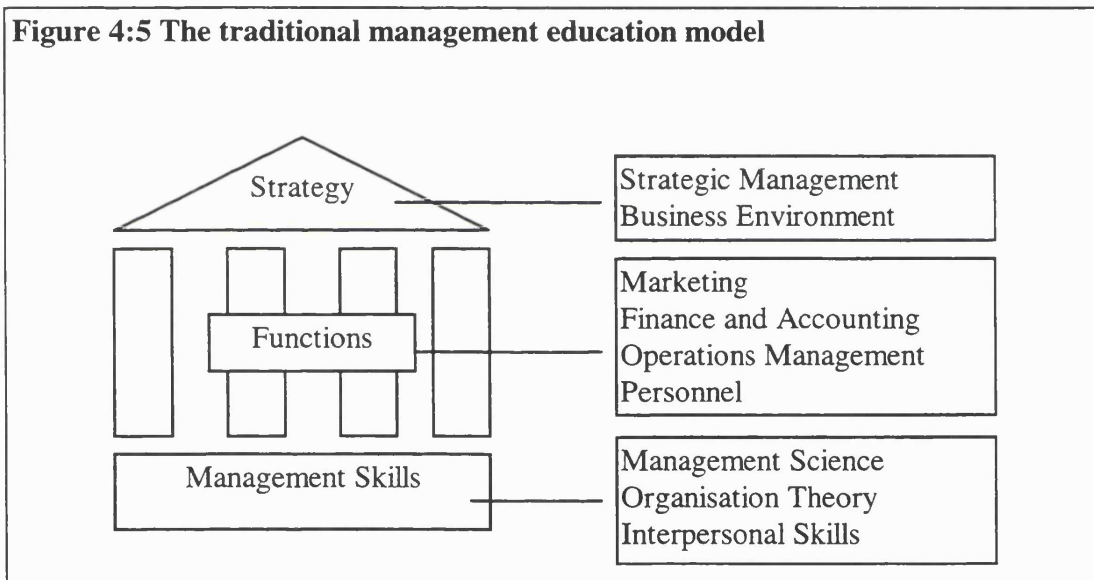
At a deeper level this model clearly assumes a model of organisation. The similarity with Handy's 'role culture' is striking when depicted as in Figure 4:5. As Handy points out, this was the traditional model of large scale business organisation (Handy, 1987:190-2). It is hardly surprising therefore that it underpins the traditional MBA structure.

There are many variants on this general theme, but one survey of 12 leading US MBA's at least confirms the broad outlines (see Figure 4:6). A similar summary of MBA core subjects is offered by Squires (1993:27) which includes strategic planning;

174

business law; information systems management; operations management; organisational behaviour and business methods (including management theory).

Figure 4:6 Subject distribution in 12 MBAs

	Subjects	Percentage of required curriculum
Strategy	Business and Public Policy and Policy and Strategy	12
Functions	Accounting, Finance & Marketing	29
Management Skills	Management Science & Organisational Behaviour	29
	Statistics	9
	Communications	4
	Management	2
	total %	85

Source: adapted from Cheit, 1991:205-6

This is essentially a model of management as a function, rather than of managers, of what "the management" as a whole does in the organisation rather than what any particular manager has to do. It implies that individual managers need to understand the totality of management functions in order to practice "management" in their specific jobs:

> "Our basic management ideas are functionally oriented. We manage each piece of an organisation - design, research, product development, manufacturing, engineering, purchasing, sales, marketing, finance - as if optimizing the pieces optimizes the whole." (Lataif, 1992:128)

Some have drawn distinctions between an "American" and a "European" model of MBAs, and between the traditional US MBA and a newer variant. The US model is, and largely remains, highly academic and based around analytical, numerical skills based in economics and finance. There have been changes in the late 1980s and early 1990s, which have included a greater emphasis on international issues, "softer" subjects of social psychology and organisation theory, and leadership and team building skills (Lewis, 1993:14; Mintzberg, 1989:Ch.5). The traditional MBA model has been pronounced "doomed" or at least in need of further urgent reform by a

number of academics and practitioners in a heated debate in the pages of *Harvard Business Review* (Lataif, Mintzberg, Saka and Hendry, all 1992).

Particularly subject to scathing attack has been the use of the case study method for teaching. As Lee Iacocca, a former leading practitioner, comments:

> "there's a new breed of businessmen, (sic) mostly people with MBA's, who ... seem to think that every business problem can be structured and reduced to a case study." (Iacocca, 1984:55)

In a similar vein, Mintzberg has attacked Harvard's MBA for taking

> "people who know nothing about a particular company and then insist(ing), based on 20 pages of verbalized and numerical abstractions, that they pronounce on it in the classroom...Let's stop pretending to train non-managers to be managers through the use of detached case studies and disconnected theories." (Mintzberg, 1992:129)

Mintzberg's critique flows, in part, from his model of the fragmented and contingent nature of managerial work, where he had already proposed an alternative model of management education (Mintzberg, 1973:186-8) and his later writings on the nature of strategy (Quinn, Mintzberg & James, 1988:13-20 & 82-89) and the role of intuition (ibid:715-724) in the management process suggest a much more fluid model of management and a whole different dimension of skills. Mintzberg has suggested that his

> "ideal management education would change priorities. It would contain less analysis and prescription, more soft material and insights into how the world of organizations really does work, as opposed to how it should work." (Mintzberg, 1989:85)

Moreover, this would not necessarily be in the form of qualification programmes. Incidentally, Mintzberg also proposes removing the Business from the MBA title, on the grounds that "we need to teach management, and it really makes little difference whether that be for hospital directors, government administrators, or business people." (ibid:85).

In the UK, Hendry has noted that:

"The standard MBA turns out good analysts with large egos who can't necessarily manage." (cited in Lewis, 1993:14).

There are some obvious implications for learning and assessment in the traditional approach. Managers need to know something about all aspects of the totality of management. Since they are not necessarily personally using all the necessary skills or knowledge, the key way they can know is through traditional academic style teaching and learning processes. These should be focused mainly on developing knowledge and analytic skills. (In the case of full-time MBA's this is even more true.) As the only reasonable way to assess knowledge and analytic skill is through traditional methods (assignments, exams, dissertations) these are usually the methods employed.

The obvious disadvantage of this approach is that managers grasping new concepts and theories for areas of management with which they are not personally familiar are easily disorientated. At best they acquire formal knowledge that may be unrelated to practical experience. Attempts have been made to overcome this on full-time MBA's, mainly by the by the introduction of case study based teaching and assessment.

In terms of the learning cycle, traditional MBAs can be seen as yet another truncated learning cycle (Figure 4:7) because of the lack of any real opportunity for active experimentation and the weak link to concrete experience.

European MBA programmes have reputedly suffered less from the dominance of analytic and numerical subjects, have broader curricula, and include greater emphasis on business experience. This has included much greater use of part-time, consortia or organisation based MBAs and average age of European part-time students is reported as being 31, compared to below 27 for US full-time courses. Many European courses insist on entrants having several years experience of working in organisations (Lewis, 1993:14).

Figure 4:7 MBAs (management education) as a truncated learning cycle
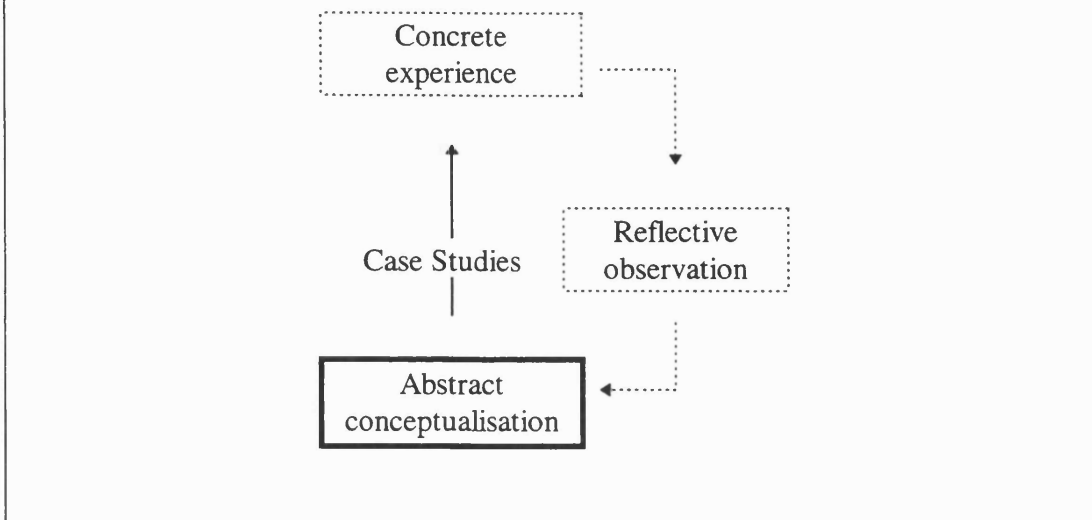
Some of these criticisms of MBAs, including US and European versions, have been mitigated by the growth in part-time, post-experience MBA's. On these courses participants usually have significant management experience to draw on and an organisational environment in which they can test-out their learning. This also allows assessment to be more directly work-related. Even here there have been significant problems in getting academic staff to re-orientate their teaching more learner and work centred approaches.

Probably the biggest change in learning strategies has been an increasing emphasis on practice based learning being included within the MBA programme. Some of these changes will be examined below in the section on active experimentation, but it is worth noting an example of the 'new' MBA, the Cambridge University Judge Institute's programme. Cambridge (and Oxford) had long resisted establishing MBAs so when the Judge Institute launched its programme in 1991 it was able to do so from a fresh start (Lewis, 1992:14). The new course includes a one-year full-time course, followed by two years full-time work experience punctuated by six one-week returns to the Institute. Hendry (course director for the Judge MBA) states:

> "that if an MBA were to have any value, it should be conceived of and delivered as a management development program, the central task of which would be to help people becomes better managers. Of course, good managers need good minds. We were not going to depart from intellectual

rigor, clarity, and creativity, which are the hallmarks of a major university and provide the foundation for clear managerial thinking and communication. But in other respects, we found ourselves departing rapidly from the traditional MBA design." (Hendry, 1992:136)

The new course includes elements of self-managed learning, personal and interpersonal skills development and extensive contact between faculty and the organisations where course members are working.

Active Experimentation: Action Learning, project and consultancy based approaches

Acton learning (AL) was developed by Revans within the UK National Coal Board in the immediate aftermath of world war two. Revans has summarised the ideas of AL as:

> "All action learning claims is that, since managers are employed to run businesses...or non-business organisations...they will fulfil their contracts of employment more effectively only by asking how they fulfil them at any particular moment...The primary and inescapable obligation of the manager is to run whatever he is employed to run. Action Learning suggests that, since he is doing it in any case, he might just as well find out how he is doing it at the moment and, with what he discovers, try to do it a little better the next day, or next week, or even next year." (Revans, 1980:251-2)

The future orientation of AL is stressed over and over again by Revans, who sees "the idolization of their own past successes, the condemnation of their own past failures and their conviction that they knew the final reasons for these particular events to have worked out as they had done" as "the first occupational weakness of managers."(Ibid:253).

Revans specifically argues against "education" and theoretically based approaches, which he accuses of merely codifying the past and be no reasonable guide to the future. (Indeed, his antipathy towards traditional management education caused him to

be "ostracised by the business schools for his heretical notions" (Christopher Lorenz, Financial Times, 9 July 1982).

The method of AL is also simply stated: peer review of action plans or projects to solve managerial problems. In answer to the questions how can the manager know how well he is doing today?" and "how can he then contrive to improve upon it?" Revans answers that he should "get the help and advice of a few other managers." (Revans, 1980:252). This developed into the AL "set", a group of managers offering mutual support, questioning and criticism to each other in developing solutions to their individual management problems.

AL began to experience something of a renaissance in the early 1980s, partly due to the sponsorship of leading UK industrialists such as Lord Weinstock and Sir Adrian Cadbury (see Lorenz, op. cit.). By the late 1980s it was sufficiently influential to prompt a special issue of the *Journal of Management Development* (Vol. 6, No. 4) dedicated to reviewing its use.

The focus of AL on the active experimentation approach is summarised well by Boddy (1980), who states that

> "the best opportunities for learning take place in a manager's everyday job. This is viewed formally as embodying three broad activities - the formulation or development of strategy, acting to implement strategy and finally reviewing the outcome..."

In terms of the Kolb learning cycle, this process clearly starts out from active experimentation, goes through concrete experience and reflective observation but clearly cuts out, or marginalises, abstract conceptualisation. Boddy does, however, point out that AL recognises that what Revans calls "P", or "programmed learning" (i.e. theory and research) does have its place, but that it is of strictly secondary use to managers learning.

AL has developed its' problem solving approach into the notion of a project, which may or may not take place in the manager's own organisation or job. Boddy suggests

180

that these projects or tasks may be either familiar or unfamiliar and may take place in either familiar or unfamiliar settings (see Figure 4:8)

Figure 4:8 Action learning - tasks and settings

		Task	
		Familiar	Unfamiliar
Setting	Familiar	1	3
	Unfamiliar	2	4

Source: Boddy, 1980.

Attempts have been made to marry AL to management education, or at least to management qualifications, and the idea of the action learning project has developed alongside (and is often confused with) consultancy assignments, action research projects and group projects (see below, and see Wallace, 1990 for a discussion of some of the confusions in terminology surrounding AL as used in management education contexts).

The most prominent attempt, in the UK, to integrate AL and management education is probably the AL based MBA at the International Management Centre, Buckingham (IMCB). The approach has to been to incorporate AL sets as a substantial part of a programme, an "action learning" MBA (introduced in the early 1980s). This in fact combines some traditional teaching and assessment with AL sets and peer assessment for parts of the course (Caie, 1987). The course combines ordinary teaching inputs, assessed written action cases (WACs) produced by participants about their own organisations and others and a dissertation which includes both an intervention in their own organisation and a literature review, thus embracing both AL and traditional management education approaches (Lethbridge, 1989).

A different approach which incorporates elements of AL is the "Self Managed Learning (SML) MBA" run by the Roffey Park Management College, in association with the University of Sussex (introduced in the mid-1980s). This programme combines some of the forms of AL - sets and peer support, self-set problems, and peer review - with a more traditional educational content. Course members use their course "sets" to help them agree their personal learning objectives, support them during the learning process and evaluate and assess their achievements against their own objectives (see Roffey Park - undated). This approach of carrying the AL principle of peer support/review right through to the assessment stage of a qualification is quite novel (although it actually originated at the then North East London Polytechnic - for an account see Pedler, Burgoyne and Boydell, 1988, and Cunningham, 1986). The actual learning process may take a wide variety of forms, from traditional lectures to computer based training, but the overall framework for the learning process seems very similar to AL (although interestingly its originators do not allude explicitly to AL, or discuss the differences between AL and their SML approach - see Cunningham, 1986).

Alongside the success of the IMCB and Roffey Park courses, many other courses have incorporated aspects of the AL approach, including "set" based group projects and other innovations. AL approaches have also continued to be used extensively as an in-house approach to MD by organisations (see Lewis & March, 1987 for an account of the Prudential's programme and Coates, 1986 for a local authority example and Wallace, 1990 for an example from education management).

An interesting account of participating in this course suggests that preferred learning styles discussed above do (Honey & Mumford, 1988), at least in this case, correspond to preferences for MD approaches. The author reports a strong personal rating towards "pragmatist" and "activist" on Honey & Mumford's instrument and a corresponding preference for the action learning aspects of the IMC MBA (Caie, 1987). This corresponds to Mumford's prediction about learning styles/preferences and AL (Mumford, 1982). AL can be seen as a truncated version of the learning cycle (see Figure 4:9).

Figure 4:9 Action Learning as a truncated learning cycle

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           ┌──────────►  ┌──────────────┐
           │             │  Concrete    │ ──────┐
           │             │  experience  │       │
           │             └──────────────┘       │
           │                                     ▼
  ┌──────────────┐                      ┌──────────────┐
  │   Active     │  ◄──────────────     │  Reflective  │
  │experimentation│                     │ observation  │
  └──────────────┘                      └──────────────┘
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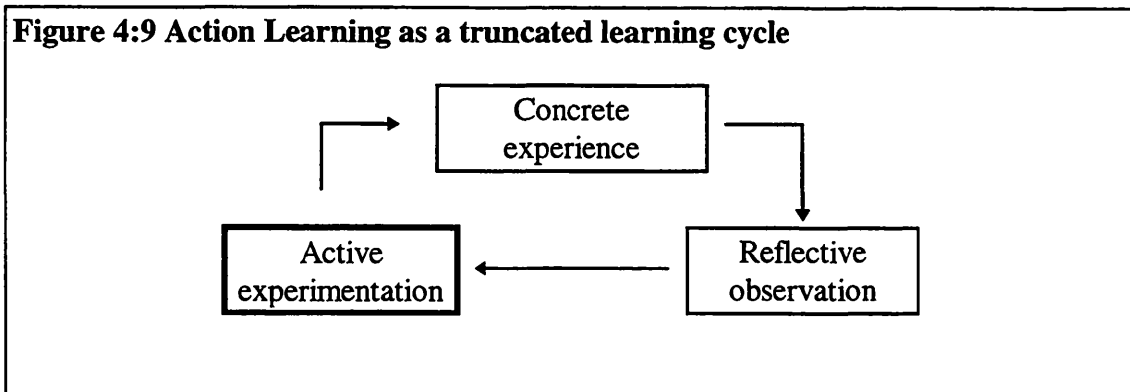
Action research (or action science) is related to, but not the same as, action learning. (Both can be traced back to the work of Kurt Lewin - see Kolb, 1982 & Argyris, Putnam & McLain-Smith, 1985. For a discussion of the relationship between AL and action research, see Margerison, 1978). Where action learning concentrates on solving the individual managers problems with the help of their "set" peers, action research focuses on more systemic change brought about by collaborative intervention between the action researcher and participants in the organisational or social system being "action researched" (Huczynski, 1987:22-3).

Action research has also been incorporated into management education programmes, despite its active experimentation approach. It is mainly used at the research/dissertation stage of part-time management Masters programmes, as a research method for managers who are working within organisations. It is also frequently tied to issues of internal consultancy and intervention (see Easterby-Smith et al, 1991; Gill & Johnson, 1991 & Gummesson, 1991).

Unlike AL, action research clearly has an "abstract conceptualisation" or theory building component although the focus is on "active experimentation" (see Figure 4:10). More importantly, whilst AL has at its core individual "active experimentation" which, although supported and encouraged by a "set" of peers, remains an essentially a solo activity. On the other hand, action research concentrates heavily on collaborative intervention where the active experimenter works with, rather than on, the "subjects" of the intervention/experiment (see Reason & Rowan, 1990).

Figure 4:10 Action Research as a complete learning cycle - focused on active experimentation
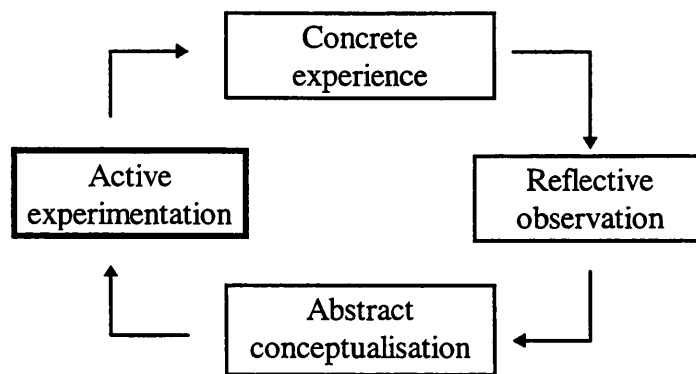
Another approach to trying to bridge the theory-practice divide is using projects (again tied to notions of consultancy and intervention). Many part-time management qualification courses include either group or individual projects aimed at analysing and/or intervening into an organisation

Consultancy assignments (both internal and external), where the manager has to advise and help in the solution of particular organisational problem, are also used as part of MD (Huczinski, 1983:79). Again, the emphasis is on active experimentation. However, the traditional role of "consultant" has only a limited relationship with abstract conceptualisation (theory) which is mainly pragmatic - "how can this theory be applied in this situation to help me solve this problem?" (for an example of this theory-in, no theory-out model see Bennis, 1969:16). Theoretical outputs from consultancy are of very limited utility for the consultant (Gummesson, 1991:187).

Depending on whether the consultancy is primarily normative or process based (Burke, 1979 & Schein, 1969) it may include a lesser or greater emphasis on reflection (see Figure 4:11). Thus normative consultation might draw heavily on theory in order to inform a consultancy intervention but is unlikely to contribute to theory development. As a prescriptive intervention, it is also unlikely to necessarily involve any particular reflective observation, other than in a very limited sense. On the other hand, process consultation, with its emphasis facilitation, involves less dependence on

theory (except perhaps for certain aspects relating to interpersonal psychology and group dynamics) but is more likely to incorporate reflective observation (Gummesson, 1991; Burke, 1979 & Schein, 1969).

Figure 4:11 Normative and Process Consultation - differing relationships to learning cycle
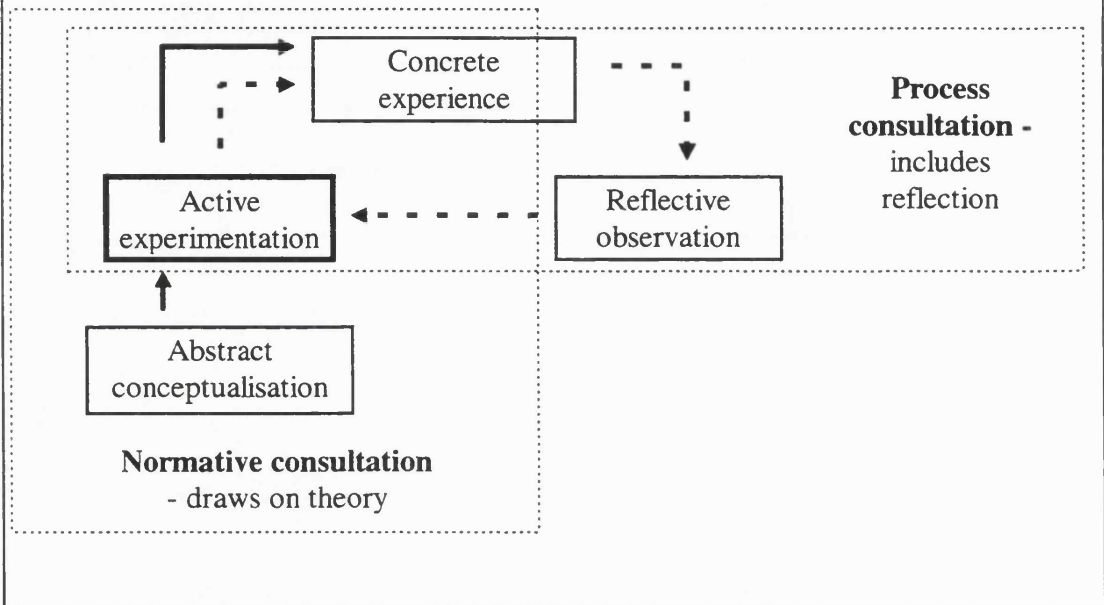
Thus both process and normative consultancy draw on limited aspects of the learning cycle. When incorporated into a MD context however, some of these limitations may be overcome. The use of consultancy assignments as part of a MD qualification programme will often include a requirement for reflective observation (in the form of some commentary on the consultancy process) and abstract conceptualisation (in terms of any theoretical implications of the process and normative elements of the intervention). This is clearly not the case where consultancy assignments are used as an MD exercise, either in-house or in another organisation, where there are no specified outcomes which would require a reflective observation or abstract conceptualisation component.

Concrete Experience: the Competency Approach

"Reforming zeal must...beware of...the belief that the managerial skills and competences required in all types of managerial roles can be described in one all-embracing structure...[and]...that managerial competences can be accurately described and measured."

Constable (1991:231)

The approach of the competences movement is quite different from the MBA model and in some ways a reaction to it. The Mangham and Silver report, for example, showed that many employers were unhappy with MBA programmes, especially their perceived abstract nature (Mangham & Silver, 1986:part two) (This was in the context of the traditional full-time programmes - as noted above the growth of part-time, post-experience programmes has alleviated some of these problems.)

The competences movement is not merely, or even originally, a UK phenomenon but in fact originated in the US in the early 1980's (Vaill, 1989:Chapter Two).

Vaill has set out very cogently the assumptions of this movement:

1. Competences of managing are relatively independent of one another.

2. The manager's job has identifiable outputs that result from the exercise of various competences.

3. Managerial competency is a high-leverage variable in attainment of increased organisational effectiveness.

4. Related to (3) above: Given the ambiguity and fluidity of all organisational situations, stability and control are introduced and maintained in the person of 'the manager'.

5. Exercise of a competency is relatively unaffected by the real-time, here-and-now perceptions of the manager. To possess a competency is to know how to use it.

6. Competences can be attained and exercised across a wide range of action contexts.

7. Exercise of a competency is possible irrespective of the morals, motives, and competences of those to whom the competency is directed. For instance, a competent negotiator can negotiate regardless of whether the other party is equally sincere. (1989:36-40)

The UK's MCI brand of the competence model focuses on outcomes. One survey of pilot competence based programmes noted that, while 'programmes vary in what they assess..[and]..there is no universal agreement about what competences are' there is agreement 'that management education and assessment should be based on what managers actually do..'. In order to overcome the lack of agreement about competences, 'MCI has now developed comprehensive competence-based standards (CNAA/BTEC, 1990:19).

The MCI's management standards have been derived from a process that includes using a methodology called 'functional analysis' and the 'disaggregation' of managers' functions (for full details see MCI, 1990).

The learning processes associated with this model as equally clear - a strong emphasis on work-based learning guided by both teachers and mentors. Assessment must, by definition, relate to work-place demonstrated competences and outputs. Both learning and, especially, assessment becomes broken down into relatively simple and discrete items and this seen as a positive advantage especially for assessing 'transferable skills', prior experiential learning, etc.

The MCI's own evaluators have questioned the 'functional analysis' approach. For example, when a disquieting result was obtained by functional analysis of management practice (i.e. 'the ability to lie effectively') the result was quietly forgotten. In other cases where there were either conflicting results problems were sometimes conveniently ignored. Finally, the research was based only on large,

hierarchical, organisations which raises issues about the Standards comprehensiveness (Janes, 1991).

Figure 4:12 Competences - a truncated learning cycle
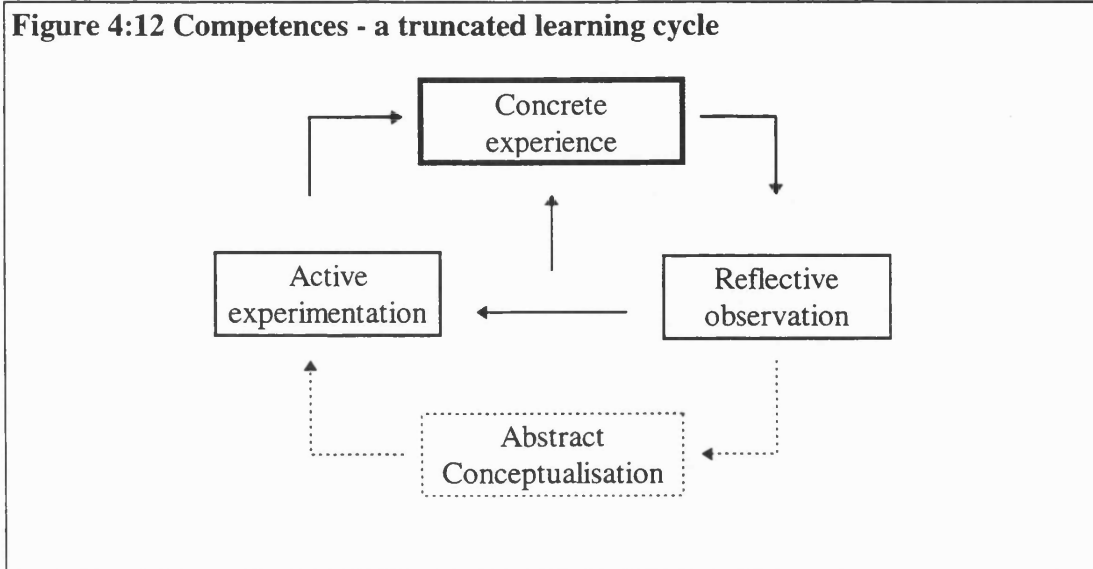
One strong claim of the competence movement is to have 'solved' the evaluation problem (Fletcher, 1991:172-3). As each training and development intervention are, by definition, assessed in terms of measurable outcomes the problem of quantifying benefits is unravelled. This 'solution' however, at best, provides a mechanism for validation, rather than evaluation. It is not clear how individual competence (Vaill's point 2) is linked to organisational effectiveness (point 3)(see Talbot, 1992).

Reflection: Reflective Practicum, Professional development, Apprenticeships

The two reports which sparked the debate on, and growth of, MD initiatives in the UK in 1987 (Handy et al, 1987; Constable & McCormick, 1987) both advocated reform of UK MD. Both suggested substantial expansion of management education, training and development, together with reforms of structure and content of management education awards. However, there is a notable difference in the recommendations of these reports, perhaps relating to the international perspective of the Handy et al report. Following its ten recommendations, this report commented that:

> "Were all this to happen Britain would have developed an approach to the formation of her managers remarkably similar to the ways in which all

other the professions in Britain, including the armed services, develop their members in their desire to maintain a proper professionalism. Doctors, architects, accountants, lawyers, nowadays spend up to seven years (like managers in West Germany or in Japan) from the time of entry to a degree course, **through a period of apprenticeship and further study before they are allowed to practise without supervision**...In all the professions:

♦ a knowledge of the basics of the profession is required to be learned and demonstrated before or soon after entry;

♦ **a period of practice under supervision supplemented by study is specified;**

♦ the practitioners are also teachers or members and the academics are also practitioners;

♦ there is a code of effective practice and a code of ethical behaviour;

♦ there is a central source of information and recognised ways for practising members to update their knowledge;

♦ study is respected and reading is essential" (Handy et al, 1987:15-16 - emphasis added.)

This report has been quoted at length in order that some important features can be highlighted. Firstly, the educational thrust of these recommendations (as for the Constable and McCormick report) are clearly contrary to the views of those who advocate the non-educational approaches to MD expressed above. The critics of the MBA quoted above, and the advocates of action learning and similar approaches, would clearly reject an even greater emphasis on education as preparation for management.

However, one key issue stands out in Handy et al's report - the notion of management development through guided, supervised, practice - a professional apprenticeship model. This is not a new concept, as Handy et al are at pains to point out, but based firmly on the professional development in other spheres than management. The core of this part of professional development is what can be called "guided practice." As Handy et al subsequently put it in 'the book of the report':

"A business education is not, by itself, a qualification for management, only a prelude to it. You cannot learn about the real-life dilemmas and skills of managing by studying the problems of business and management in the classroom....All the education and training in the world will make little difference if the individual is not in a position to try it out. The best incentive to learn, we realised, is to be in a situation where you are

concerned that your responsibility might exceed your competence."
(Handy et al, 1988:13)

One of the most developed forms of this is Schon's notion of the "reflective practicum" (Schon, 1983 & 1987) which has become widely used in professional development practice, especially areas such as education (Schon, 1991).

Schon argues that "technical rationality" dominates the education and training of professionals. This assumes that there is a fixed body of professional knowledge and techniques which merely have to learned and then applied to relevant problems within the particular professional domain. In contrast he argues that many problems are "problematic" (following Dewey, 1938), that is made up of messy sets of issues and factors (including clashes of values) which cannot be solved through mere application of technical rationality but requires a degree of "professional artistry." Such professional artistry includes aspects of "tacit knowledge", i.e. knowledge of which the practitioner is not consciously aware (after Polanyi, 1962) and includes an element of informed intuition. To develop such artistry it is necessary to develop the skill of what Schon calls "reflection-in-action," the ability to critically reflect upon practice.

Such professional artistry can only be learnt within the environment of a "reflective practicum" where the novice practitioner works alongside, and under the supervision of, a more experienced colleague. Schon describes the practicum as:

> "a setting designed for the task of learning a practice. In a context that approximates a practice world, students learn by doing, although their doing usually falls short of real-world work. They learn by undertaking projects that simulate and simplify practice; or they take on real-world projects under close supervision. The practicum is a virtual world, relatively free of the pressures, distractions, and risks of the real one, to which, nevertheless, it refers. It stands in an intermediate space between the practice world, the "lay" world of ordinary life, and the esoteric world of the academy." (Schon, 1987:37)

In terms of the learning cycle, this clearly places the emphasis on reflective observation, with a slightly weaker form of concrete experience and active experimentation, and less emphasis on abstract conceptualisation (Figure 4:13).

Schon's is not the only approach which emphasises reflection - a recent special issue of *Management Education and Development* (1992, Vol. 23 No. 3), for example, focuses on "biography in management and organisational development." Biographical and autobiographical approaches outlined in this volume showed a relatively underdeveloped, but clearly growing, area of MD and research. Particularly in the autobiographical variant, this approach is clearly about reflective observation as a developmental and learning tool (see Torbert, 1987 & 1991; Torbert & Fisher, 1992).

Figure 4:13 The Reflective Practicum - a partially truncated learning cycle
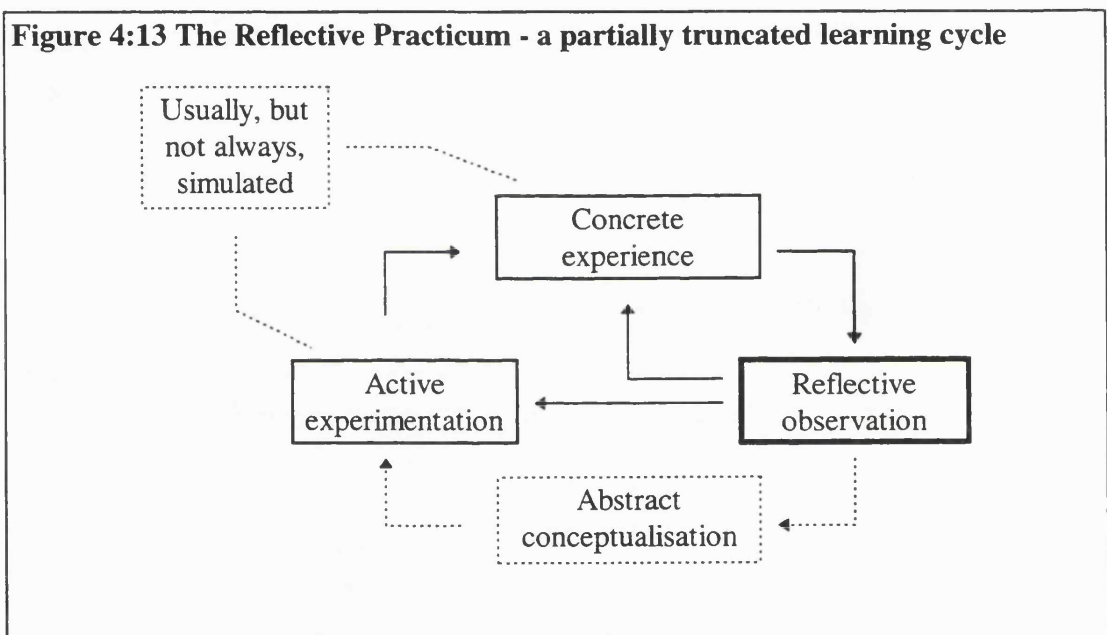
SUMMARY - MANAGEMENT DEVELOPMENT APPROACHES

Using Kolb's 'learning cycle' as a template, four broad approaches to management development have been identified and briefly explored. Some of the issues are set out as a tentative summary of the different approaches in Figure 4:14. It should be stressed that these are analytic, conceptual distinctions. In practice, there are many overlaps between the approaches, as can be seen especially in the evolution and adaptation of management education, through the incorporation of aspects of other approaches.

Figure 4:14 Competing models of management development

	Management education	Action Learning	Competences	Reflective Practicum
Focus on aspect of learning cycle & methods	Abstract conceptualisation	Active experimentation	Concrete experience	Reflective observation
Learning style (after Honey & Mumford)	Theorist	Pragmatist	Activist	Reflector
Relationships in learning and assessment	dependent on external experts	dependent on peer and self-review, collegiate	dependent on performance assessors	dependent on professional superiors
Core skills acquired	cognitive and analytic	problem identification and solution	functional (performance) skills	reflection-in-action
Core knowledge acquired	theoretical and functional	organisation specific	inter-personal and functional	professional, explicit and tacit
Core value	Value of theory and knowledge	Value of questioning and skills	Value of practice, performance and skills	Value of reflection and praxis

Implicit in these four approaches are also differing approaches to defining "what is management". For the management education and competency approaches, despite their widely differing ways of addressing how to develop managers, there are in fact some shared assumptions about the nature of management:

- firstly, there is a generic model of good "management", "managers" or "managing" which is broadly applicable across all sectors and types of organisations

- second, that we know what that model is

- third, that the skills, knowledge, attitudes, behaviours or competences associated with that model can be acquired by some combination of education, training, development or experience

- fourth, having acquired these abilities, managers can be assessed in their performance

(Talbot, 1993b:331)

These assumptions are not shared (or at least not fully) by the action learning and reflective practicum approaches. The former sees what it calls "programmed knowledge", including theories about the nature of management, as at best a useful starting point and at worst as positively misleading. Similarly, the reflective approach assumes that there are tacit, non-explicit, aspects of management which cannot be captured by any model and can only be learnt through guided reflection-in-action. In this respect, the two approaches share similar assumptions about the contingent and specific nature of management.

One balanced approach has been exhibited here: Kolb's experiential learning cycle, which can by definition embraces all four phases of learning. Kolb's work has been adapted and popularised by Honey and Mumford as a general approach to the identification of individuals' preferred learning styles. The four styles developed are "activist" (preference for concrete experience); "reflector" (reflective observation); "theorist" (abstract conceptualisation); and "pragmatist" (active experimentation). It is reasonable to suggest that anyone with a strong preference for a particular learning styles, using this model, is likely to be more comfortable with the associated approaches to MD suggested in Figure 4:14 Competing models of management development above (see Mumford, 1982, 1984 and 1986 for discussions of this). However, Honey and Mumford have consistently argued that individuals should, whilst recognising their preferred styles, systematically attempt to compensate for their weaker preferences as well as building on their strengths. Following Kolb, they argue that only a balanced learning cycle including all four elements leads to sustained and useful learning processes.

A balanced approach to management development would therefore include all the four approaches outlined above, with particular approaches offering the preferred starting point for particular individuals but with all learners being encouraged to use all types of learning experience. It can be reasonably argued that the developments taking place

in, for example, management education reflect a tendency towards broadening out from dependence on "abstract conceptualisation" as the focus of learning towards incorporating elements reflecting the other three approaches (e.g. action learning, competences, mentoring, etc.)

Before moving on to look at strategic manager development, one further "balanced" model of MD will be introduced: the Assessment, Learning, Analysis, Practice, Application (ALAPA) model advanced by Quinn et al (1990) and its associated "competing values and competences" model of management (Quinn, 1988). Building on the work of Whetten and Cameron (1984), who advanced a similar five step learning model, Quinn et al suggest a model including the following stages (Figure 4:15).

Figure 4:15 ALAPA model of management learning

1. Assessment:	discovering your present level of ability in, and awareness of, a competency using self, peer or tutor assessment techniques
2. Learning:	acquiring new knowledge about the competency through taught or self-taught methods, including lectures, reading, tutorials, etc.
3. Analysis:	exploring appropriate and inappropriate behaviours for given situations using cases, role plays, etc.
4. Practice:	applying competences in a simulated managerial situation using games, exercises, etc.
5. Application:	using assignments, projects, tasks and other applications of new skills and knowledge to actual managerial situations

(Source: adapted from Quinn et al, 1990:20-21)

This ALAPA model resembles very closely the complete learning cycle. Quinn et al do not suggest their model is actually cyclical, but rather it is iterative at each stage and that stages can be easily overlapped and mixed within learning processes. However, Figure 4:16 illustrates how their five stages can be broadly related to the four stages of the learning cycle. Assessment (stage 1) is achieved through reflective observation which is used to establish the knowledge and skills gaps to be filled through acquisition (stage 2) - abstract conceptualisation. Analysis (stage 3) consists

194

of actively experimenting to establish appropriate and inappropriate behaviours before moving to simulated practice (stage 4) and then actual practice (stage 5).

Figure 4:16 The ALAPA Model and its relationship to the learning cycle

Sources: ALAPA: Quinn et al, 1990; Learning Cycle: Kolb, 1984
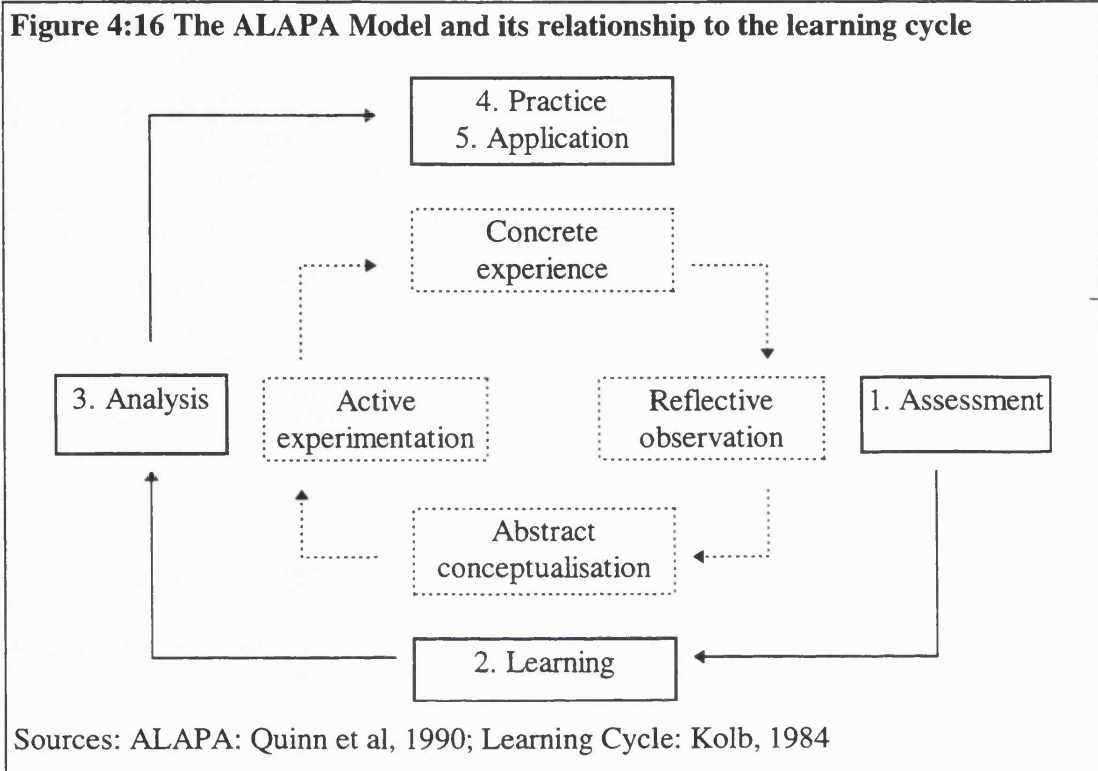
As with other models, Quinn et al's approach includes a model of the nature of management. This shares with the management education and competency approaches the assumptions mentioned above, about there being a generic model of management, that we know what it is and that it can be taught/acquired and assessed. It differs from both in an interpretation of "competence" which emphasises both skills and knowledge, theory and practice (Quinn e al, 1990:20), which can be seen as a more integrated approach than either (traditional) management education and the UK version of competences. Their ALAPA learning model reinforces this integrated approach.

Where this model differs radically from other approaches is in its emphasis on competing competences and competing values systems underpinning them. Based on Quinn's (1988) work establishing this framework, they argue that managerial competences are contradictory and paradoxical. Their framework (see Table 4.2)

identifies four models of management (open systems; rational goals; internal process; and human relations); eight clusters of competences, and twenty-four individual competences (three for each of the eight clusters).

The initial four models of management are based on successive developments in management theory (rational goal and internal process models - 1900-1925; human relations model - 1926-1950; open systems model -1951-1975). Two dimensions are used to group them: internal Vs external orientation and flexibility Vs control. The four models can be combined in single framework because of what Quinn et al call a fifth model - the "both/and" model or recognition of paradox, which has emerged since 1976 (Quinn, 1988; Quinn et al, 1990). (See Figure 4:17 - competences for each role are summarised).

Figure 4:17 Management Roles - a competing values framework

Open Systems Model ☆ (external - flexibility)	Rational Goal Model $ (external - control)	Internal Process Model Δ (internal - control)	Human Relations Model O (internal - flexibility)
Innovator creative thinking and living with and managing change	**Producer** Motivating self and others, time and stress management	**Co-ordinator** Planning, organising and controlling	**Facilitator** team building, conflict management and participation
Broker selling ideas, building power bases, negotiating	**Director** Goal setting, taking initiative and delegating	**Monitor** Receiving and processing routine information	**Mentor** Understanding and developing self and others

Source: adapted from Quinn, 1988

The developmental model associated with this model thus has two features - the first is the balanced approach to learning already discussed. All twenty-four competences are systematically addressed, using the ALAPA framework. However, the second element in this developmental approach is quite novel. It uses the framework to

encourage an understanding of the contradictory, paradoxical, aspects of management and recognition of the tensions between different competences.

An example of two contradictory roles and associated sets of competences - Director and Mentor:

Director	**Mentor**
1. Taking initiative	1. Understanding and developing self and others
2. Goal setting	
3. Delegating effectively	2. Interpersonal communication
	3. Developing subordinates

One role, and its associated competences, is highly task oriented and controlling and relies on power and authority to achieve results (Director). The other is much more flexible, process and people oriented and relies on persuasion, understanding and developmental approaches to subordinates (Mentor). Even for seemingly fairly close roles, such as Mentor and Facilitator, there are values contradictions - the Mentor role implies a more hierarchical relationship than the Facilitator, which is more like a peer based role.

Quinn suggests that there are non-balanced sets of roles which are effective managerially, but that for true "mastery" of management a balanced approach is needed (Quinn, 1988:90). This point will be returned to below and its relationship to developing strategic managers discussed, after a brief review of other approaches.

MD and Strategic Management

Having examined approaches to developing managers generally, are there any major differences when approaches to developing strategic managers are considered? The literature on strategic management and management development would seem to suggest, implicitly, that this is not an issue. Little of the literature on management development addresses the issue of there being any significant difference between

strategic and operational levels of management, except in so far as it discusses how to integrate MD with organisational strategies. The literature on strategic management, on the other hand, says a great deal about the nature of strategic management processes and content, something about the nature of strategic managers (usually drawn from the literature on leadership) and next to nothing about how to develop strategic managers.

Braddick & Casey, writing in 1981, noted that:

> "Serious efforts at management development began about 20 years ago in the UK...progressive companies now have a more professional management.....Above them there is forgotten army of senior managers and directors whose development needs have largely been ignored both by their companies and the educational institutions." (1981:169)

That there is an issue to address has now begun to emerge from three directions, all from within the broad sphere of strategic management. The development of the literature on strategy implementation, especially on managing organisational change and on leadership, has at least begun to address the issue of the skills and knowledge needed by strategic managers. Similarly, the literature on learning organisations and on strategic thinking has also begun to delimit some of the competences of strategic managers. Another, somewhat less developed, source has been the literature on mergers and acquisitions, examining the problems of integrating (or valuing diversity) amongst corporate and business senior management teams.

Two questions immediately pose themselves:

- What are "strategic managers" and what skills, knowledge, attitudes, behaviours or competences do they need?

- How can managers be developed to meet these requirements?

As with management in general, disentangling these two questions is extremely difficult. Many MD approaches tend to assume an understanding of what "strategic managers" look like without spelling out any clear model.

One useful discussion of the differences between operational management and strategic management suggest the following pattern of difference between the two:

Operational managers:	Strategic managers:
• manage allocated resources to achieve best performance	• procure resources to respond to tomorrow's opportunities
• manage by objectives, setting goals and monitoring	• manage unallocated resources through investment and reinforcing new opportunities
• define problems, choosing between alternatives and acting	• use entrepreneurial skills in visualising organisational futures, utilising innovation and turn these visions into rational plans
• use human resource skills of initiating orders, communicating, counselling and motivating	• determine the key strategic questions which strategic plans have to answer

(adapted from Zabriskie & Huellmantel, 1991:30)

According to the Constable & McCormick report (1987), at that point, the distribution of managers in the UK and the annual turnover was approximately as in Figure 4:18.

The question here is clearly: at what level do managers become "strategic"? For some, senior management is equated almost completely with strategic management (Silk, 1991 & Knight, 1991).

Figure 4:18 UK Management - Distribution by Level and Turnover (1987)

Management levels	Total Numbers	Movement upwards (annually)
Senior	350,000	⇑
Middle	800,000	17,500 ⇑
Junior	1,600,000	35,000 ⇑ 90,000
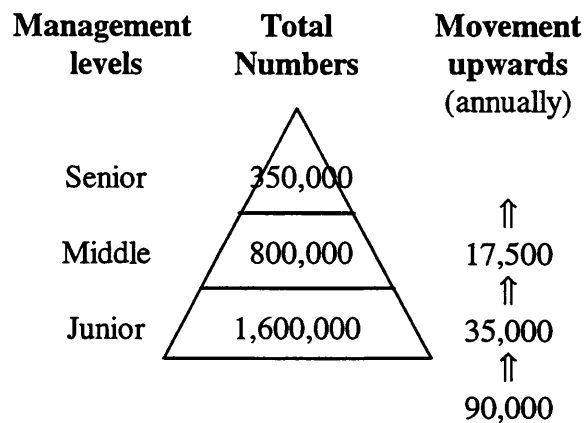
Source: adapted from Constable & McCormick, 1987:15-16

Handscombe and Norman (1993) identify two new tasks for strategic management teams (from a US perspective):

- leadership of continuous change process by the ongoing audit, challenge and integration of operational and strategic management practices

- managing the strategic dimensions customer and supplier relationships and effective use of technology

and pose a series of questions about the development of chief executives:

- what are the relative merits of internally growing CEOs (with consequent problems of narrowness) or recruiting them (with problems of lack of closeness to organisational cultures)?

- how can managers with narrow, national vision be equipped with the international perspective needed today?

- how to achieve the continuous development of the CEOs already in-post?

- who does the CEO call on for support? Internally from company chairpersons or non-executive directors or externally through networking and action learning?

(Handscombe & Norman, 1993:13-16)

A different tack is taken by Easterby-Smith and Davies (1983) who give a more sustained treatment of "developing strategic thinking". They emphasise that there is a profound difference between managers who have a capacity to manage "in a strategic way" and managers who are merely involved in the strategic planning process. The former have developed capacities of analyse and generate a vision of the organisation's future, which may take place without a formal strategic planning process. The latter may merely contribute facts or opinions to a strategic planning process in a very inactive, uninvolved way (:40).

They however make no further attempt to spell out what they mean by "strategic thinking" before turning to look at different MD approaches and evaluate their usefulness in helping mangers to develop it. Firstly, they review some "off-the-job" techniques (lectures, case studies, games and simulations) and conclude that these are good for imparting knowledge about strategic processes and policies but poor at developing strategic abilities. They turn, secondly, to "on-the-job" methods (action learning, project based methods, natural learning, coaching, counselling and mentoring). They conclude broadly that these methods are more effective, because they combine learning with practice and provide more flexible learning opportunities. They conclude that the full strategic potential of managers can only be developed by involvement in the planning process:

- utilising natural opportunities by involving junior managers in projects and task forces
- support learning by developing relationships with more senior managers
- involve junior managers in operational planning in their own areas
- encourage junior managers to become involved in discussions about broader corporate policy issues, through policy seminars or think-tanks

(Easterby-Smith & Davis, 1983:47)

One report, based on US research, suggested that methods for developing "strategic leaders" should be a combination of the following:

- external seminars and workshops about strategic planning
- internal seminars and workshops about their own strategic planning systems
- giving managers duties within the strategic planning process, with progressively more important
- tutoring and coaching by experienced executives and trainers
- incentive systems to reward developing strategic abilities and work

(adapted from Zabriskie & Huellmantel, 1991:30-31)

An example of a single firm's MD programme for strategic managers (General Electric in the US) is given by Michel (1976) and this broadly conforms to the pattern of on-the-job development supplemented by management education (in this case very intense 8 week programme designed to meet the specific requirements of the attendees) and on-going strategic awareness seminars.

One point made in this report is the problem of the breadth of knowledge needed by strategic managers compared with professions:

> "In the medical and legal professions, specialization is the usual route to excellence and eminence. The manager, too, during the early phases of his career, follows this pattern, he establishes a track record by excelling in a particular speciality. But unlike the doctor and the lawyer, his career progression pattern is brutally shifted. Having earned his spurs as a specialist, the manager is given a new, a drastically different challenge, that of excelling as a generalist. Instead of knowing more and more about less and less, he now shifts to knowing less and less about more and more." (Uyterhoeven, 1972, cited in Michel, 1976:251)

There are two important points here: firstly, this suggests a very strong, and abrupt, shift in managerial roles from operational to strategic management, which has implications about managing such a shift; secondly, it suggests that the problems posed by the broadening knowledge base required by strategic managers is an acute

one both for the managers themselves and for the design of MD support systems for them.

Silk explicitly applies the learning cycle approach to senior management development, to advocate a balanced approach embracing all four elements of the cycle (1991:136). In a "Director's Development Guidebook", Mumford, Honey and Robinson (1988) develop a typology of methods for learning from experience (intuitive, incidental, retrospective and prospective) for strategic managers which also clearly conforms to the learning cycle approach, especially Honey and Mumford's simplified version (activist, reflector, theorist, pragmatist - 1988). As with Honey & Mumford's learning styles, Mumford, Honey and Robinson advocate both building on the strengths of a predilection for a particular learning styles whilst also trying to develop a more rounded approach.

Bartree (1976) argues, however, that certain types of learning approach are inappropriate for developing strategic managers. Starting from the proposition that "it is one thing to think strategically and it is quite another to be able to act strategically" he suggests that learning through traditional educational mechanisms reinforces dependent behaviour on the part of learners. In contrast, he argues, what is needed for strategic managers is to encourage interdependent action. This requires a process of re-education which involves individual behaviour being changed:

- from a *dependent* basis to an *interdependent* basis
- so that *knowing how* is as legitimate as *knowing about*
- there is higher tolerance for *ambiguity, conflict* and *risk-taking*

Traditional educational techniques foster *dependence*, give priority to *knowing about* and promote avoidance of risk and conflict (Bartree, 1976:217-218). However, Bartree still argues for a balanced approach, including inductive and deductive learning experiences (:219), although the emphasis is on inductive, experiential, learning.

Dunbar and Stumpf (1989) suggest that one solution to this problem is behavioural simulations of strategic decision situations which attempt to recreate, as closely as possible, situations which are encountered in the "real world". They point, with some justification, that the traditional case study method not only has learning limitations but also that cases are usually selected to illustrate and reinforce the particular technique or approach being suggested by the controller of the learning event. Behavioural simulations, designed to allow for multiple decision strategies and outcomes provide the opportunity to explore skills in decision framing and choice and even, to a limited extent, (simulated) implementation. There are obvious similarities here with Schon's reflective practicum, in so far as an artificial practice environment is concerned (although the emphasis on autonomous decision making is quite different from Schon's supervised method).

Bartree makes the point that "learning new concepts will not influence the change in executive behaviour from an incremental style to an entrepreneurial style" (1976:218). This, he states, is because even if the cognitive development (skills or knowledge acquisition) is radical the method of learning (which is teacher dependent) will reinforce incremental behaviour.

Embedded in this last point is the assumption that "entrepreneurial style" behaviour is preferable to "incremental style" behaviour. This is reinforced by the assumption that "strategic managers are required to function effectively in ill-structured environments" (:219). This is a questionable assumption, as the analysis of strategic management generally and in the public sector (Chapters 2 and 3) has already shown. There are examples organisations which do act incrementally and therefore their strategic managers do not, presumably, need to be entrepreneurial rather than incremental in their style, as opposed to needing both according to circumstance.

There is some emerging evidence that the strategic style of the organisation and its strategic managers both are correlated and, where the "fit" is good the performance of the organisation is improved. The findings of a study of middle management involvement in the strategy process in 25 organisation (in the US) seems to show a

relationship between middle managers' role in strategy making and organisational strategic style. Using Miles and Snow's (1978) typology of strategic styles (prospectors, analysers, defenders, reactors - although the latter was excluded from the analysis) the authors show that in strategy formation processes the levels and types of middle management involvement appear related to the organisations strategic style (Floyd & Woolridge, 1992).

A similar study, also using Miles and Snow's typology, focusing on the tripartite relationship between strategic style, managerial fit and organisational performance suggests again a link between organisational strategic style of managerial style (Thomas, Litschert & Ramaswamy, 1991). A further study has shown that when either strategic content or the strategy making process change independently there is no strong correlation in top-management turnover but where both strategic content and process change there is a significant top-management turnover (Betts & Calingo, 1986).

What conclusions can be drawn about developing strategic managers?

Firstly, there is no substantial difference to the structure of managerial learning, as a process, for strategic managers from that applicable to all managers. A balanced approach to learning, as illustrated in the learning cycle (Kolb) or the ALAPA model (Quinn et al) seems equally applicable to strategic managers. If there is a difference it is simply that an unbalanced approach to development for such managers is likely to have more acutely dysfunctional results because of the demands placed upon them.

Secondly, on the content of strategic managers' development, there are major differences in two areas. Firstly, the need for a much broader understanding of the organisation and its environment - "knowing less about more" to use Uyterhoeven's phrase. The second is in understanding and being able to practice the strategy process itself - how do, or can, organisations make and implement strategy? Particularly, drawing on Chapters 2 and 3 above, is there 'one best way' to practice strategic management or are there multiple, contingent or even paradoxical, ways?

It is interesting to return here to Quinn's model of competing competences and values. In an analysis of the prevalence of the eight roles at five managerial levels (ranging from first line to top management) Quinn establishes that for four roles (Producer, Director, Co-ordinator, Monitor) there is little variance. Two roles, both in the human relations model quadrant (Facilitator and Mentor), show an interesting pattern of high scores at lower management levels, decline in middle management and then climb again towards top management levels. In general, all the other four roles (Facilitator, Mentor, Innovator and Broker) tended to increase in importance with managerial level. Quinn comments that:

> "As people move up in an organisation, the emphasis on the top four roles *(Facilitator, Mentor, Innovator and Broker)* tends to increase. People need a more dynamic and complex world view in order to cope with the complexity and change that are encountered at higher levels." (Quinn, 1988:92).

Later, Quinn argues that both effective and ineffective sets of role preferences are also distributed hierarchically within management layers (1988:105-109). More importantly, Quinn suggests of those managers who obtain very balanced scores on all eight roles - the so-called "master managers" - that

> "collectively, they are at higher levels of management than those in other profiles, they have been in the organisation longer than others, and they have a large female representation." (Quinn, 1988:109).

MD AND PUBLIC SERVICE MANAGERS

Domains and Development for Public Service Managers

The Domain model of the nature of public service management, developed in Chapter 1, has implications for how public service managers (PSMS) should be developed for their roles.

All PSM's, it is argued, operate in the context of all three domains. However some are clearly more likely to have to encounter the interface between domains more frequently than others.

For example, middle managers operating mainly at the service domain - management domain interface may require to employ quite different skills, knowledge and abilities than senior managers operating at the policy domain - management domain interface. In the traditional public services professional bureaucracy, these managers would have only limited contact with the policy domain. However, with new attempts at decentralised working it is quite likely that they may have considerably more direct contact with the policy domain, as recent survey evidence strongly suggests (Talbot, 1994).

While some private sector managers have the problem of managing professional groups (especially in the service sector) few have to deal with the policy domain, except the most senior at national levels.

Moreover, many managers are simultaneously part of more than one domain. For example, a Director of Social Services may see her/him self as a member of:

- the service domain in their professional role as a qualified social worker, and perhaps expert in a particular field (e.g. child protection)
- the policy domain when formulating policy with Councillors
- the management domain when meeting with their Management Team.

The potential role conflicts, not to mention the demands for a range of skills and knowledge, are qualitatively different from other managerial roles in private sector organisations.

Public services managers are therefore likely to require development in a range of skills, knowledge and competences which embrace not only each of the three domains but also managing the interface and conflicts between them. It is useful here to turn to

look at one aspect of the 'supply side' of management development - the supply of management education programmes which may be useful to PSMs. In these case of three fairly typical post-graduate management education programmes it can be seen clearly that each only provides a partial solution, even at a very broad level, to the needs of PSMs for management development across all three domains (see Figure 4:19).

Figure 4:19 Domains and management education - typical courses

	Policy Domain	Management Domain	Service Domain
MBA		√	
Diploma in Public Admin.	√	√	
MSc in Social Policy and Admin.		√	√

Source: derived from 3 anonymous course brochures

Masters and post-graduate Diploma programmes in Social Policy and Administration (of which there are a number in the UK) usually meet two of these requirements (the service domain and the management domain) while similar courses in Public Administration (of which there are a few) usually address a different pair (policy and management). A typical MBA programme only addresses one (management) whilst is may carry a very small amount on policy (see the section on traditional management education earlier in this Chapter).

There are however many courses beginning to appear which acknowledge the differentiation of public service management, some in particular services such as Health Service MBA's. Public Service sector MBA's have also been more evident (e.g. Henley Management College and CIPFA are offering a new Public Service MBA) as well as public service options on existing DMS and MBA courses (Moore, 1992; Drumond, 1992). New courses seem to be appearing almost daily.

Several writers have suggested the need for a specialised curriculum for public services management. Stewart has suggested the need for courses focused on the

'public' aspect of public services management, insisting that this political dimension is a defining characteristic of these organisations: 'The political process is essential to public institutions. It underlies their rationale.' (Stewart 1989). Similarly, Walsh has identified the unique issues in developing management for quality public services (Walsh 1990). In Canada a major national initiative on public management has been based on the special needs of public service management (Dodge, 1991). Pye has also suggested that not merely is the MCI approach flawed but that it ignores the specificities of public management (Pye, 1988).

This is not to suggest that all management development initiatives aimed at public managers have adopted this contextual approach. Some have explicitly set out to introduce generic, or even private sector, management competences to public service management, such as the management development initiatives associated with the Next Steps programme. (Wright, 1990)

Both courses based on generic (private sector dominated) and specifically public service models of management need to take into account the specific problems of managing the range of arrangements such as Agencies, CCT, Quasi-markets, decentralisation, etc.

The learning models adopted from using Domain theory as an underpinning framework is of necessity flexible, fluid and eclectic in approach. A deliberate attempt to span differing educational traditions (government & policy analysis; sociology & social policy; business & management - see Figure 4:20 below) means that a more learner-centred approach becomes essential, with a degree of relative autonomy of course participants and learning self-selection. This approach is strikingly similar to that adopted by the Canadian governments PS 2000 exercise and its associated management development programmes, which has an emphasis on 'personal responsibility and professionalism' coupled with very 'learner centred' techniques. (Dodge, 1991)

Social/Policy/Management Divisions

The problem for public service management education has been that the domains of public service organisations have been reflected in academic and institutional divisions within higher education (see Figure 4:20). The fields of politics and government, social policy and sociology and business and management have remained divided, usually into separate faculties or departments, and often jealously guarding "their" territories (Easton & Schelling, 1991). Instead of the respective experts providing a rich synergy from their differing perspectives all too often there has simply been mutual incomprehension. It is tempting to think that there may be a causal link in the relationship between each discipline and its potential professional market which generates this mutual miscommunication.

Figure 4:20 Domains and divisions of management education
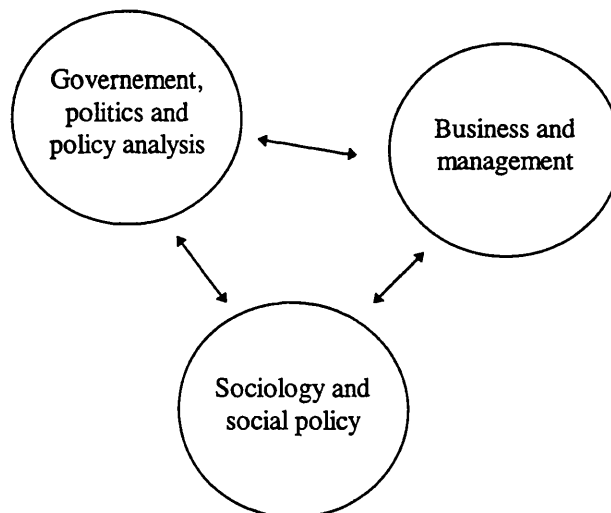
Source: adapted from Talbot, 1993a

The problem of 'supply' driven education provision is not exclusive to public services management education - one director of a leading UK business school recently described their reorganisation thus:

> "Cranfield's structure has switched from supply- to market-driven. Dominance is given to the elements of our business rather than to the subjects, which makes for a multifunctional approach. By breaking down the invisible barriers between various subjects, we have been able to tailor

our courses more easily to industrial and corporate needs, integrating, say, marketing, finance, strategy and operations management into specific programmes..." (Murray, 1993)

STRATEGIC PUBLIC MANAGERS

Very little appears to have been written about developing strategic managers for, or in, public services organisations. One of the few examples is Bozeman and Straussman, who have developed a characterisation of the effective strategic public manager. As this is such a rare example it is worth summarising their main points:

- the are "not boring", they do not suffer from tunnel-vision or overspecialisation, they have "a breadth of knowledge, an interest in learning, and a willingness to tap the knowledge of others."

- they have a sense of the "good" as well as a sense of the "politic". Whilst bringing clear personal values and vision to their work, they also have the capacity to recognise the legitimacy of competing interests and the necessity for negotiation, bargaining and compromise

- they are extremely patient. Because decision processes public organisations tend to be slower than in the private sector, effective strategic managers require much greater resources of tenacity

- they have diverse work experience: "not only is experience needed for effective strategic public management, but effectiveness requires diverse experience"

- they are people oriented, but more importantly they are able to both motivate individuals and see how each specific individual can best contribute

- they feel comfortable with analysis and analytic thinking, which includes both quantitative and conceptual analysis, and the ability to integrate analysis with values, judgement, intuition and experience (1990:206-215)

They conclude that while public and private strategic management has much in common, they are sharply separated by political authority: "at the core...is a single assumption: public management is the management of political authority" (:xi). Their model therefore rests firmly in the 'public administration' or policy-management

domain interface. In this respect it adds little to the models, such as they are, of generic strategic managers reviewed above, other than the emphasis on dealing with political authority and values conflicts. The beginnings of an alternative approach has been outlined in Chapter 3, which seeks to integrate a more comprehensive model of public services management and strategic management with a more comprehensive, paradox based, model of generic strategic management.

Chapter 5 Research Philosophy, Strategy and Technique

This Chapter will outline the philosophy underpinning the research reported in this thesis, the research strategy adopted and some of the technical issues dealt with. This is a very similar in structure to a model of the main elements of management research advanced by Easterby-Smith et al (1991) as being the philosophical, political and technical issues. Their definition of the philosophical underpinnings of management research is retained, i.e. examining the broad stance of the researcher with regard to issues such as that between positivist and phenomenological approaches.

However, their definition of 'philosophy' includes issues of research design (including issues such as levels of researcher involvement with the subjects, number of cases, testing or generating theory, experimental or fieldwork, and verification or falsification.) Many of these issues are more usefully discussed under what is called here 'research strategy', which also embraces the 'political' issues of research access in management research discussed under Easterby-Smith et al's second heading.

Finally, their definition of the more 'technical' issues is retained. What does need to be emphasised is the degree to which the philosophical, strategic and technical issues overlap and affect one another. For example, a research strategy which it is not realistically possible for a singleton researcher to implement because of logistic/technical problems would obviously not be a useful strategy. Johnson & Schole's (1993) model of strategic management is an iterative one between strategic analysis, choice and implementation.

So research is here also seen as an iterative process of change and interaction between philosophical framework, research strategy and technical implementation. However, this is (or should be) an unequal interaction between the three factors with the philosophical approach being the largest determining factor, research strategy the next most influential and technique the least powerful. (See Figure 5:1 - the notion of

relatively autonomous but dialectically interacting spheres is not a new one - see Engels, 1890).

Figure 5:1 Research as a dialectical (but unequal) interaction between philosophy, strategy and technique

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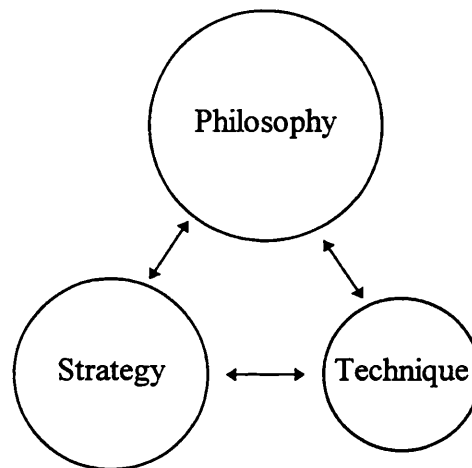
In some respects these three elements are closely related to Guba's 'three basic questions' about the nature of any research:

> Ontological: What is the nature of 'knowledge'? Or, what is the nature of 'reality'?

> Epistemological: What is the nature of the relationship between the knower (inquirer) and the known (or knowable)?

> Methodological: How should the inquirer go about finding out knowledge?

(Guba, 1990:18).

There is a clear sense here in which the philosophical framework is the same as the answer to the ontological question; where research strategy is largely about the relationship between the researcher and the researched (knower and knowable); and where the techniques employed to gather knowledge are the same as methodology.

Each of these three questions will be discussed in greater detail below.

PHILOSOPHY

Many issues in the philosophy of knowledge are posed as dilemmas - either or choices. Examples might include: induction vs. deduction; materialism vs. idealism; proof vs. falsification; rationalism vs. relativism; theoretical determinism (or structuralism) vs. anarchism (or eclecticism); positivist vs. humanistic inquiry; etc. (see Chalmers, 1990; Medawar, 1969; Reason & Rowan, 1981; Guba, 1990).

If we take one issue, induction vs. deduction, this often posed as a dilemma. Induction derives theory from observation whereas deduction derives new theories (hypotheses) from existing theories which can be tested by observation (experimentation). Thus the inductive method and the hypothetico-deductive method are seen as alternative, mutually exclusive, approaches (see, for example, the Penguin Dictionary of Sociology: "Induction is contrasted with deduction..." [1988:121] or Gill & Johnson, 1991:36). That this is a relevant debate in management research has been raised forcefully by Mintzberg (1979b) who argues for much greater use of inductive and descriptive research in management. Indeed, some of the most interesting research in strategic management can be seen as more inductive than deductive (see for example Pettigrew & Whipp, 1991; Mintzberg et al, 1982 & 1986).

Chalmers' depiction of the relationship (see Figure 5:2) already suggests a slightly different relationship. Rather than a linear relationship (as suggested by Chalmers) the relationship can in fact be depicted as a circular and iterative process (and in this case it has been linked to Kolb's experiential learning cycle - see Chapter 4) as in Figure 5:3. It is important to note that what is being suggested here is not straightforward

Figure 5:2 Induction and deduction

Facts acquired through observation	→ Induction →	Laws and theories	→ Deduction →	Predictions and explanations
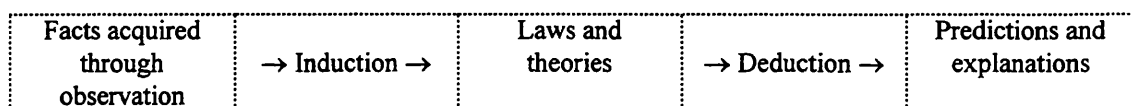
Source: adapted from Chalmers, 1990

215

circulation between inductive and deductive phases of research but rather an attempt to show the (possible) general relationship between them. Any particular research project might emphasise one at the expense of the other (as Mintzberg (1977b) advocates emphasising induction, for example), although no project is likely to completely ignore both. Similarly, any project may evolve through a series of circular iterations. Finally, it is also possible to combine both induction and deduction in investigating a particular research topic in ways which are not quite so tidy.

For example, a deductive approach might be adopted to produce a very broad approach to a particular issue (in this case the development of strategic public managers). Such an approach might be used to produce a whole series of speculations (in strict terms hypotheses) about the nature of strategic management in the public sector, what competences managers might need to work with such strategic processes and how managers might be developed in these competences. In parallel with is work of theoretical synthesis and elaboration it might be possible to conduct a largely inductive research project based on biographical accounts of public sector strategic managers personal development (for the use of biographies as a research tool see the special edition of *Management Education and Development*, spring 1992).

Figure 5:3 Deduction and induction as phases in an iterative learning cycle

INDUCTION

Experience - Action

Plan Action

Reflection

Construct Theory
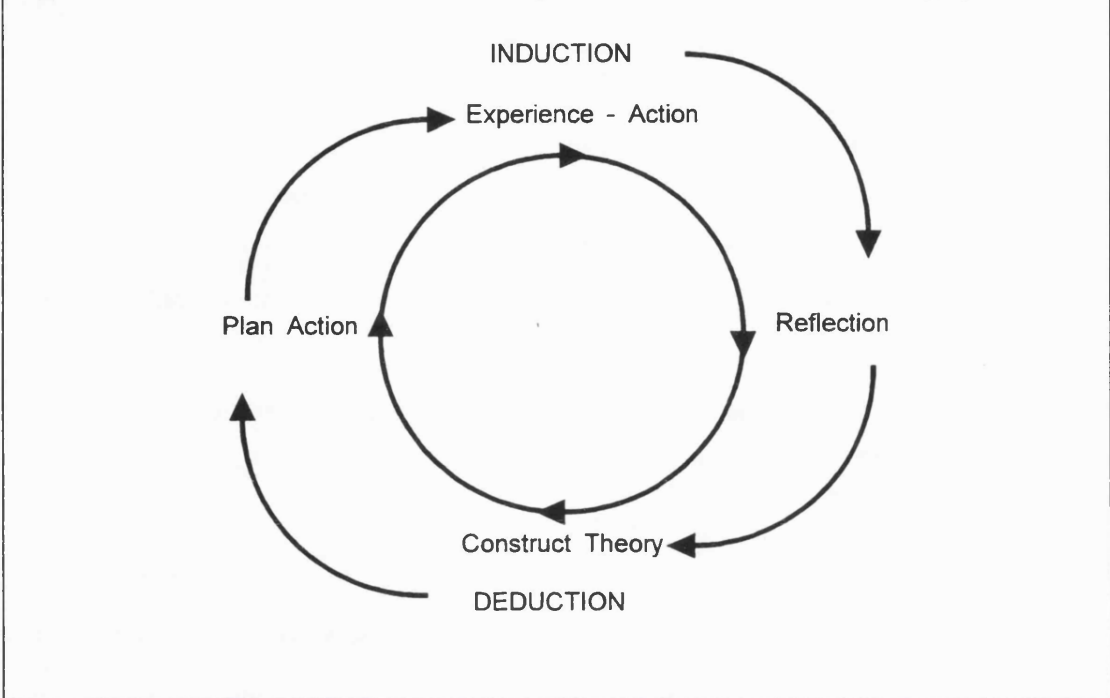
DEDUCTION

There are obviously potential dangers in such an approach - the deductive phase could be seen as 'contaminating' the inductive phase of the research, causing the researcher to see patterns in the biographical material which 'fit' the deductions and ignore other explanations. Nevertheless, this seems to be at least plausible as a research approach.

(As will be discussed below, the actual approach adopted here has combined elements of induction and deduction, although the emphasis has been largely on the latter.)

A second issue will be briefly explored here: the idea of paradox. This has already been mentioned briefly in the Introduction. Whilst the management literature has only recently begun to explore contradiction in organisation and management, already trends have emerged in how these contradictions are to be viewed and dealt with. These trends can be summarised as contradiction as 'dilemma', 'dialectic' or 'paradox' (see Figure 5:4).

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┌─────────────────────────────────────────────────────────────────────────┐
│ Figure 5:4 Contradiction: dilemma, dialectic and paradox                  │
│                                                                           │
│        Dilemma -                              Dialectic -                  │
│    resolving through  ◄──────╲      ╱──────►  resolving through           │
│        choice                 ╲    ╱              synthesis               │
│                                ┌──────────────┐                           │
│                                │ contradiction │                          │
│                                └──────────────┘                           │
│                                       │                                   │
│                                       ▼                                   │
│                                  Paradox -                                │
│                                living with the                            │
│                                contradictions                             │
│                                                                           │
└─────────────────────────────────────────────────────────────────────────┘
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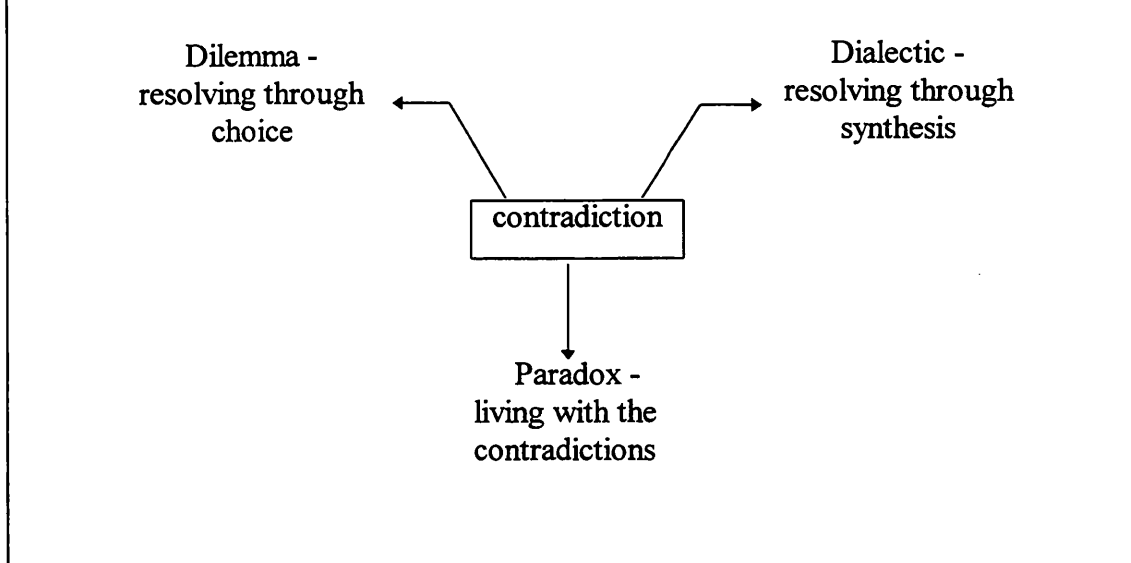
Seeing contradictions as dilemmas essentially means making choices - either/or. This approach to contradictions has been mainly developed by those most closely associated with the more 'traditional' rationalist approach. Thus, for example, Stewart (1982) poses a series of dilemmas for designing policy making systems (e.g. comprehensive vs. selective; participatory vs. directive; centralised vs. devolved; etc.) and argues that choices have to be made, although these may not be completely "absolute" but may be about selecting a "point on a continuum between conflicting values" (:238).

A dialectical approach to contradiction - (thesis + antithesis = synthesis) - has been largely neglected, probably due to its incorporation in Marxist philosophy which is not a popular underpinning for much management writing. However some writers have explored the use of dialectics in organisational analysis (Morgan, 1986:255-267) and in strategic management (Stacey, 1993:104-5). Whilst Stewart (above) sees resolving contradictions through choices, a dialectical approach attempts to synthesise the best of both parts of the contradiction into a new unity.

Both the preceding approaches essentially attempt to 'resolve' contradictions - the first through 'choice' and the second by 'synthesis'. The third approach does not attempt to resolve contradictions but recognises them as inevitable and unavoidable parts of organisational life and seeks to develop strategies for managing them. This is

the 'paradox' approach. While individual contradictions may be resolved, many are inherent to organisations. Attempts to sketch an approach to managing paradox have taken two principle forms -

- fluid 'cognitive mapping' and 'processual' approaches (e.g. Eden & Radford, 1990; Hampden-Turner, 1990a & b, 1994; Huff, 1990; Smith & Berg, 1987) and

- static model building (e.g. Quinn, 1988; Quinn & Cameron, 1988; Quinn, Faerman, Thompson, & McGrath, 1990; Farey, 1993).

Interestingly, the work of Quinn et al (1988, 1990) on management competences and Belbin (1981), and Margerison & McCann (1984) on management team roles, all implicitly adopt the fundamental framework of the 'Pa-Kua' or eight trigrams model of Taoist philosophy. This illustrates four sets of contradictory polarities (see Figure 5:5). The 'Pa-Kua' is interesting in that starting from a set of only two symbols (representing the basic polarity - yin and yang) a complex model can be developed by combining the three symbols into trigrams and producing an eight-fold model of all the possible combinations.

Each of the models developed by Quinn (1988), Belbin (1981) and Margerison & McCann (1984) includes eight management roles or types, grouped as four contradictory pairs. Farey (1993) explicitly uses the 'Pa-Kua' as a framework for analysis of a series of management and organisational development issues.

Figure 5:5 Taoist 'Pa-Kua' or 'sequence of earlier heaven'
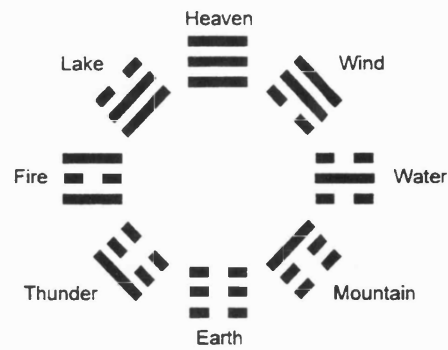
Source: Rawson & Legeza, 1973

Taoism is one of the few philosophical approaches which recognises the inevitably of paradox, hence the popular Taoist 'yin-yang' emblem which symbolises contradiction and paradox (Watts, 1979):

Besides the examples of the use of, or parallels with, the 'Pa-Kua' already given, the 'yin-yang' symbol and other Taoist ideas have also become increasingly evident in management literature. The 'yin-yang' symbol denotes not only contradiction and paradox but also the ebb and flow between the paradoxical elements in any system. Thus, for example, Pettigrew & Whipp (1991:271) use the 'yin-yang emblem to illustrate the interaction of primary and secondary conditioning elements in their model of change management. Gummesson (1991:56 & 150) introduces Taoist ideas to explain the need for understanding how to balance apparently irreconcilable elements of management research. Heider goes so far as to update and contextualise the Taoist classic the '*Tao Te Ching*' and apply it to a modern organisational context to offer '*The Tao of Leadership*' for modern managers (Heider, 1985). Cleary offers a collection, and interpretation, of Taoist writings relevant to 'leadership and strategy' for modern organisational and political managers and leaders (Cleary, 1990).

Interestingly, Taoist ideas have also been increasingly emerging in physics (see Capra, 1976) and more recently have been seen as a philosophical framework for the science of 'fuzzy logic', which has formed the basis for many new computer developments (see Kosko, 1993).

It would be wrong to say that the philosophical underpinning of this thesis is Taoist philosophy - there is obviously a lot more to Taoism than simply the recognition of paradox. Nevertheless, it has provided a useful intellectual aid in thinking through some of the difficulties of understanding paradox in organisational and management systems.

Quinn and Cameron (1988:15) set out a series of points about organisational paradoxes and the difficulties of researching them. These can be summarised as:

1. Ignoring the contradictory nature of organisations may be dysfunctional for managers and researchers - in particular researchers may tend to ignore one part of a paradox.

2. Theories of congruence have an order bias - that is, they tend to assume the need to resolve contradictions through synthesis or choice.

3. Paradoxes are paradoxical - they are both confusing and understandable, common and surprising, but they are also predictable.

4. Paradoxical criteria are not indicated merely by both high and low scores on an attribute - a high or low score for "a" says nothing about whether its paradoxical counterpart "b" is present or not present.

5. Many inferential statistical procedures mask rather than uncover the presence of paradox in organisational research - means may disguise paradoxical elements in data.

6. Hypotheses should not be generated that do not consider merely the rejection of the null or not - contradictory hypotheses, antitheses, are required for investigating paradox.

These issues obviously cover the range of issues from philosophy, through research strategy to technique. They clearly raise issues about what research methods are appropriate to investigating paradox and these are dealt with in more detail in the sections which follow.

STRATEGY

The research story

This discussion of the research strategy adopted for this project begins by explaining how it evolved using some tools adapted from strategic management practice and theory. Mintzberg's model of the strategy process, which sees the outcomes the process as always being a mixture of deliberate and emergent properties can also be applied to research (see Figure 5:6). In this application, however deliberate the implementation of a research intention, it is always the case that to some degree the realised research will differ from the deliberate effort to the degree that it is influenced by emergent factors in the research process.

While this point may appear fairly obvious, the question it raises is how can the process, especially the emergent parts of the process, be accounted for, recorded and analysed? Here it is useful to turn to another tool used in strategic management, for group and individual decision support, namely cognitive mapping (see Huff, 1990). The use of cognitive maps in this context is similar to the narrative form of research reporting - telling the history of a research project as a story or using the metaphor of the research 'journey' (see Frost & Stablein, 1992 for examples).

Figure 5:6 Deliberate and Emergent Research
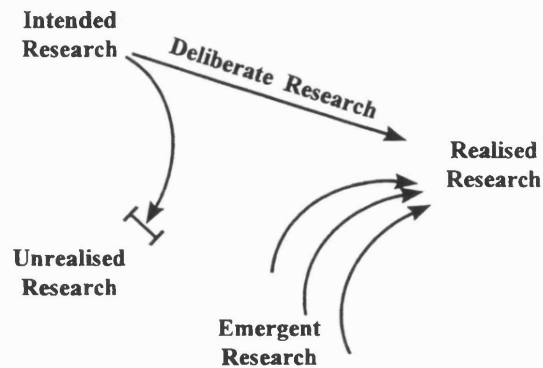
Source: adapted from Mintzberg & Quinn, 1992:14.

In this case a simple cognitive map is used to illustrate a part of the particular research journey being recounted here - the formulation of the research question. In this case the original research question, or more properly issue, posed was as 'what is that nature of strategic management in the public sector?' This formed the basis for the original proposal for MPhil/PhD research. As the search of relevant literature developed the research question itself began to mutate under the influence of new knowledge, and issues, which emerged. The process has been mapped in Figure 5:7. This account has been constructed from a number of cognitive maps, some using a simplified version of Eden's 'strategic options design and analysis' methodology (see Eden, 1989 in Rosenhead, 1989) and some using Buzan's 'mind mapping' approach developed over the whole period of the research (Buzan, 1982 - for an example of applying this particular approach in management research see Easterby-Smith et al, 1991:137). The final version is both a simplified, and to some extent sanitised, account which nevertheless gives a far richer flavour of the development of ideas than a simple linear account.

As has already been stated, the original key issue posed was the nature of strategic management in the public sector. Two chains of thought and literature investigations

emerged from this initial question. The first concerned the nature of public sector management (and later public services management in particular) and how it differed (if at all) from generic management. This particular trail led quickly to domain theory and a reconsideration of this from a strategic management perspective. It also led to reviewing how far domain theory was not simply a set of differing configurations of decision making processes, methods, time scales and so on but how far the differing domains also represent very different, and competing, value systems.

Meanwhile, the investigation of the generic strategic management literature led to an early identification of the notion of 'strategic thinking' as a major theme. This led in turn to two further branches of enquiry. Firstly, if 'strategic thinking' was an emerging trend in the literature, what was it replacing? What other trends existed? Are they clearly identified anywhere? Are they compatible or do they represent competing trends in strategic management theory and practice? Secondly, if strategic management requires 'strategic thinkers' - how are they to be developed? It was at this point that the issue of management development in general, and its relationship to strategic management in particular, began to appear relevant.

Management development had also begun to emerge as an issue from the direction of consideration of models of public management. If public management is different and if, for example, domain theory helps to explain significant aspects of it then one obvious implication is that public managers may need specific skills, knowledge or competences. This issue was given added impetus by the rise of the MCI's management competences framework and the rapid expansion of MBAs, both representing a growth of generic management education programmes which posed serious questions of legitimacy for 'specialist' or 'sectoral' programmes (see Talbot, 1993 & 1994).

Figure 5:7 Mapping an evolving research question
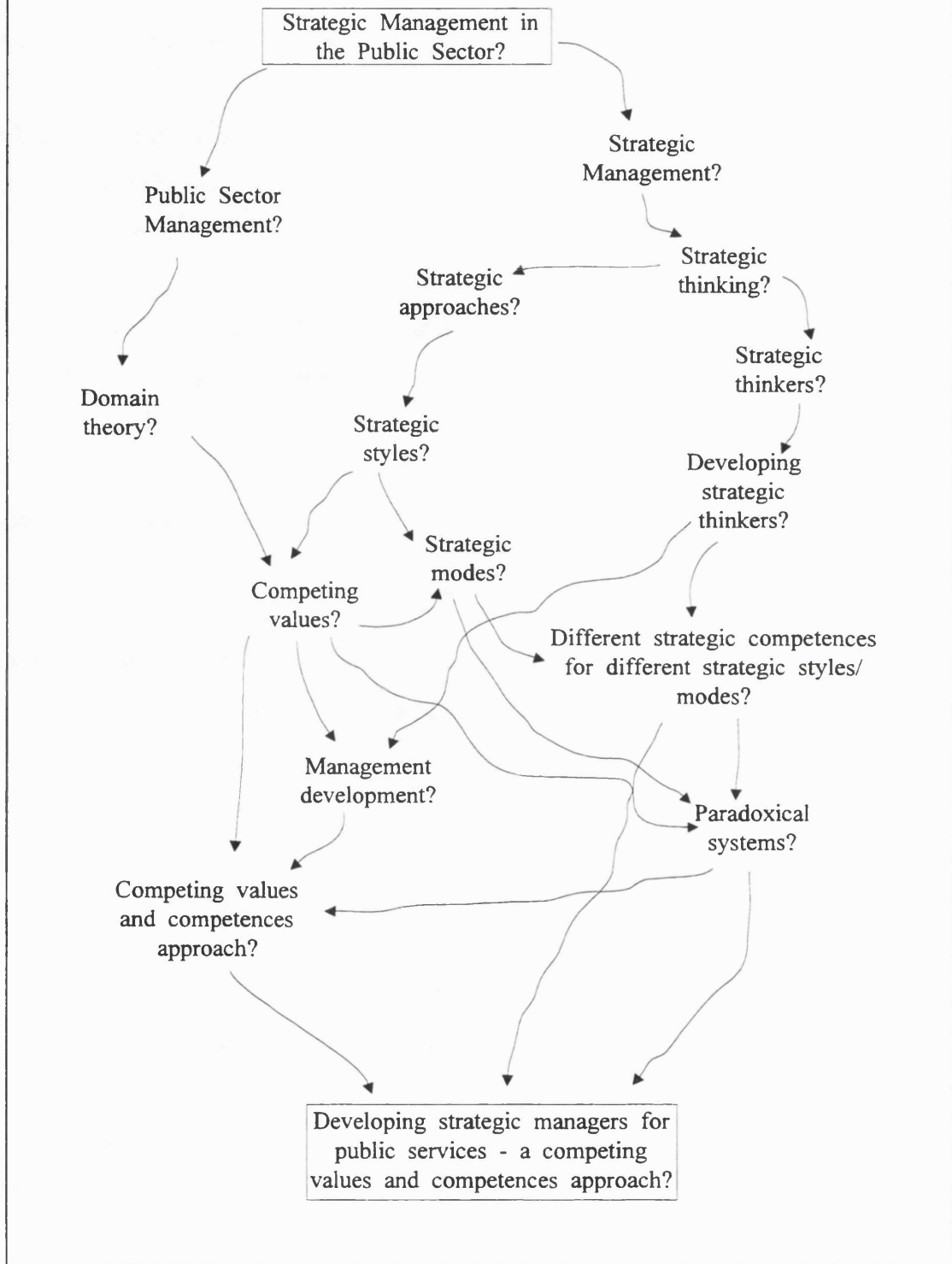
At this point it is worth returning to the issue of strategic management. As already noted, one issue which seemed relevant was how far there are competing trends in strategic management approaches. The literature on strategic styles (e.g. Miles &

Snow, 1978; Goold & Campbell, 1987; Porter 1980) merely suggested generic strategies or strategic relationships within organisations which suited particular contingencies or organisational configurations. However, during the course of the research a number of accounts of strategic management trends began to be published which clearly suggested different, and competing, approaches to strategic management (e.g. Mintzberg, 1990a, 1990b, 1991b, 1994; Ansoff, 1991a, 1991b; Whittington, 1993). This led to the beginning of development of the notion of 'strategic modes', a process and content based model linked to issues of values conflicts.

It was at this point that the issue of competing competences also became apparent, following the management development trail. R. E. Quinn's work on competing values and competences for generic management seemed to offer a methodology which could combine the elements of competing values which seemed to emerge from the literature on public management and strategic management. It also offered a fertile approach for furthering the approach to management development which had been pursued as a result of the management competences vs. traditional management education debate (see Talbot, 1992 & 1993 and Chapter 4).

Quinn's work also led to his, and his collaborators, development of the notion of paradox in organisational systems which provided a much richer framework for understanding how competing, values based, systems could co-exist within organisations. This helped to provide a more coherent theoretical framework to the evolving approach.

By this point the original research question about strategic management in the public sector had mutated to being more focused on public services, to looking at the development of managers capable of operating 'strategically' within such organisations and approaching it from a competing values and competences framework.

The cognitive (and narrative) map offered here is only a rough sketch of this intellectual journey. To use Korzybski's famous dictum 'the map is not the territory', this cognitive map is only a partial account and naturally coloured by retrospective distortions. Its central value lies in indicating some of the key ideas that have led in the direction of both the central research question and the framework within which it has been posed and investigated. Importantly, it indicates some of the many choices that are made during the evolution of a research project.

One important caveat to add is that this is map of the successful elements of the journey. The dead-ends, red-herrings and failures are not included, yet in many ways these are as important as the successes. To take just one example, early in this process the idea of 'strategic thinking' led to consideration of some of the literature on decision-making and especially game theory (see for example Dixit and Nalebuff, 1991).

This avenue was abandoned for two inter-related reasons, one subjective and the other methodological. The subjective reason was that whilst this literature was interesting to the researcher its narrowness of focus on individual behaviour seemed unappealing as a research direction. This was linked to the problems of researching the area of this area of decision-theory, which would have required an approach which did not mesh with other research objectives very easily. It would have required quite different methods from the exploratory survey approach which had been decided on in order to address some of the issues about lack of data on strategic management practices in the public sector.

Research Objectives

On the basis of the review of the literature, and the evolution of original research question, the research objectives were established as:

1. To establish some broad-based (and comparative) information about the nature and extent of strategic planning practices within UK public services.

2. To explore the idea of competing, paradoxical, systems within public services strategic practices - by specifically (i) construction of theory or models of how such paradoxical systems might apply to strategic management in the public services and (ii) carry out some limited testing of the possible validity of one set of (deduced) 'strategic modes' and 'strategic sub-systems'.

3. To establish a framework for analysing possible approaches to the development of strategic managers, establish some information about the management development practices and preferences of managers and organisations in relation to strategic management skills, knowledge and abilities and to gather some broad-based (and comparative) information about the knowledge-base of UK strategic managers in the area of strategic techniques and approaches.

4. To explore the idea of competing, paradoxical, strategic 'competences' and to test the possible validity of a specific set of (deduced) competences.

5. On the basis of the above, to make some recommendations about further research which would aid the 'development of strategic managers for UK public services'.

It is important to note that a balance had to be struck in this research between deductive theory construction and empirical exploration. The first four Chapters of this thesis have combined a review of existing theory and research in the three areas of public management (Chapter 1), strategic management (Chapter 2) and management development (Chapter 4) with attempts to derive (deduce) new synthesised models relating to strategic management, strategic managers competences and strategic managers development in the public sector (Chapters 1-4).

This work of theory derivation has been supplemented by the empirical exploration of strategic management practices and strategic managers' development and competences, knowledge and skills in UK public services. It was not the intention of this empirical phase of the research to fully test the theoretical constructs derived in

the first part of the thesis. This speculative theory covers such wide territory that it is clearly beyond the scope of a singleton researcher and a single thesis to tackle. For example, the new MCI draft standards for senior managers were developed to a draft stage through

> "a process which involved hundreds of practising senior managers from large and small companies, public and voluntary sector organisations. A number of techniques were used - workshops, interviews, written accounts of senior managers' experience - to establish what their jobs entail." (MCI, 1994:3).

Obviously it would have be too ambitious for a singleton researcher to establish a similar set of draft standards for UK strategic public managers. Rather, as the thesis title implies, this has been an attempt to establish a 'competing values and competences' approach to such a project and the principle outcome is intended to validate such an approach and point to further areas of research (see research objective (5)). It is therefore seen as being an attempt to introduce a new element into debates about the nature of public services strategic management, managers and their development, through the development of new theoretical avenues and presentation of new, exploratory, empirical data.

The ideas explored in Chapter 4 on the nature of management development also suggested a further research area - the 'supply-side' of management development. Some work was carried out on this area and a small pilot survey conducted. It soon became apparent that, whilst this is an important and possibly fruitful area for research, it was beyond the constraints of a single thesis. Thus the research has concentrated on the 'demand-side', although the question in the survey on methods of developing strategic managers in organisations did provide some useful initial information.

Politics of the research - access and resources

It is useful at this point to turn to some of the 'political' issues encountered in the research process. As already mentioned above, from the initial research question and the early review of literature on strategic management in the UK public sector, it became rapidly evident that there was (and still largely is) a significant gap in availability of any general data on the scope and content of practice. Whilst there are some very good case studies, many not so rigorous 'best practice' cases and much more prescriptive models available, there was little evidence extant on what public organisations and their managers actually practised in relation to strategic management.

Fairly early in the research process the researcher used a morphological analysis (Gill & Johnson, 1991:18) to clarify the likely nature of the field research to be undertaken.

Figure 5:8 Morphological analysis

Objective	Method	Target
Exploratory	Experiments	Individuals
Explanatory	Quasi-experiments	Professional group
Clarification	Action research	Department
Theory	**Surveys**	Inter-departmental
Problem-solving	Case studies	Interorganisational
Conceptual	Longitudinal	**National**
Predictive	Ethnographic	International

Source: basic table adapted from Gill & Johnson, 1991:18)

At this point, as described above, the research was still largely focused on the nature of strategic management practice in the public sector. This morphological analysis helped to establish that the research was to be largely exploratory, confined to the UK but conducting by as large a survey as practicable.

Despite later changes in research objectives, the method and target remained the same. This could seem to be somewhat lax, however there were clear justifications for such an approach and these relate to issues of resources and planning in a research project, as well of issues of access. A number of writers on research methods strongly advocate planning the research project, sometimes using project management

techniques (e.g. Howard & Sharp, 1983; Phillips & Pugh, 1987). This project was in fact planned using some simple project management software (Schedule Express ®) both early in the project and periodically since.

The project planning exercise quickly identified that if the research were to be conducted as a relatively large sample survey of UK public sector organisations and managers it would be necessary to identify means of carry out such a survey. This required funding and access to equipment and data for carrying out and analysing the survey. This required a two-pronged strategy of identifying an adequate source of data about public managers/organisations and acquiring the resources to carry out such a large survey (early estimates put the costs well into four-figures). Considerable effort was therefore invested in finding a source of targets for the survey (which was eventually identified from a commercial source in the form of a database of some 20,000 public managers details in local government and the NHS) and raising the resources needed from within the researchers own resources and through a long process of acquiring support from the researchers employers.

The investment of time and energy into making the survey based research possible effectively precluded changing the research methods even after the shift in emphasis had occurred unless it was absolutely necessary. It did not prevent the researcher reviewing the proposed methods and reaching the conclusion that not only was a change of method not necessary but was equally valid for the 'mutated' research objectives.

TECHNIQUE

This section will report on some of the issues involved in designing and implementing the survey research. A number of texts on survey research were consulted in this process (e.g. Hoinville et al, 1977; Hutton, 1990; Belson, 1981) as well as a number of more general management and related research texts (Bell, 1987; Bennett, 1987; Cohen & Manion, 1985; Easterby-Smith et al, 1991; Howard & Peters, 1990; Howard

231

& Sharp, 1983; Phillips & Pugh, 1987; Reason & Rowan, 1990; Smith & Dainty, 1991). These are not cited directly unless immediately relevant.

The section deals with two main issues - the design of the survey questionnaire and the design of the survey itself, including the thorny issue of populations, samples and bias.

Questionnaire design

The first question to answer in questionnaire design for this survey was - is quantitative or qualitative data being sought, or a mixture of both? Given the research objectives set out above, the answer was primarily quantitative but with space for additional qualitative comments.

At first it was felt unlikely that there would be sufficient qualitative responses and it was likely that some follow-up interviews might be useful (hence the check box asking if respondents were willing to be interviewed). Here the researcher's experience of conducting a parallel large scale survey of very similar design, shortly before the final preparations for this survey, suggested that the 'additional comments' sections of the questionnaire might elicit much more extensive comments than initially thought (see Talbot, 1994a). As will be seen below (Chapters 6 and 7), this in fact proved to be the case and a fairly large number of qualitative comments were gathered.

The actual questionnaire design can be separated into several parts:

1. basic informational questions attempting to gain a better descriptive picture of the extent of strategic planning (questions 1-12)

2. questions designed to elicit both descriptive data about managers' knowledge of some aspects of strategic management theory and techniques (questions 13-14)

3. to test out the 'strategic modes' and competing 'influence sub-systems' developed in Chapter 3 (questions 15-16)

4. to test out the 'competing competences' derived from the theoretical models developed in Chapter 3 and get some additional comments from managers (question 18 and 19)

5. to gain some information about development of strategic managers and their careers (questions 17 and 20)

6. additionally, basic data about respondents organisations was asked for (question 21)

7. finally, a 'catch-all' question for additional qualitative comments was added (question 22)

Some general and specific points about the questionnaire design can be added to the above broad outline.

Firstly, serendipity often crops up in research processes. In this case it took the form of obtaining a survey of private sector companies, '*A study of strategic practice*', about strategic management and information technology issues which had been conducted in 1992 (BDO, 1992). At the time, the researcher had been struggling with a design for questions to elicit some basic data about public services strategic practices. This survey offered the opportunity to ask similar questions to public services organisations and gain comparative data to match against a private sector survey. Given the nature of BDO's survey, many questions were not relevant for this research and some of those that were had to be adapted to 'public sector terminology'. However, these provided a very useful basis for the first two parts of the survey (questions 1-12 and 13-14).

Besides 'contextualising' some of BDO's questions for the public sector, it was also felt necessary to extend the questions covering knowledge of strategic theorists and techniques (questions 13-14). Here again, luck helped with this process. Discussions with a leading publishing house, with extensive management publishing experience, led to the author being given confidential access to their sales research data on a range of management authors. This enabled the to make significant additions to the list of authors (question 14) with reasonable confidence that these were linked to levels of UK sales of their books. However, in both cases (questions 13 and 14) the lists were also discussed and amended with the help of a number of colleagues, to ensure that they were not unduly influenced by the researcher's own knowledge and preferences.

The parts of the questionnaire dealing with testing the notions of competing strategic modes, influence sub-systems and competences presented some difficulties (questions 15, 16 and 18). The problems of researching paradoxical elements have already been noted above. This led to the conclusion that giving managers the opportunity to say whether a specific factor existed at all, and to what degree, would give data which could be analysed in a variety of ways (see Chapters 6 and 7) to establish whether these constituted paradoxical factors or not.

A question clearly arises here about how the demonstration of paradoxical elements can be established from the data returned. The questionnaire design attempts to allow the expression of responses which indicate paradoxical elements by allowing for logically inconsistent responses. An useful example here is to compare the question on strategic modes (question 15) which sought to gather data on four different and logically inconsistent strategic modes (learning, politics, planning and vision - as defined in Chapter 2) with Greenwood's (1987) study of UK local authorities which sought to establish data about four logically inconsistent strategic styles (prospector, analyser, defender and reactor - derived from Miles and Snow). Greenwood's methodology assumed that the four strategic styles were mutually exclusive and the questionnaire design therefore adopted a 'forced choice' approach, asking respondents to identify from four statements describing each strategic style which one (and only one) best described their organisation. This method assumes consistency and

coherence in organisational strategic styles and excludes the possibility of paradox and contradiction in such styles. A respondent who clearly saw, say, two logically inconsistent statements about strategic style as nevertheless both being simultaneously accurate for their organisation has no scope to record such a response in this 'forced choice' approach.

The alternative approach adopted in this survey is to give respondents the chance to record responses which do select more than one of a number of logically inconsistent statements about their organisations (in this case more than one of the four statements about strategic modes).

Analysis of the data for correlations allows the researcher to then establish if respondents have identified what appear to be paradoxical elements of organisational behaviour. If there were no paradoxes present, that is respondents clearly opted to choose one, and only one, of the four statements then the data set would show strong negative correlations between each of the four statements. That is for one respondent describing one organisation only one strategic mode would be an accurate description and the others would not be at all accurate. For each statement there would therefore be a strong negative correlation with the other three statements. Alternatively, strong positive correlations would indicate that all the strategic modes were present to similar degrees in all organisations simultaneously. This 'strong paradoxes' variant is unlikely, for some of the reasons of flux and continuous change discussed in Chapter 2. The most likely result, if paradoxical elements are present in organisations is therefore that more than one, but less than four, statements will be to some degree accurate for each organisation. The overall results would, in these circumstances, therefore to display the following characteristics: (a) there would be correlations ranging from 0 to weak positive correlations* between different paradoxical descriptive statements and (b) there would be few cases where only one statement would be seen as wholly accurate to the exclusion of all others. (*The correlations would be very weak because of the number of possible combinations of more than one paradoxical statement being to some degree accurate.)

Some inspiration also came here from work on establishing 'competences' involved in *'the expertise of the change agent'* (Buchanan & Boddy, 1992). The first part of their methodology differs from the approach adopted here in so far as they derived an initial set of competences from analysis of audio diaries of actual change agents. These were then subjected to survey confirmation (see Buchanan & Boddy, 1992:Ch.4). Whilst the competences (and strategic modes and influence sub-systems) in this survey have been derived from theory, the approach of survey confirmation adopted by Buchanan and Boddy has been replicated (with changes to their rating scales) here.

The question covering strategic competences (18) was constructed by distributing, as far as possible, the 24 individual competence statements in a pattern which deliberately broke up their sequencing on both the 'strategic mode' and 'influence sub-system' dimensions (see Figure 5:9).

Figure 5:9 Numbering system applied to strategic competences in question 18

Sub- system ⇩	Strategic Mode			
	Planning Mode	**Visionary Mode**	**Political Mode**	**Learning Mode**
Policy Making	1. set detailed missions, policies, objectives and rules for the organisation	16. set broad missions, policies, objectives and values for the organisation	22. integrate ambiguous missions, policies, objectives and rules for the organisation	24. tolerate diversity of missions, policies, objectives and rules within the organisation
Provision (Resource Allocation)	5. integrate resource allocation and policy making systems	2. derive resource allocation and targeting from mission and policy objectives	17. adjust resource allocations to meet conflicting priorities and policies	23. allow flexibility in resource allocation and allow resources to follow 'success'
Planning	9. use the organisation's planning system to produce rational solutions to problems	6. use the organisation's planning system to justify the organisational mission	3. use the organisation's planning system to support particular projects or policies	18. use the organisation's planning system for learning and adaptation
Pragmatism	13. make pragmatic adjustments to stay within the overall plan	10. make pragmatic adjustments to stay within the broad organisational mission	7. make pragmatic adjustments through negotiating internal compromises	4. make pragmatic adjustments through experience of practical service delivery
Professional Practice	19. integrate, through persuasion or coercion, professional practice to match plans	14. integrate, through persuasion or coercion, professional practice to match mission	11. integrate, through compromise, professional practice into organisational goals	8. allow professional practice scope for innovation, within broad goals
Product/ Service	21. ensure services are clearly defined and organised to meet plans	20. ensure services are broadly organised to meet mission and policies	15. achieve compromise and consensus over the design and organisation of services	12. allow for diversity and innovation in design and organisation of services

Finally, the draft questionnaire for this survey was field-tested on two groups (of about 25 each) of public managers participating in a Masters course in public services management. In both cases, not only were the results analysed but also the respondents gave detailed oral comments to the researcher on problems of interpretation and understanding of individual questions and general layout and design of the questionnaire and in its general 'face validity'. These proved extremely useful in improving individual questions and the overall layout of the questionnaire and in

giving an estimate of 'completion time' for respondents (which proved to be about 30 minutes).

Survey design and responses

The survey was designed as a structured sample of public services strategic managers. Rather than attempt to sample across all sub-sections of UK public services specific service organisations were selected. Thus the survey was, in effect, mailed to the whole populations of selected sub-groups of public services senior managers (i.e. chief executives or equivalent).

Hoinville et al observe that "deciding what sample size to use is almost a matter more of judgement than of calculation" and go on to show how textbook methods of calculating samples sizes are often unworkable in practice because of lack of data about populations, multiple purposes, etc. (Hoinville et al, 1977). They might have added that it is, besides a matter of judgement, a matter of resources (in sending out a survey) and luck (in getting sufficient replies). In this case, resource limitations meant that the survey despatch had to be limited to around 3,500 (in fact 3,626 were despatched), which is partially why it was thought better to concentrate on whole sub-groups (e.g. all local authority chief executives) which would be more likely to yield returns which would provide adequate samples for each sub-group. The overall response rate was 19.8% (717), of which and 17.8% (644) were usable.

In local government these included the Chief Executives and Chief Officers of specific service departments. These included three 'human services' departments (housing, social services and education), one borderline 'human service' departments (environmental health), one physical service (direct service organisations) and two uniformed services which are slightly at 'arms length' from local authority control (police and fire services). In the health service the chief executives of all regional, district, family and special health authorities and of all NHS Trust and non-Trust providers were included. In central government, chief executives of all 'Next Steps' executive agencies were included as well as selected officials from departmental

238

headquarters. The detailed survey despatches and returns are given in Figure 5:10, Figure 5:11 and Figure 5:12. Generally, these show that the return rate gave very good samples sizes for each sub-group (between 10 and 30% in most cases).

In only one sub-group (non-Trust NHS provider units - 5%) did the returns fall below 10% of despatches. However, it is noticeable that the figure for returns from NHS Trusts is very high (34%). This is almost certainly due to the fact that the non-Trust provider units despatch included many 'fourth-wave' NHS Trusts which became Trusts on 1-April-1994 (the day after the closing date for return of the survey questionnaires) and so identified themselves as 'Trusts' in the returns.

Data for the survey was obtained primarily from a commercially available database of local government and health service managers (Keystroke Knowledge). In the case of central government, data was obtained from two sources: the *Civil Service Yearbook - 1993* and the *Next Steps Review - 1993* (Cm 2430). In all cases there are variations in Wales, Scotland and Northern Ireland and as far as possible the equivalent organisations were included.

Figure 5:10 Local Government - survey despatch and returns

	Despatch	Returns	Percent
CE's	551	133	24%
Housing	473	53	11%
Social Services	122	29	24%
Education	133	26	20%
Police	52	11	21%
Environmental health	507	57	11%
Fire service	61	19	31%
DSO's	494	67	14%
Other		43	
Total	2393	438	18%

Figure 5:11 Health service - survey despatch and returns

	Despatch	Returns	Percent
RHA	14	5	36%
DHA	217	38	18%
FHSA	98	18	18%
Special HA	12	4	33%
Trust	377	127	34%
Non-Trust provider	244	13	5%
Other		19	
Total	962	224	23%

[notes: "DHA" includes English and Welsh DHAs; Scottish Health Boards and NI Health & Social Services Boards; "FHSA" includes English and Welsh FHSAs]

Figure 5:12 - Central government - survey despatch and returns

	Despatch	Returns	Percent
Department	55	9	16%
Agency	150	24	16%
Quango	66	18	27%
Other		4	
Total	271	55	20%

Data analysis was carried initially using SNAP survey analysis software. This provided the basic percentage data on responses. Additional work on parts of the data was conducted using Microsoft Access database software and Microsoft Excel spreadsheet (the latter was used specifically for calculating the correlation's reported in Chapter's 6 and 7).

Samples, Bias and Populations

The issue of immediately arises here of possible 'bias' in the responses to the survey. This issue can be addressed in a number of ways. Firstly, all discussions of sampling for the purpose of probability sampling begin with the issue of deciding on populations size. What is the population size for strategic managers in the UK public sector? This question is impossible to answer on available data. There is data available on two key variables - total employment within public services and the total number public of public organisational units (although even this is not entirely certain and subject to fairly rapid change -see the comments about NHS Trust hospitals above). Estimating the total number of managers, let alone strategic managers, is extremely difficult. There are clearly some managers who can be considered to be definitively 'strategic', i.e. the most senior manager for each organisational unit. However, there are clearly many more managers who play some strategic role and this number is probably increasing with the moves to greater decentralisation and disaggregation of public organisations (see Chapter 1 and Talbot, 1994, especially on the increasing numbers of public managers describing themselves 'senior' or 'chief executive or director' levels.). A further complication arises from the discussion of different strategic modes (Chapters 2 and 3). If, as is suggested in these Chapters, there are different strategic modes operating in organisations, either simultaneously or even exclusively, then it follows from the definitions of these modes given that even in organisations with the same formal stratification's of managers there may be wide differences in who would be considered 'strategic'. For example, in an organisation which was exclusively dominated by a 'strategic vision' approach the number of managers considered 'strategic' would be quite low, whilst in a formally identical organisational structure which acted in practice as a 'strategic learning' organisation a far wider group of managers would be considered as 'strategic' managers.

There is therefore no easy way of estimating, even broadly, the numbers of public managers in the UK who could be described as 'strategic', and indeed given the four different operational definitions of strategic management being employed in this thesis no obvious way of resolving this problem.

Instead of starting from the 'top down' approach of defining population, population stratification and sample frames the approach adopted here has been to select a series of individual 'populations' of public organisations (e.g. housing, social services and education departments) and of managers who could clearly be seen as strategic (i.e. the most senior manager in each unit). By surveying all managers in each category and receiving a random response from each 'population', at an average rate of 18% per population group, it is reasonable to assume that these are fairly good samples from each group (according to most authorities), with one proviso. The use of a postal questionnaire with unknown biases affecting responses is clearly problematic. The possible effects of response bias therefore have to be born in mind throughout the following analysis (Chapters 6 & 7). These should not be exaggerated, however. The key variables in non-response from the types of groups surveyed here are likely to unrelated to the issues being considered - the key variables are likely to be around competing demands for managers immediate attention in the time-frame for responding to the survey and this is likely to be a fairly random variable in relation to the subject matter of the survey. Moreover, the range of questions addressed in the survey make it unlikely that any one specific managerial type (e.g. a 'visionary' [in terms of strategic modes] or a 'reflective' [in terms of management development] strategic manager) would be more or less likely to respond than another type. The survey responses themselves, which are extremely diverse on some issues (e.g. on the strategic modes and competences questions and in many of the additional comments - see Chapters 6 & 7) strongly suggest that if there has been response bias it clearly has not been of the type which would have strongly excluded any particular approach.

The strategy adopted of building up a reasonable sample of strategic managers by adding together samples from a number of clusters obviously has the danger that the clusters or sub-groups selected may themselves be unrepresentative. Broadly, the total numbers of managers from each public sector sub-sector (local government, health, central government) were reasonably balanced with regard to the very broad measure of sub-sector size by staffing levels, with the exception of central government which was a little under-represented.

The comparison of the data from this survey with that from the BDO survey offered a very useful check on the validity and reliability of both. It may be pure coincidence of course, but the strong correlation in the results of the two surveys on some issues and their clear differences in others tends to suggest strongly that they are both reasonably valid and reliable.

Jankowicz (1991) makes a strong divide between non-probability sampling (used mainly in exploratory research designs to establish if there is something worthy of further investigation) and probability sampling (used to make more specific predictions about population behaviour derived from sample data). In reality this divide seems somewhat artificial, as even in exploratory research the purpose is to make some kind of prediction about population behaviour, in so far as the conclusions to be drawn are that there is sufficient evidence that there is something worthy of further study, even if the results obtained cannot be claimed as fully reasonable from a probability sampling perspective. This particular study falls very much into this category. As the research aims were essentially about establishing a framework for further work they were very much exploratory, and therefore not intended to be wholly probabalistic in nature. However, the techniques employed needed to be sufficiently robust to defend the notion that here was adequate *prime facie* evidence of something worthy of further work (in this case, competing strategic systems, competences, etc.). As will be seen in Chapters 6, 7 and 8 the approach adopted does seem to have been adequate to the research aims set.

Chapter 6 Results and Analysis I - Strategy processes in the public services.

PART I: STRATEGIC PLANNING PRACTICES & COMPETING MODES AND INFLUENCES

As explained in Chapter 5, the survey questionnaire included questions (Q1-Q14) which were, deliberately, broadly similar to some of the questions asked in a survey of 183 private sector organisations by BDO Consulting (1992) about their strategic practices. The results of the BDO survey are reported in the following analysis of the public sector survey, as appropriate.

(NB: survey figures are rounded to whole numbers. This means some totals may not equal 100. Also, non-responses to particular questions have not always been reported which means some totals may fall significantly below 100.)

The full percentage responses to the survey are contained in Appendix A to the thesis.

Formal strategic plans and reasons for not planning

Asked if the respondent's organisation had a formal strategic plan, 493 (77%) public managers responded "yes". This compares favourably with the private sector (65% - see Figure 6:1) and is surprisingly high given other reports on public sector strategic practices (see Chapter 3, section "Trends in the Public Sector"). The figures obtained from the survey tend to confirm Pollitt and Harrison's assertion (1992) that strategic planning became popular (again) in the public sector in the late 1980s, driven in part by the views of some politicians that strategic planning was a private sector practice and would therefore be a 'good thing' for the public sector.

The fact that nearly three quarters of public sector respondents, compared with about two thirds of private sector respondents, reported formal strategic planning taking

place in their organisations suggests that strategic planning is now more prevalent in the public than the private sector (see Figure 6:1). This obviously raises questions about how far the public sector is 'following' private sector practice, as some models of changing public sector management, such as Hood's 'new public management' (see Chapter 1) would seem to suggest. It is therefore worth exploring this issue in some detail.

Figure 6:1 Prevalence of formal strategic planning
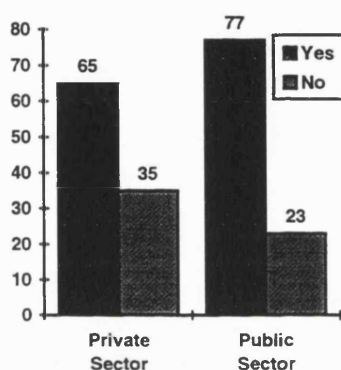
(Private N=183; Public N=644 - percentage of responses) P>0.001

Sources: BDO (1992); Talbot (1994)

The time-lag between the two samples (two years) could conceivably account for the differences in several ways. If private and public usage of strategic planning were in fact increasing in tandem, rather than the latter leading the former, then possibly the two year difference could account for the variance between the two samples. This would mean that both public and private sector practices would have reached around 65% prevalence in 1992 and around 77% by 1994. This account of the data would refute the idea that public sector lags behind, and 'apes', the private sector and suggest instead that all organisations, whether private or public, are increasing their use of strategic planning.

However, as most accounts suggest that public sector practice tends to lag behind private sector trends by about 4-5 years (see Chapter 3 - on trends in the public sector), is there an alternative explanation of the data which could fit this model? If

the time-lag is indeed 4-5 years but the private sector was on a <u>descending</u> curve in 1992, having peaked at a similar figure to the public sector in about 1989-90, then the public sector could also be 'peaking' in 1994 (see Figure 6:2 for an illustration of this idea).

This explanation is, of course, purely speculative. Whilst it would account for both the data in the two surveys, and correspond to the 'accepted wisdom' about public sector practice emulating and trailing that of the private sector, there is one factor which suggests this is in fact unlikely to be the explanation. This comes from the data on those organisations which are not planning. If private sector strategic planning were on the <u>decrease,</u> then there would have been at least some, of the 35% of 'non-planners', who would have reported that they had tried strategic planning and found it to be ineffective. In fact, no private sector respondents to the BDO survey claimed this (see Figure 6:10 below). On the contrary, while the degree of enthusiasm amongst private sector 'non-planners' for planning was lower (15% of 'non-planners') than amongst public sector 'non-planners' (40%), this would suggest that private sector planning still seemed to be on the increase in 1992. Thus the scenario suggested in Figure 6:2 has to be rejected.

Figure 6:2 Speculative graph of public and private sector usage of strategic planning - assuming 4 year time lag in public sector practice
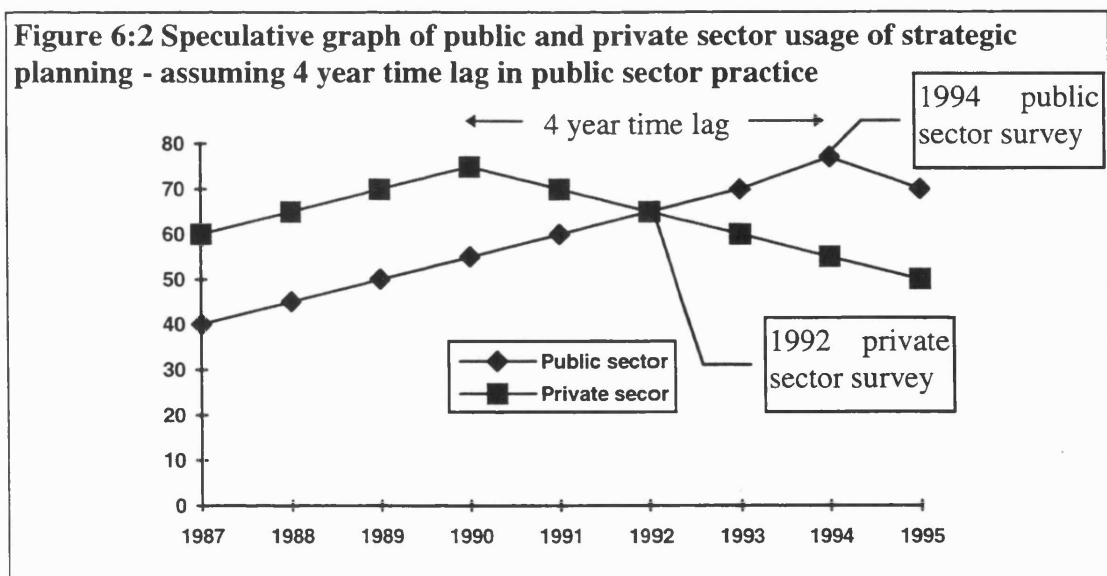
A third explanation of the data might be derived from analysis of the data in both surveys on the duration over which strategic planning has been practised in organisations (see Figure 6:3).

Figure 6:3 Length of time strategic planning practised - public and private
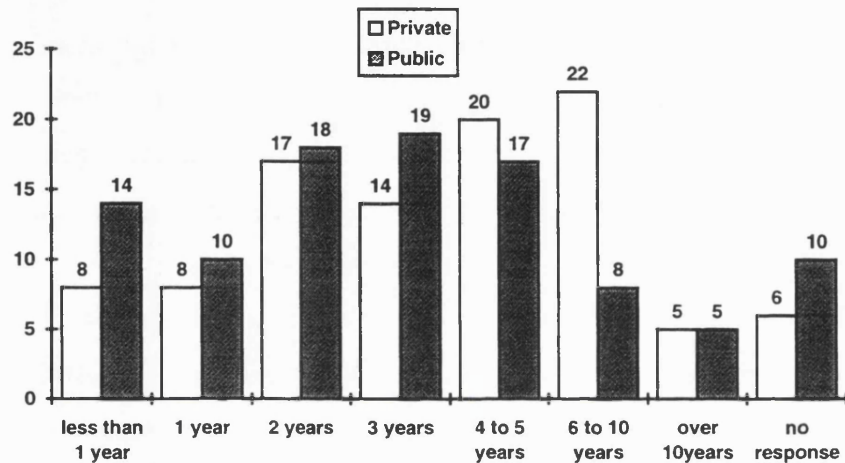
(Private N=183; Public N=644 - percentage of responses)
Sources: BDO (1992); Talbot (1994)

This data seems to show public sector strategic planning increasing more rapidly recently (e.g. 61% having done so for less than 3 years, compared to 47% for the private sector), but it is somewhat misleading because of the different survey dates.

However, when this data is cumulated and plotted over time (see Figure 6:4) the growth pattern for strategic planning, amongst those who do plan, in both public and private sectors, is almost identical. The public sector seems to be lagging behind the private sector by about 3 years with, however, a narrowing of the gap from about 4 years to about 2, with both reaching what may be appear as a 'saturation point'.

The three sets of data (on the prevalence of planning, the length of time organisations have been planning and the lack of evidence of organisations abandoning planning) suggest a complex picture. While the public sector has tended to lag behind the private sector in the prevalence of strategic planning practice it may well be that in the last few years there has been an accelerating trend in the public sector which has

caught up with, and perhaps overtaken, the private sector. This is clearly a more complex picture than the 'public-follows-private' thesis, suggesting there is no simple 'follow-the leader' explanation for the growth of strategic planning in the public sector.

One explanation, which seems to emerge from the data, is that the growth of strategic planning is linked to the degree of pressure (and control) exercised by central government and ancillary bodies over public organisations, which will be discussed further below.

Figure 6:4 Growth in Formal Strategic Planning - Public and Private

Source: derived from Talbot, 1994: the figures from Figure 6:3 have been cumulated, starting from 6 years before the survey date.
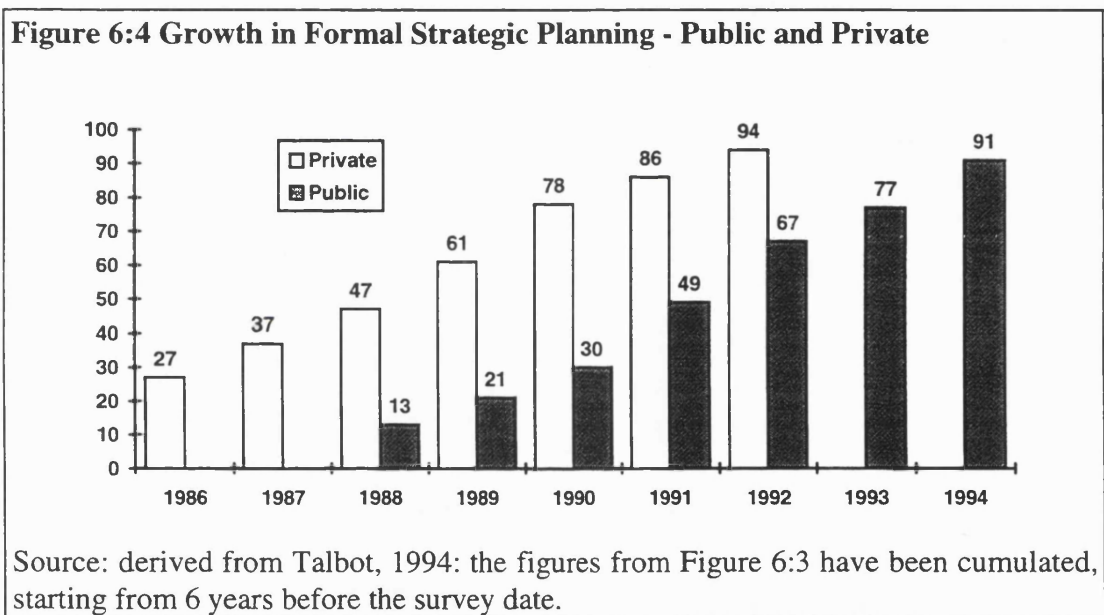
This raises the issue of how far public sector respondents may be reporting 'formal strategic planning' which is actually more 'formal' than it is 'strategic' or 'planning'. It may be that some public sector formal strategic planning is in fact an exercise to satisfy the requirements of political direction rather than actual planning.

For example, detailed examination of formal strategic plans from one large central government department found a large degree of detailed paperwork but very little evidence of either strategy or planning across the Department's divisions and agencies. Many divisional and agency plans were mere statements of existing activity and sketchy projections, often excluding vital issues such as human resources. There

was clearly a large element of 'form filling' and 'going through the motions' in the documentation (Talbot, 1994 - unpublished case study). There is some evidence later in the survey that the prevalence of formal planning bears some relation to the amount of influence central government has been able to exercise over public organisations.

This may also be evidenced in the differential levels of formal strategic planning reported in different parts of the public sector. There were some marked differences from respondents from different public sector organisations (see Fig. 6.2). Central government organisations seem to have the highest level of formal strategic planning (94%), NHS organisations the next highest (83%) and local government organisations the lowest (72%).

Figure 6:5 Formal strategic planning - intra-public sector comparisons

(N for each category in brackets - percentage for each category)
Source: Talbot (1994)
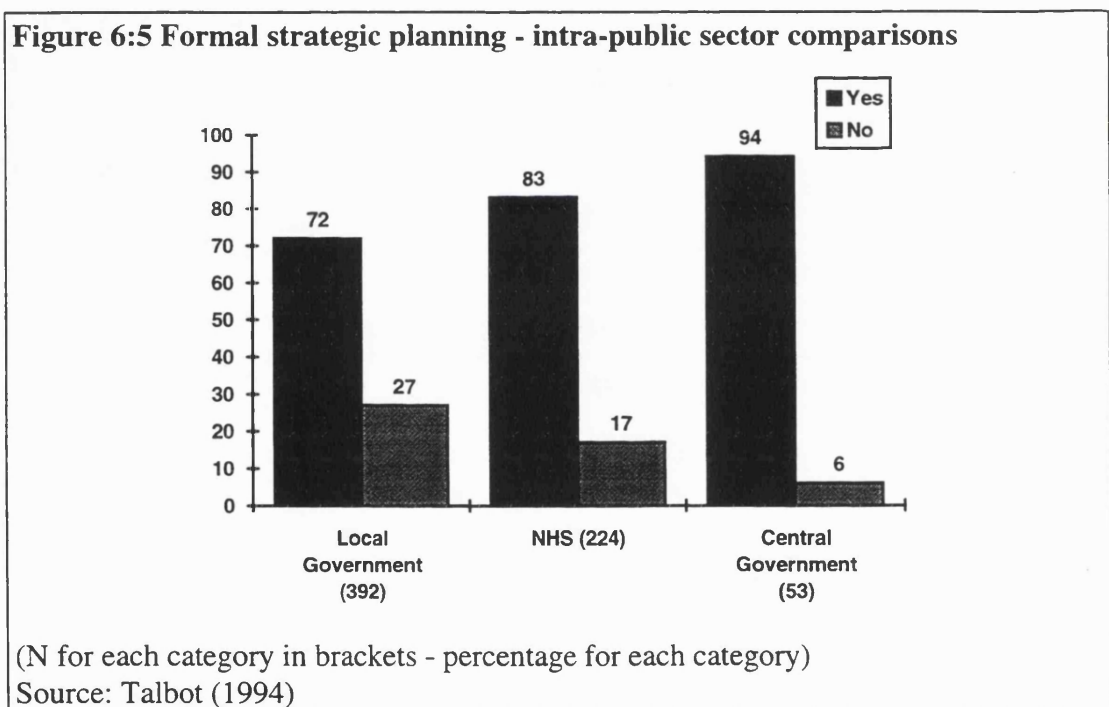
These are marked differences. They can be partly accounted for by the degree of direct control central government has to force public organisations to implement strategic planning. In establishing executive Agencies, NHS Trust hospitals, grant-maintained schools and other semiautonomous units, government policy has encouraged strategic planning. Other pressures have come from the Audit Commission and the NAO (see Chapter 3).

In the survey returns, how far central government has direct power to force implementation of strategic planning does seem to be a factor in its prevalence across the public sector (although not the only one). Thus central government departments and agencies are much easier to compel to adopt formal strategic planning than local government organisations. For local government, unless local politicians also want formal strategic planning, it is more difficult for central government to do other than merely encourage its adoption. However, as discussed above, formal adoption of strategic planning is not always the same as actual strategic planning.

Some useful data were gained in the comments which were added to the survey by respondents. A number of comments mentioned this problem of planning being driven by external (usually government) requirements. A comment highlighting this 'imposed' context of planning was made by a Scottish local authority manager who notes a specific example of where local authorities can be compelled to draw up strategic plans as the basis for obtaining funds:

> "Our housing plan and housing management plan are due to be submitted
> to the Scottish Office by Sept. 1994, therefore planning is occupying
> much of our thought at present."

Another manager from a scientific research institute (central government) commented on the tendency (noted above) to engage in ritualised strategic planning:

> "I think strategic planning is essential but from my experience the plans
> are often seen as an end in themselves, not as a means of achieving better
> or more products, research, etc."

For local government, the finding that 72% of respondents reported that their organisations do have a formal strategic plan is very similar to findings of a study of local authority annual reports, which found that 70% of the sample of annual reports studied included references to strategic plans (Dlaboha, 1994).

A manager from one large English county council commented that:

"The County Council instituted a comprehensive and integrated management of change initiative aimed at (1) better strategic management (2) better local management (3) maximising resources in front-line services. The initiative has won a number of awards, and has recently been studied by the Audit Commission, ESRC and the Local Government Management Board. We are also participating in a European network of authorities exchanging and disseminating experience in this area."

Whilst a manager from a large Scottish regional Council commented:

"The Council has corporate objectives and within these corporate priorities. It operates a strategic management procedure annually to match budget/resource allocation decisions to these objectives and priorities. This is proving to be very useful. The Council also has a number of corporate strategies relating to its objectives and priorities to which all regional services are expected to respond positively."

At the other end of the spectrum, a manager from a small District council in Northern Ireland (where councils have relatively few responsibilities compared to English, Welsh and Scottish authorities), commented on the newness, and political problems, of their attempts at developing strategic planning:

"This District Council is presently developing a corporate strategy for the next three years. We are still learning what is involved. In Northern Ireland senior staff in councils may have very different views from councillors from particular political groupings."

One interesting issue for local government is the degree to which various initiatives - such as CCT, decentralisation and reorganisation - are affecting strategic planning. One manager commented that fragmentation was increasing the need for strategic planning:

"With the fragmentation of local authority services, through CCT and other developments, the need for strategic direction and management will become increasingly important for all local government organisations and senior managers."

Another manager, of a DSO, clearly felt that the pace of change inhibited the possibilities of planning:

"As a DSO manager facing local government re-organisation, budget cuts in client departments, staff competition in the second round of CCT, and a legal case that may put us out of business I cannot see further than 90 days ahead!"

Another commented on the problems of strategy in a strongly decentralised local authority:

"We are a decentralised authority with dual corporate/neighbourhood chief officers. As a corporate chief officer I have responsibility for a range of corporate policies, strategies and services including leisure, family, retired, advice and welfare rights services and strategic policy, research and development. We have tried to integrate strategic management into neighbourhood working. We do not have hierarchical departments but are team orientated. As a 'general manager' for two neighbourhoods I have responsibility for strategy development at that level too!"

These comments illuminate some of the problems and opportunities for strategic planning in local government. They also indicate that some managers see these changes as enhancing the possibilities and necessity for strategic planning, whilst others see them as obstacles. However, it should be born in mind that, despite some of the negative comments recorded above, the survey shows overall an increase in the use of strategic planning. Below, further comments from the NHS will be examined.

Figure 6:6 Formal strategic planning - local government - by type

(N for each category in brackets - Percentage for each category)
Sources: Talbot (1994)
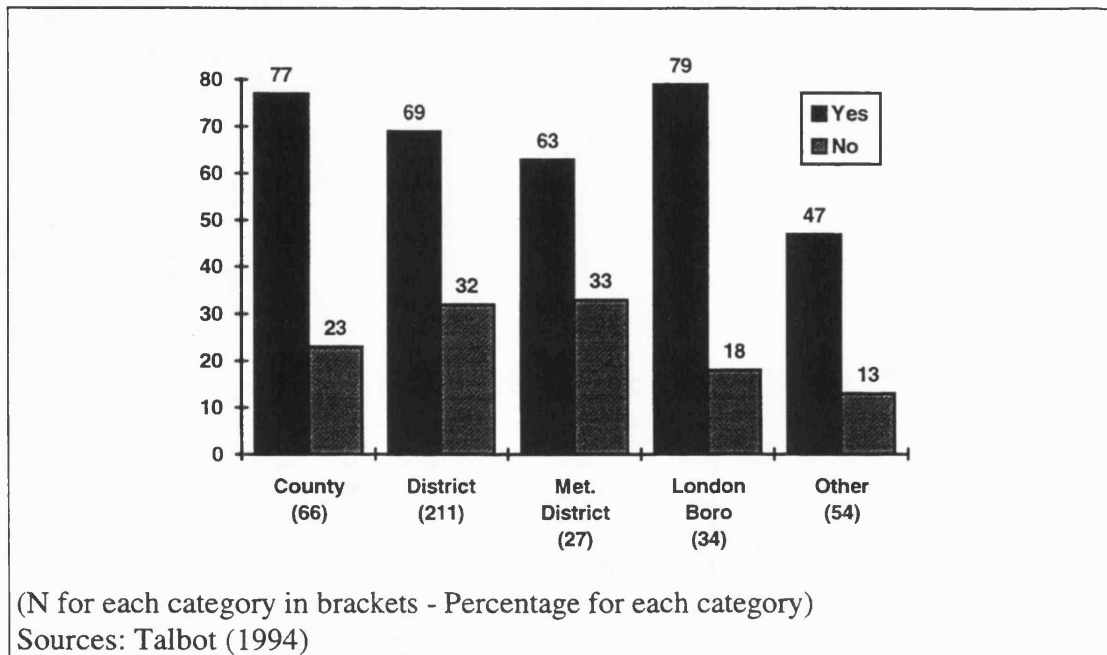
Within local authorities the pattern of formal strategic planning between departments and services is interesting, with quite strong variations occurring (see Figure 6:7). At the top of the 'planning league' come the uniformed services of police and fire departments, who reported a very high level of strategic planning (91% and 95%). These organisations are in somewhat of an 'arms-length' relationship to local authorities (in some cases they are even administered by joint boards rather than directly by individual authorities). They also have a strong relationship with central government, because of Home Office direct funding of a substantial portion of their services, and various Home Office controls and powers of regulation of these services. This opens up a channel of additional pressure to encourage strategic planning.

Figure 6:7 Formal strategic planning - local government - by department

(N for each category in brackets - percentage for each category)
Sources: Talbot (1994)
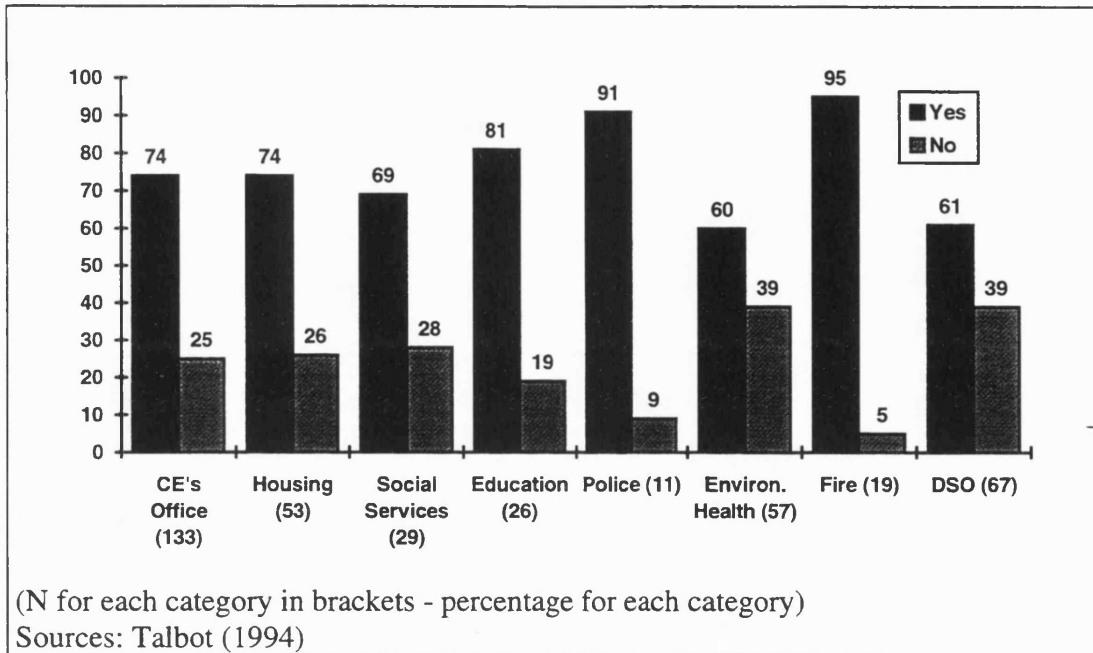
The highly 'commandist' cultures of these two types of uniformed service means that formal strategic planning, once decided upon, is much more likely to be implemented than in looser, less rigidly hierarchical structures. This does not, of course, preclude strategic planning developing in less hierarchical structures or more participative planning processes evolving in commandist structures such as these. The Metropolitan Police service, for example, ran a strategic planning process which involved a high degree of participation by senior and middle managers, although the decision to establish the system was a very 'commandist' one from the then Commissioner (see Talbot, 1992f).

The main human services departments - social services, education, housing - all have broadly similar levels of strategic planning, according to the survey (69%, 81%, and 74% respectively). These are also similar to the level of strategic planning reported from Chief Executive's departments (74%).

There is a somewhat lower level of planning reported from the main physical services departments in the survey, direct service organisations (DSOs - 61%), and from the main non-uniformed enforcement service, environmental health departments (EHDs -

60%). Interestingly, both of these types of departments are mainly managed by technical professionals who might be expected to have more faith, and make greater use of, planning practices. It is therefore worth examining in more detail the reasons for not planning given by respondents from these two departments (see Table 6-1).

On a number of counts DSOs and EHDs deviated from results for the whole survey. Firstly, resources seemed to be a higher than average problem: 19% of DSOs & 21% of EHDs of 'non-planners' saw 'resources required unavailable' as a problem, compared to only 13% in the survey as whole. Secondly, there is also seems to be less faith in planning being effective - only 27% of DSOs and 21% of EHDs compared to the average of 40%. More also reported planning to have been tried but found ineffective - 4% for both compared with an average of 1%. Also, in DSOs the number replying that planning would not improve performance (15%) was above the average (3%).

Table 6-1 'Non-planners' reasons for not having formal plans (Q2) - percentages of non-planners

	DSOs (N=26)	EHDs (N=24)	Average (all public sector) (N=151)
Plan exists but not formalised	35	46	44
Organisation's situation too simple	19	0	4
Organisation's situation too complex	23	4	15
Felt cannot improve performance	15	0	3
Felt would be effective and want to do	27	21	40
Has been tried, found ineffective	4	4	1
Resources required not available	19	21	13

There seemed to be marked differences, however, between the two groups of respondents from the two departments over how they viewed their organisational contexts. EHD respondents hardly rated their organisations situation as an issue at all., with only 4% seeing it as too complex, and none as too simple, to make planning feasible. DSO respondents, on the other hand, gave above average responses to both of these factors - 19% seeing their context as too simple to warrant planning and 23% seeing it as too complex to be planned. The main difference between EHDs and DSOs, at the time of the survey, was that the former had yet to be subjected to CCT

whilst DSOs have faced competition for some years. It is possible that this may have contributed to why DSOs as whole see their organisation's environment as more important whilst the polarisation within DSOs as to its complexity or simplicity may relate to their local circumstances, particularly their political environment.

Strategic planning in the NHS, like local government, shows levels of variation. The five RHAs which responded all indicated that they had formal strategic plans but other NHS tiers were less positive. The main 'purchasing' authorities, DHAs, responded that only 72% did have a formal plan whilst 28% did not. Given that the role of DHAs as purchasing authorities includes a specific commitment to planning health care provision it is intriguing that almost three out of ten did not have a formal strategic plan.

The NHS 'providers' - Trusts and non-Trusts - also provide some intriguing differentiation. Part of the process of NHS units applying for Trust status involves potential Trusts demonstrating that they have business plans. It is therefore not surprising to find a higher level of positive responses from Trust (86%) than non-Trust (73%) respondents. Given that most non-Trust providers have also been trying to gain Trust status the relatively high level of formal strategic plans which they report is also not surprising. Two comments from NHS Trusts managers are illustrative of these pressures:

> "This is a third wave Trust, i.e. 1 April 1993. Much of the planning and strategic work has been undertaken specifically because it is required, not through any particular knowledge (or belief in its value) by the staff - until now."

> "Trust is fourth wave, from 1 April 1994. There is a lot of work and commitment being directed towards the development of a corporate strategy for the organisation."

What is surprising is the 14% of Trust respondents who indicated their organisations did not have a formal strategic plan. Given that formal business planning is a pre-requisite of Trust establishment, and an on-going requirement, the fact that 18 of the 130 respondents admitted to not having such a plan is unexpected.

Also intriguing were the different perceptions of managers of the effects which the NHS internal market was likely to have on strategic planning. Two managers clearly saw the NHS reforms as leading to greater planning:

"Strategic management is emerging in the NHS, in real terms, as a consequence of the NHS reforms. The problem is the slow pace of implementation and vested interests...."

"Dynamic strategic management skills are required more and more within the NHS market. The environment within which we are planning is becoming more and more fluid. Setting your context within this is becoming very challenging."

However, another manager saw the internal market as undermining strategic planning, at least in the short-term:

"The questions....suggest a large-scale strategic planning 'industry' in the public sector. This tends not to be the case in the NHS now - the market has replaced some longer-term planning, though may become re-established as the current system (e.g. annual contracts) is seen as having its weaknesses in achieving strategic shifts."

These polarised views are strikingly similar to the divergent reactions of local authority managers quoted above. It is also worth noting that in above average numbers NHS organisations claimed that plans did exist but were not formalised (see Table 6.2). There is also an intriguing discrepancy between enthusiasm for planning ('feel planning would be effective...') from the 'non-planning' purchasers and providers. Amongst 'non-planning' purchasers 27% wanted to plan, compared to an average of 40%, and 67% from 'non-planning' Trusts and 50% from Non-Trusts.

One DHA manager commented that:

"The terminology and language employed in the survey does not fit comfortably with the role and responsibilities of a DHA."

Clearly this implies that strategic planning is not relevant in a DHA context. However, another comment from a purchasing authority manager showed both how strategies are being imposed on some NHS purchasers and also the problems this can cause. In this case these are due to a Government department imposing a requirement for a DHA and FHSA to have a joint strategy:

> "There is real problem in responding [to the questions] in that we are required by the Welsh Office to have 'joint' strategies whereas our objectives - except in the broadest sense - are not common. There is also the difficulty that the cultures of the FHSA (BS5750) and the DHA (reactive, non-structured) are quite different."

These comments clearly suggest that strategic planning is in a state of flux within the NHS and that two important factors are influencing it directly - the imposition of a requirement for strategies, by government, on both providers and purchasers and the effects of the internal market.

Table 6-2 'Non-planners' reasons for not having formal plans (Q2) - percentages of non-planners

	DHAs (N=11)	Trusts (N= 18)	Non-Trust providers (N=4)	Average (all public sector) (N=151)
Plan exists but not formalised	64	61	75	44
Organisation's situation too simple	0	0	0	4
Organisation's situation too complex	9	6	25	15
Felt cannot improve performance	0	0	0	3
Felt would be effective and want to do	27	67	50	40
Has been tried, found ineffective	0	0	0	1
Resources required not available	9	0	0	13

Figure 6:8 Formal strategic planning - NHS - by type

(N for each category in brackets - Percentage for each category)
Sources: Talbot (1994)
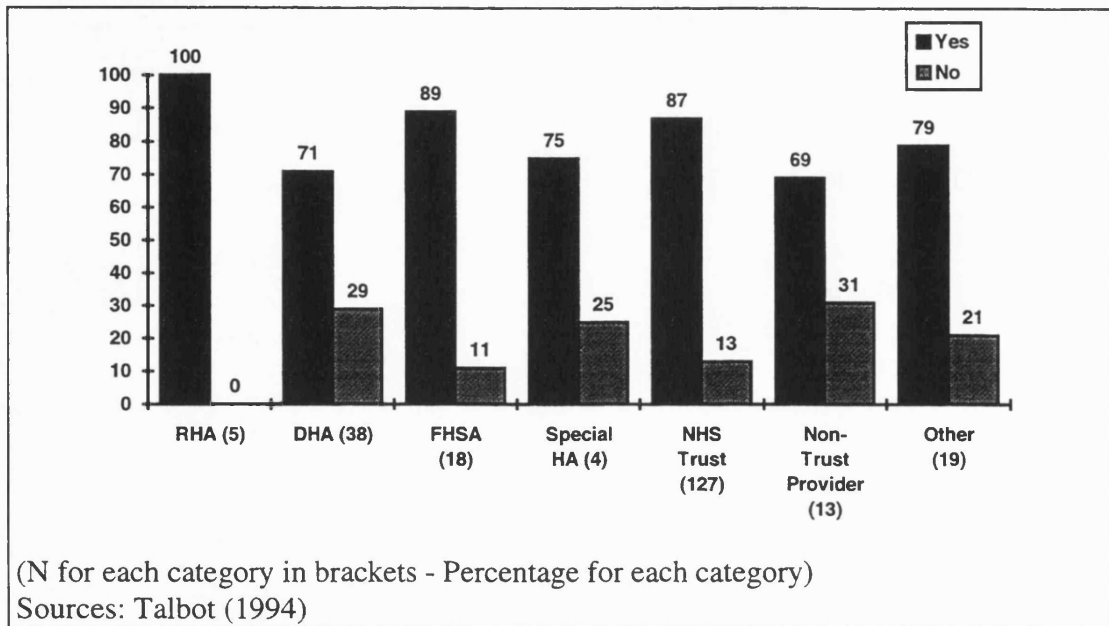
The idea that the prevalence of formal strategic planning is in direct proportion to the level of government influence over public organisations is clearly supported most clearly by the high levels of positive answers from central government managers responding to the survey.

In the three main categories of respondents - Departments (90% 'yes'), Agencies (96%) and Quangos (95%) - the levels are consistently very high. It is still interesting, however, to query why even here there are small minorities of respondents reporting no formal strategic planning (10%, 4% and 5% respectively). Of those responding to question two - about reasons for not having a formal plan - the only departmental respondent felt that planning would be effective but didn't have the resources to do it. The only agency respondent also indicated they wanted to formalise planning but gave no reason why it was not happening, whilst the only 'quango' respondent felt their organisation's situation was too simple and did not want to formalise planning. None of these three 'non-planners' claimed that there were non-formalised plans.

Figure 6:9 Formal strategic planning - central government - by type
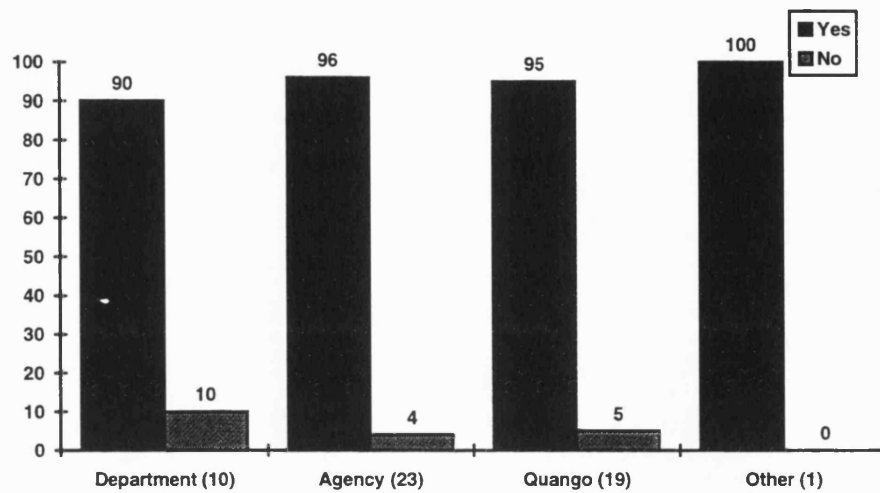
(N for each category in brackets- Percentage for each category)

Sources: Talbot (1994)

Some of the reasons for not having formal strategic plans have already been explored in relation to specific types of organisation. The full percentages of the reasons given by 'non-planners' for not planning are given in Figure 6:10, together with the results from the private sector survey.

More public sector respondents claimed their organisations do have formal plans compared to their private sector counterparts (77% public as compared to 65% private - see Fig. 6.1 above). The prevalence of 'non-formalised' plans reverses this trend, with more private sector 'non-planners' claiming to have plans which were not formalised (55%) than the public sector survey 'non-planners' (44%).

Organisational environment seems be a small but interesting differentiating factor - more private sector respondents saw their situation as too simple to require planning (9%) compared to the public sector (4%), whilst fewer saw their situation as too complex (only 3%) compared to public sector (15%).

Amongst 'non-planners' the private sector respondents recorded higher levels of scepticism about strategic planning's ability to improve performance (8%) compared to the public sector (3%) and lower levels of enthusiasm for in introducing it (15%)

259

compared to for the public sector (40%). However, the pubic sector records a slightly higher level of resource constraints preventing the introduction of planning systems (13%) compared to the private sector (9%).

Figure 6:10 Reasons for not having strategic plan - public and private

(Private N=64; Public N=151 - percentage of responses)
Sources: BDO (1992); Talbot (1994)
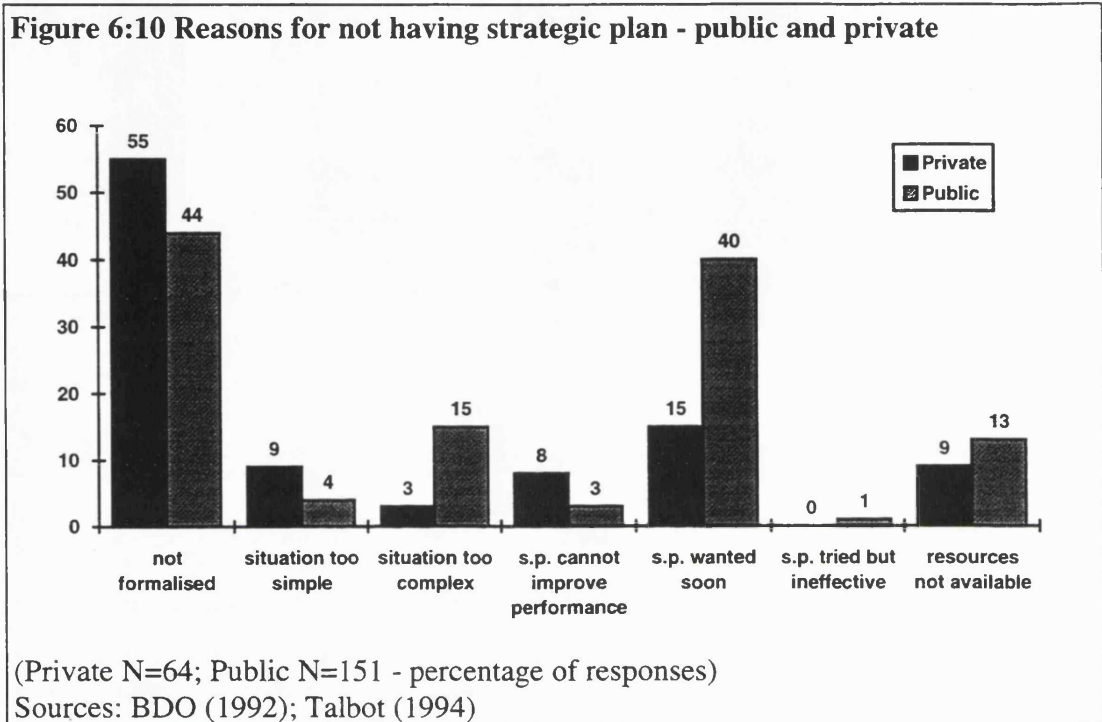
Strategic planning, performance and effectiveness

The strategic planning was judged effective in improving organisational performance by slightly fewer public managers (62%) than private managers (69% - see Figure 6:11). These judgements are reversed for those who see strategic planning as ineffective, with more private managers seeing it as ineffective (28%) than public managers (17%).

Intriguingly, 21% of public managers did not respond to this question (compared with only 3% of private managers). This suggests that more public managers find it too difficult to form an accurate judgement on this issue. Two reasons could be advanced to explain this reluctance to 'rush to judgement' by about one fifth of public managers.

Firstly, strategic planning has been practised in the public organisations responding for slightly less time than those reported in the private sector survey (see Figure 6:3). This relative lack of experience may partially account for the public sector 'no responses'. Secondly, for public sector organisations the specific problems of performance measurement would probably make it relatively more difficult for managers to evaluate strategic planning's contribution to organisational 'success' (see Jackson & Palmer, 1992; Cave, Kogan & Smith, 1990; Flynn, 1993; etc.).

This should, again, be seen in the context of the higher prevalence of formal strategic planning in the public, as opposed to private sectors, as shown in the two surveys (see Figure 6:1).

Figure 6:11 Strategic planning and improved performance - public and private

(Private N=183; Public N=644 - percentage of responses)
Sources: BDO (1992); Talbot (1994)
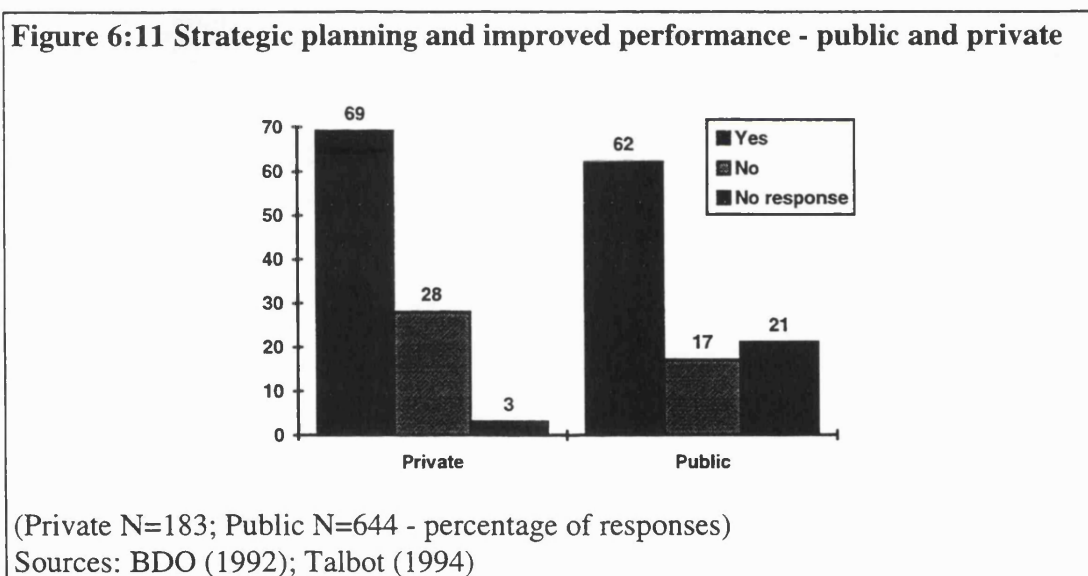
Despite the differences between public and private respondents, the overall view is clearly that formal strategic planning is both popular (see Figure 6:1) and is seen by the majority of managers in both sectors as offering important performance gains (see Figure 6:11). Whether or not this is born out in practical results is unclear, and it was not the intention of this research to examine the validity or otherwise of formal strategic planning as a management tool. However, it also clear from the data that amongst those with experience of strategic planning there is a sceptical minority -

more than one-in-five in both sectors - who doubt its effectiveness in improving performance.

Figure 6:12 Reasons strategic planning not judged effective - public and private

(Private N=51; Public N=112 - percentage of responses)
Sources: BDO (1992); Talbot (1994)
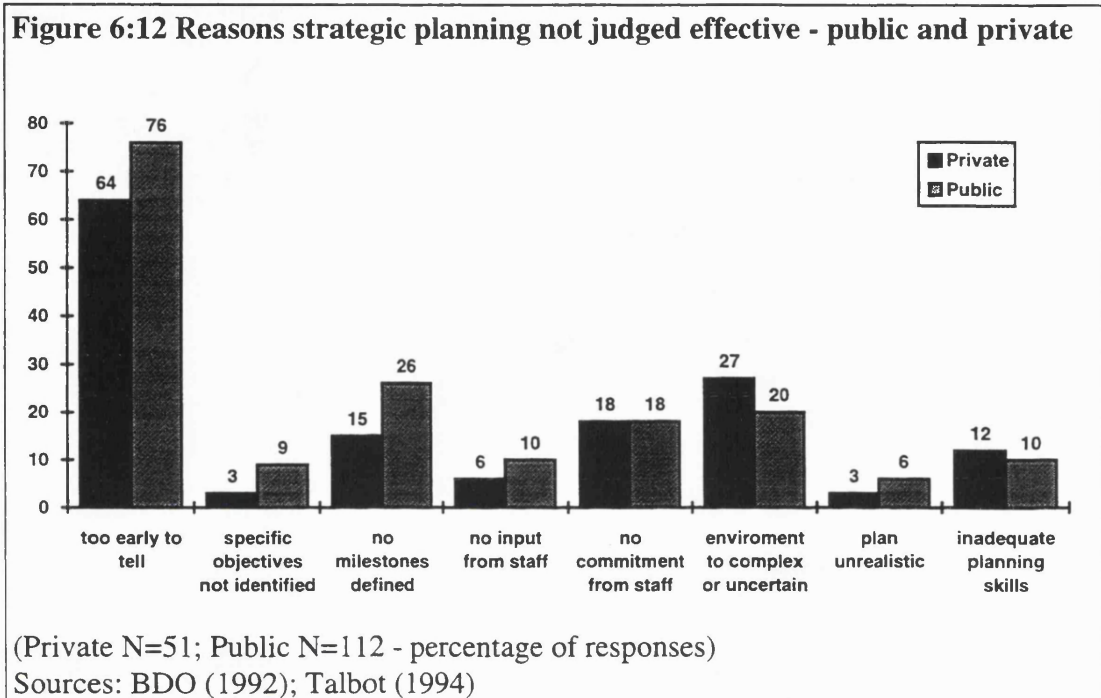
The reasons given by the those respondents, to both surveys, who thought that strategic planning was not working - the 'planning not working' group - to explain why this was the case are interesting (Figure 6:12).

Most of the 'planning not working' group actually thought that it was 'too early to tell' (76% public, 64% private) whether planning was working or not. This data reduces dramatically the significance of the numbers from each sector suggesting that planning is not working (17% public, 28% private) and suggests that the 'don't know / no response' category is actually higher than suggested in Figure 6:11.

Of the 'planning not working' group who gave definite reasons why this was the case, three major reasons stand out for each sector - these were failures to define milestones, organisations were facing too complex or uncertain an environments and there were failures in gaining staff commitment.

262

For the public sector the foremost issue was clearly failure to define milestones (26%), whilst private managers saw this as less of a problem (15%). This may be related to public managers seeing failure to define specific objectives as also relatively more important (9%) as compared to private managers (3%). The problems for public organisations, with multiple stakeholders, in setting agreed objectives have been discussed before (Chapters 1 and 3).

The organisations environment being 'too uncertain' or 'too complex' was seen as important for those who thought planning was not working in both sectors, although slightly more so for private sector (27%) than public sector (20%) managers.

Interestingly, this reverses the judgement made by managers from both sectors who gave reasons why their organisations did not have strategic plans. Only 3% of private managers felt their organisational situation 'too complex' to allow for planning, compared to 15% of public managers (see Figure 6:10). These differences may of course be attributed to experience - the 'non-planners' group were giving reasons why they were not planning whilst the 'planning not working' group were trying to explain what, in their view, were reasons for failure based on their experience. This would suggest that public managers may overestimate the problems of environmental complexity prior to strategic planning experience, whereas private managers may underestimate the problem.

Both sectors saw failure to gain staff commitment to plans as equally important in causing failure, with 18% in both surveys identifying it as a problem. However, public sector managers saw failure to gain staff involvement ('no input from staff') as slightly more important (10%) as a factor than their private sector colleagues (6%). This is interesting when compared to the efforts made in both sectors to involve staff, at all levels, in the planning process. Here the public sector seems to be somewhat more committed to involving staff than the private sector (although comparisons are not exact because the two data sets - public and private - do not match completely - see Figure 6:27). Taken together, these two findings might suggest that public

managers see staff involvement in the planning process as slightly more significant and also find it to be slightly more likely to be a cause of failed planning.

For the respondents in both surveys who saw strategic planning as making an effective contribution to organisational performance, there was a remarkable consistency of opinion across both sectors on most of the detailed factors, with two noticeable exceptions (see Figure 6:13).

Respondents from both sectors saw the contribution of strategic planning to 'achieving goals and objectives' (81% private, 79% public) and 'specifying milestones' to achieve them (77% private, 76% public) as the biggest contributions towards organisational performance. This is very much the is very much the role for strategic planning given by Mintzberg in his latest work, seeing strategic planning as primarily a tool for codifying and communicating strategy decisions but not primarily as a means of taking strategy decisions (Mintzberg, 1994).

Strategic planning as a tool for making strategic decisions fares much less well than as a tool for implementing decisions. When asked if it aided 'targeting resources on areas of greatest opportunity' (private 51%, public 45%) or 'identified new opportunities or ideas' (private 51%, public 58%) strategic planning was seen as markedly less useful, but still obviously important, across both sectors. This suggests while the strategic planning process can, and does, contribute to strategy formation, its role as strategy communicator is much stronger. This is born out by the fact that the specific 'communications' role - 'giving staff a unified vision of the organisation' (private and public both 64%) - fared slightly worse than the formal implementation roles (setting objectives and milestones) but better than the strategic decision making roles.

It is in the last two roles for strategic planning - achieving cost savings (private 68%, public 43%) and enabling the organisation to 'make better use of resources' (private 5%, public 69%) - that striking differences between the two sectors emerge.

If achieving cost savings is taken to mean essentially efficiency savings then it is clear that the private sector respondents saw strategic planning as making a greater contribution to efficiency than their public sector counterparts. If 'making better use of resources' is taken to mean essentially a contribution towards organisational effectiveness the it is clear that public managers see strategic planning as far more useful than their private sector counterparts.

Figure 6:13 Benefits of strategic planning - public and private

(Private N=132; Public N=397 - percentage of responses)
Sources: BDO (1992); Talbot (1994)
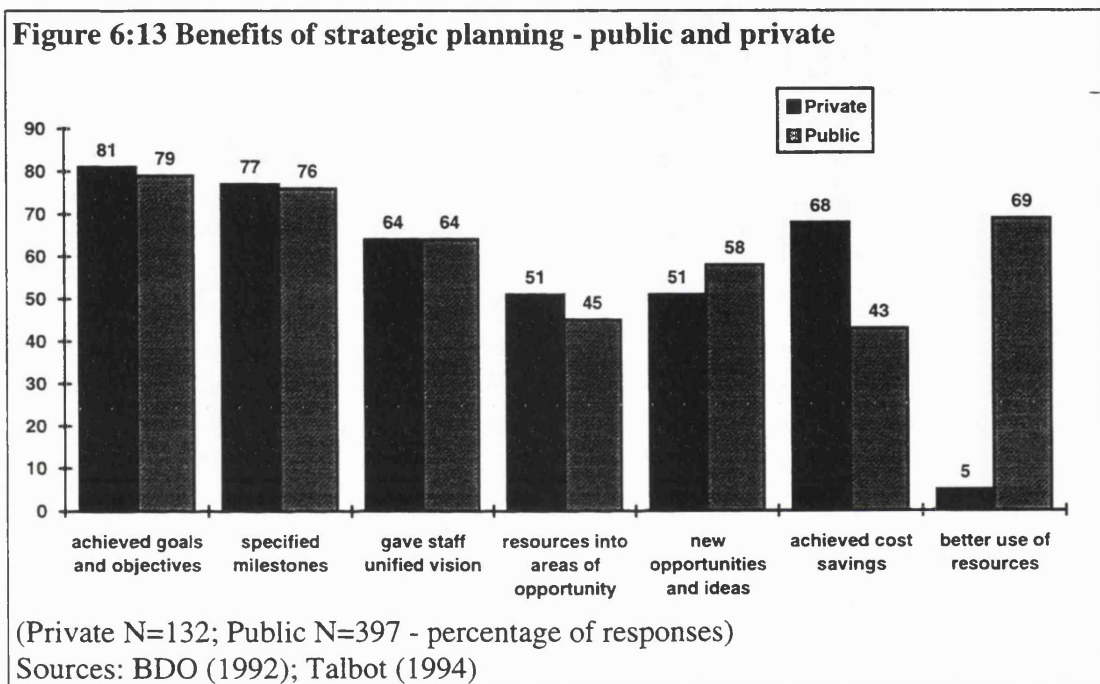
Superficially, this does not seem to agree with the earlier findings that the majority of both sets of managers see strategic planning as leading to better organisational performance (see Figure 6:11).

It may be that public and private managers simply define organisational 'performance' in quite different ways - with private managers seeing it primarily as being about efficiency and producing products or services for the lowest cost possible whilst public managers tend to focus more on the products or services themselves. Thus, they could both see strategic planning as contributing to 'performance' but in quite different ways, as these differences seem to suggest. It would not be fruitful to speculate too much on the basis of this data and there is clearly scope here for further

investigation - particularly about the possibly different managerial 'languages' employed in the two sectors.

Figure 6:14 Elements of strategic planning - public and private

(Private N=183; Public N=644) (percentage of responses)
Sources: BDO (1992); Talbot (1994)
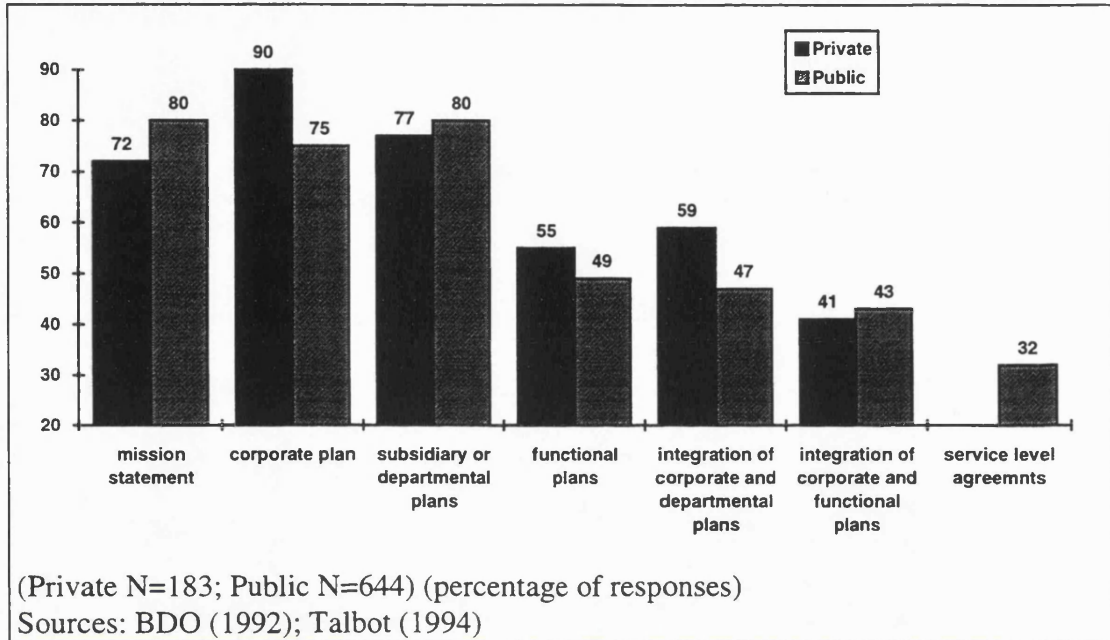
When the surveys attempted to identify in some more detail about exactly what 'formal strategic planning' actually consisted of, the results were fairly consistent across both surveys, although with some interesting minor variations. Three areas - mission statements (private 72%, public 80%), corporate plans (private 90%, public 75%) and subsidiary or departmental plans (private 77%, public 80%) - stood out as the largest elements in strategic planning for both sectors and broadly similar.

The other three areas asked about to both sectors - functional plans (private 55%, public 49%), integration of corporate and departmental plans (private 59%, public 47%), and integration of corporate and functional plans (private 41%, public 43%) - showed markedly lower scores across both sectors. This suggests that broadly, in both sectors, there are high levels of planning at both corporate and individual business or departmental levels but that the level of integration between the two is not as strong. Functional planning is also both less common and less well integrated to corporate level plans.

There is however a stronger tendency for lack of integration in the public than in the private sectors. Public sector respondents actually report that departmental plans are more common (80%) than corporate plans (75%) whilst the levels of integration of corporate and departmental plans (47%) are lower than in the private sector (59%).

This trend is particularly strong in local government (see Figure 6:15), where respondents reported that many more organisations (21%) had departmental plans (85%) than had corporate plans (64%). In both central government (93% corporate plans, 75% departmental plans) and the health service (92% corporate plans, 71% departmental plans) the survey responses showed the opposite trend. Quite clearly, the fragmentation of local government planning systems and their lack of integration at corporate level, which has been a constant source of discussion, advice and pressure (see for e.g. Audit Commission, 1986), continues to be a feature of local authority organisation.

Indeed, the levels of corporate-departmental integration in the NHS and central government seem to be much more in line with the private sector data than with local government.

Figure 6:15 Planning - Corporate, Departmental and Integration in the public sector

(N for each in brackets - percentages of respondents)
Source: Talbot, 1994
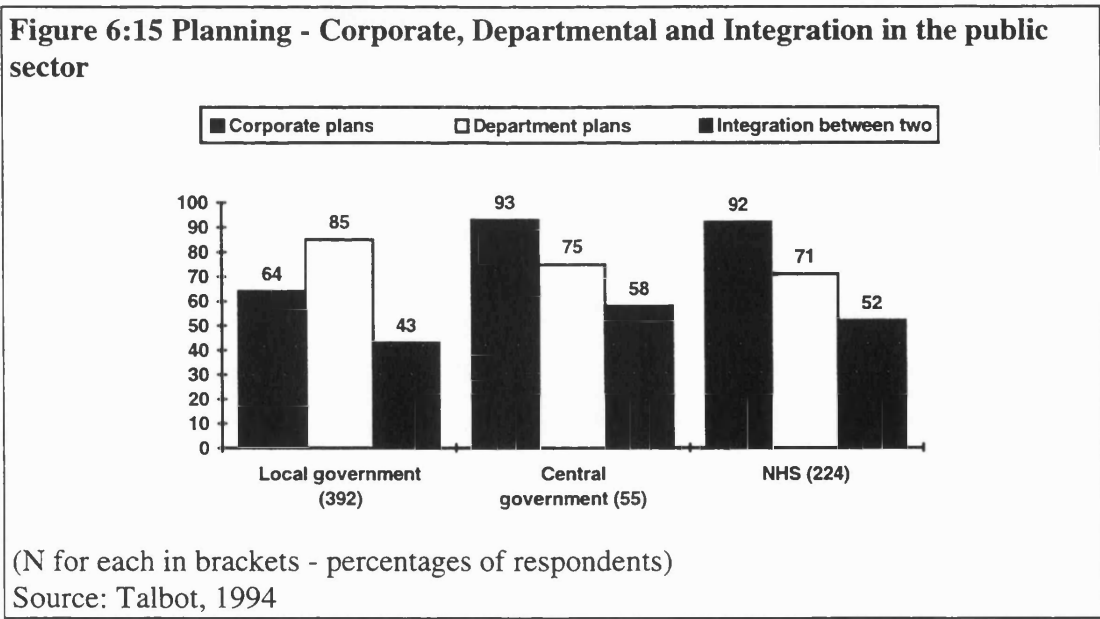
In defining how progress against strategic targets should be monitored (see Figure 6:16), there is again a broad similarity across the private and public sectors, but with some small variations.

As could be expected, given the continual pressure on public spending, public managers seem to give slightly higher priority to meeting spending targets (80%) than their private sector counterparts do (72%). The latter often have greater flexibility in matching spending and revenue targets. Similarly, given the greater ease of monitoring outputs in the private sector, there is greater emphasis (90%) than in the public sector (75%) on monitoring quantified non-financial targets.

Figure 6:16 Defining progress towards goals - public and private

(Private N=183; Public N=644) (percentage of responses)
Sources: BDO (1992); Talbot (1994)
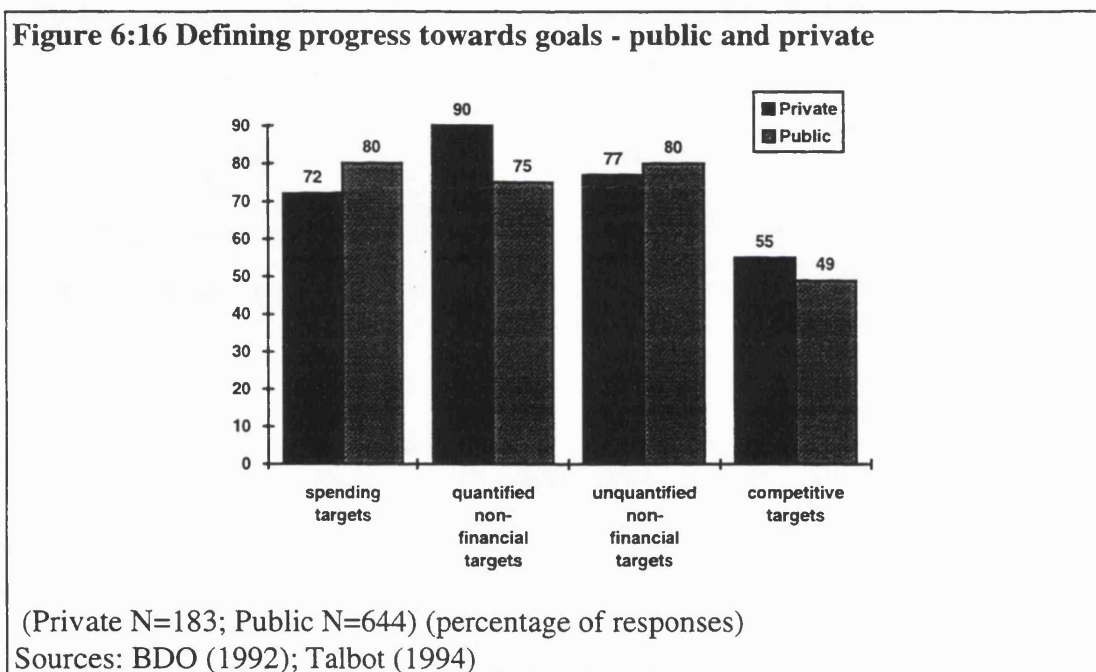
Unquantified, non-financial targets get almost equal priority in the private (77%) and public (80%) sectors. This is an interesting area that may deserve further investigation, given the high prevalence of these types of targets in both sectors. A whole host of possible targets could be subsumed under this heading (e.g. reorganisation, acquisition, process re-engineering, quality, or others). This research did not attempt to explore this area, but it is obviously a potentially interesting one.

Competitive targets get fairly similar, although somewhat lower, priority in both sectors, with the private sector respondents seeing them as slightly more important (55%) than the public sector (49%). The ranking for 'competitive targets' for the private sector (compared to other targets) is obviously somewhat lower than may have been expected, whilst the very similar rating it is given in the public sector is somewhat higher than may have been expected, even given the introduction of market and quasi-market mechanisms (for other evidence on the impact of competition on the public sector see Talbot, 1994).

The frequency with which organisations review their strategies is also broadly similar across the two sectors (see Figure 6:17). The majority of respondents from both sectors used a one-year review period (63% private, 56% public) whilst marginally more private managers use a half year period (private 13%, public 8%) and a larger number of public managers monitor continually (14%, private 3%).

The patterns of monitoring against strategic targets are somewhat different across the two sectors (see Figure 6:18). Private organisations clearly tend towards shorter periods, with one third opting for monthly monitoring (33%) compared to less than half that number for the public sector (15%). On the other end of the spectrum, one third of public organisations (33%) opt for a monitoring period of one year, or longer, compared to only one fifth of private organisations (20%). For quarterly or half-yearly reporting, the numbers for each sector are more closely matched (with differences of only 5% and 3% respectively).

Figure 6:17 Strategy review periods - public and private
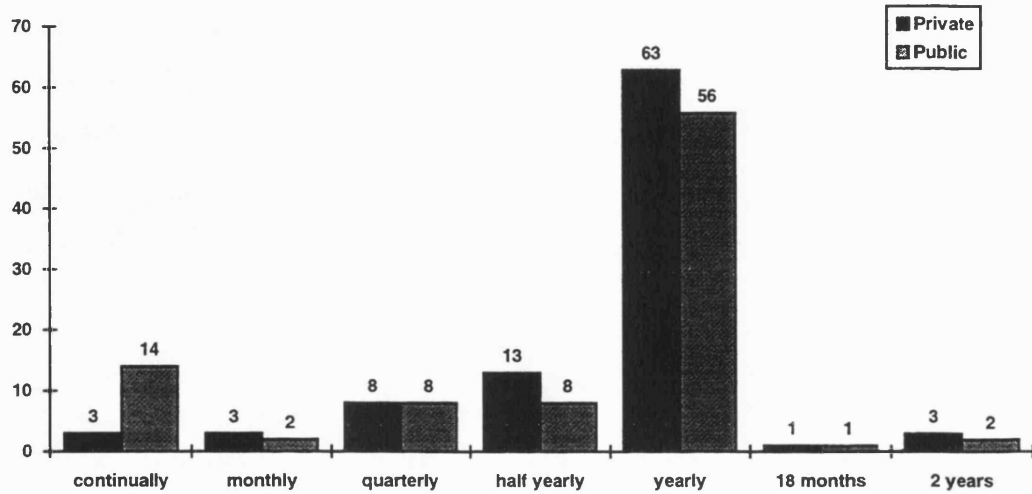
(Private N=183; Public N=644 - percentage of responses)
Sources: BDO (1992); Talbot (1994)

Figure 6:18 Progress reports against strategic targets - public and private
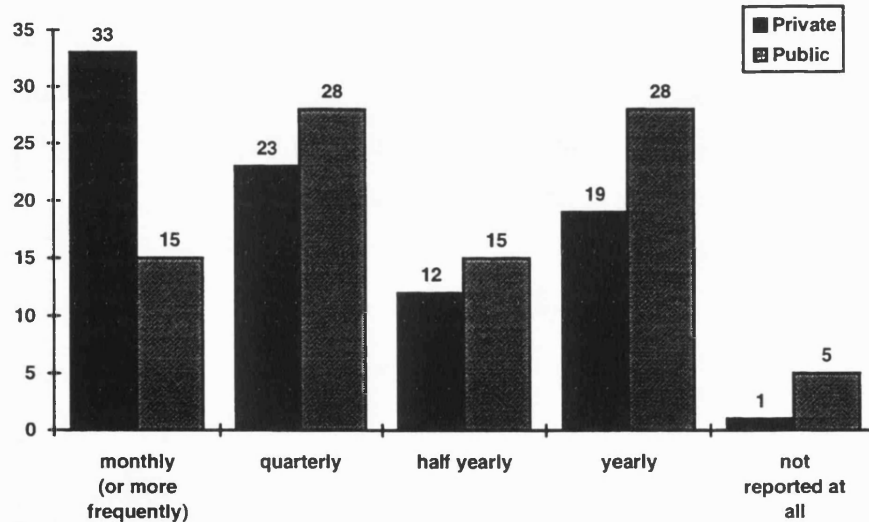
(Private N=183; Public N=644 - percentage of responses)
Sources: BDO (1992); Talbot (1994)

It could be suggested the two critical factors in public sector planning systems, especially in relation to resource allocation, are the annual expenditure and budgeting process and the electoral 4-5 year cycle (usually, but for some local authorities one-

third of councillors are elected annually). These are clearly reflected in the survey responses - 2 year or less planning horizons account for 31% of public compared to 15% of private respondents (Figure 6:19). A quarter of public sector respondents (25%) report a 1 year or less planning horizon (Figure 6:20). This ties in with the pull towards a 1 year monitoring cycle in the public sector noted above (see Figure 6:18).

The more detailed figures show a clear pattern within the public sector. A minority, 31%, of local government respondents reported planning horizons of 1 year or less, compared to only 15% for the NHS and central government. Over 70% report horizons of 70%, compared to 47% and 55% for the NHS and central government.

Central government responses group around a 3-4 year horizon (59% - compared to 38% of local government and 30% of NHS respondents). NHS responses indicate much longer time scales, with nearly half indicating periods of 5 years or longer (48%) (see Figure 6:20).

Figure 6:19 Planning horizons - public and private

(Private N=183; Public N=644 - percentage of responses)
Sources: BDO (1992); Talbot (1994)
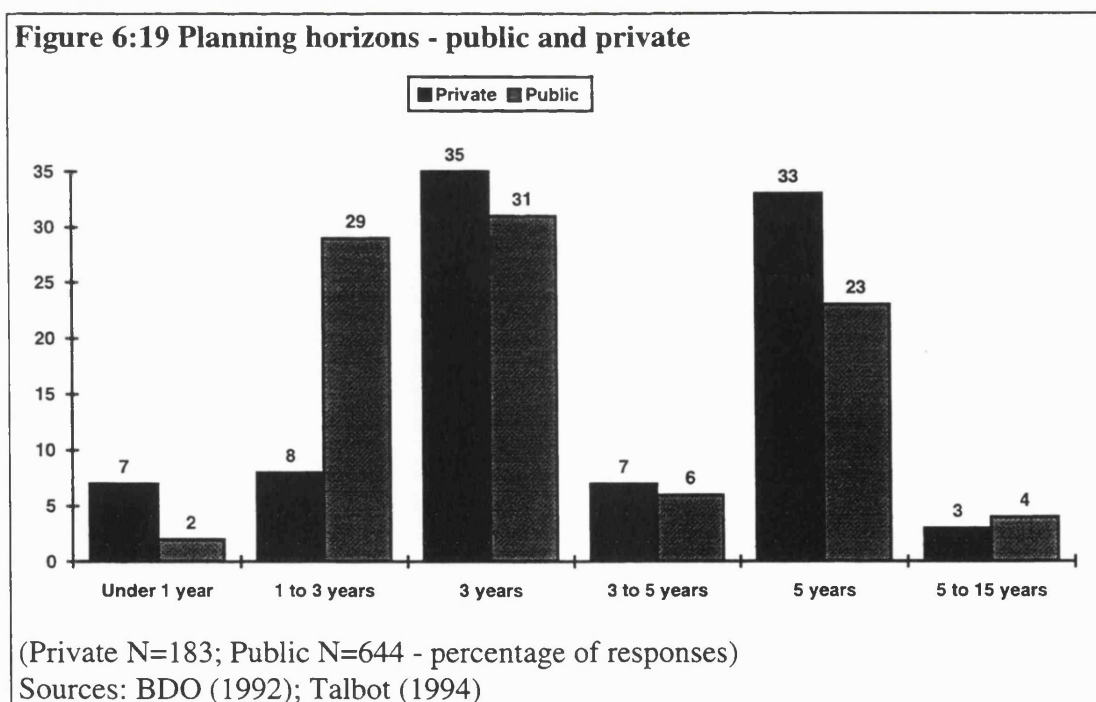
Figure 6:20 Planning horizons - public sector and by type
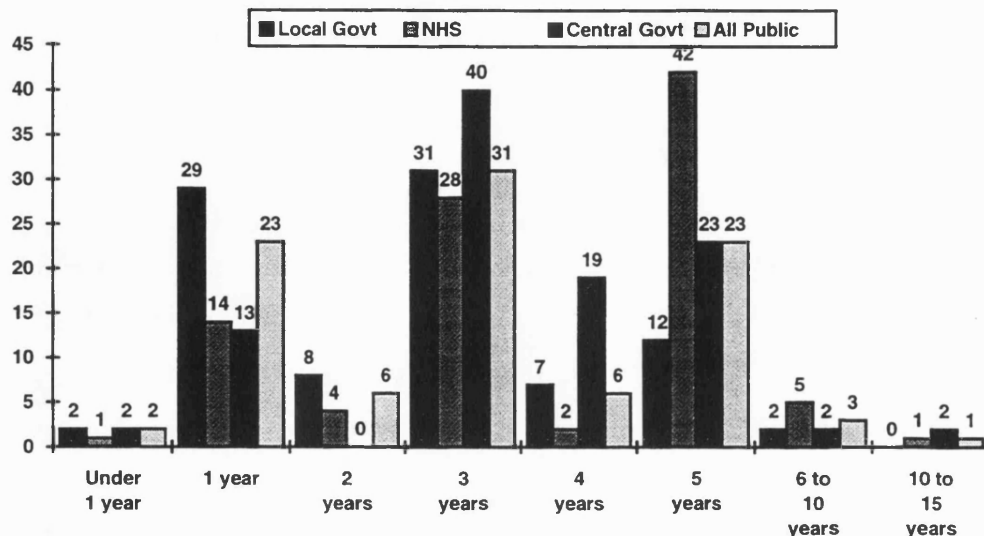
(Public N=644 - percentage of responses)
Sources: Talbot (1994)

PART II: STRATEGY MODES, INFLUENCE SYSTEMS AND PARTICIPATION

Strategic modes

The concept of organisations having different, and competing, strategic modes was developed in Chapters 2 and 3. It was suggested that it would probably be the case that organisations would tend to have two or more strategic modes competing within them and that only a small minority would, at a particular point in time, be dominated by one or another mode.

The survey results seem to broadly support this conclusion. An average of 10% of respondents identified their organisation as fitting one of the strategic mode descriptions 'very accurately' (see Figure 6:21). In fact, the numbers who thought their organisation fitted only one description very accurately were lower still (planning 6%; political 6%; learning 4%; visionary 5%).

272

Figure 6:21 Strategic modes - tendency towards each

| ■ not at all accurate | ▨ slightly accurate | ■ fairly accurate | □ very accurate | ■ Score |

Planning: 31, 37, 11, 46, -12
Political: 36, 34, 8, 43, -13
Learning: 41, 36, 7, 45, -8
Visionary: 30, 28, 12, 41, -23
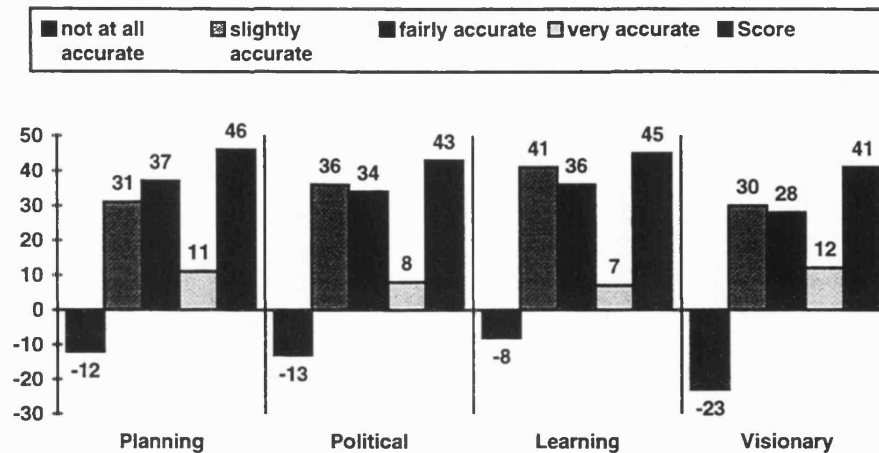
(N=644, percentages of respondents - 'not at all accurate' responses have been given negative score for illustrative purposes.)
Source: Talbot, 1994

The weighted 'scores' (out of 100) for each mode also suggest that there are few examples of pure dominance by one mode or another (planning 46; political 43; learning 45; visionary 41). There are also few managers who see one or another strategic mode as being totally inaccurate for their organisations, with a mean of 14% saying that any one mode was 'not at all accurate'. Put another way, a mean of 86% of respondents saw at least two or more strategic modes as at least partly present in their organisations. This is powerful evidence for the prevalence of paradoxical practices in strategic process and content systems.

Where respondents did express a clear preference by indicating that at least one strategic mode statement was 'very accurate' in describing their organisation's practices there was still very strong evidence of other strategic modes presence (see Table 6-3). In almost every case the mean scores for the other three modes lies between '1' ('slightly accurate') and '2' ('fairly accurate').

Table 6-3 Modes and Preferences

	Planning (70)	Politics (51)	Learning (42)	Visionary (75)	All (644)
Planning	very 3.00	slightly 1.35	slightly 1.42	fairly 2.06	**fairly 1.52**
Political	slightly 1.17	**very 3.00**	fairly 1.70	slightly 1.20	**slightly 1.40**
Learning	slightly 1.29	fairly 1.75	**very 3.00**	slightly 1.27	**slightly 1.45**
Visionary	fairly 1.89	slightly 1.13	slightly 1.38	**very 3.00**	**slightly 1.31**

(Calculated by giving numerical scores to each category, i.e. 'not at all accurate' = 0; 'slightly accurate' = 1; 'fairly accurate' = 2; etc. Mean scores and rounded to nearest category)

The four modes were not expected to correlate (either positively or negatively) strongly with one another. If there were to be any correlation it might be expected to be mild negative one - i.e. when one mode was relatively strong others could be expected to be relatively weaker. When they were correlated with each other (see Table 6-4) to see if these views were upheld some intriguing patterns emerged. Firstly, there were two moderately weak negative correlations, between political-planning (-0.27) and political-visionary (-0.22) modes. There were two further very weak negative correlations, between planning-learning (-0.13) and visionary-learning (-0.09). There was one moderately weak positive correlation, between political-learning (+0.26) and a reasonably strong correlation, between planning-visionary (+0.45).

These two positive correlations are particularly interesting because they correspond to one of the axes which forms the matrix for the strategic modes - that concerned with radical change versus incremental change. It also corresponds to the 'deliberate' - 'emergent' ideas of Mintzberg and others. The two incremental-emergent strategic modes, learning and political, show the moderately weak positive correlation (+0.26) whilst the two radical-deliberate strategic modes, planning and visionary, show a reasonably strong positive correlation (+0.45).

Table 6-4 strategic mode correlations

	Planning	Politics	Learning	Visionary
Planning	1.00			
Politics	-0.27	1.00		
Learning	-0.13	+0.26	1.00	
Visionary	+0.45	-0.22	-0.09	1.00

N = 644

Source: calculated from Talbot, 1994

The other dimension of the strategic modes matrix - rational Vs non-rational decision processes - produces two sets of negative correlations - a very weak negative correlation between planning-learning (-0.13) and a moderately weak negative correlation between vision-politics (-0.22).

Taken together, these positive and negative correlations could suggest that the radical-incremental, content, dimension of strategy content is more important than the rational-non-rational, process, dimension of strategy process.

This is especially interesting given the format of the 'strategy mode' statements in the questionnaire - in each case the statement gave a strategy process description first and a strategy content description second - e.g. "a rational decision making process leading to major shifts in organisational direction" (planning mode description). Given a two-part statement it would be more likely that respondents would focus on the first half of the statement, forgetting the second half. The results clearly indicate that respondents were looking at the whole statement.

As was suggested in Chapter 3, it was likely that the 'visionary' mode would be relatively weak because of the nature of public service organisations. This proved to be the case with this mode gaining the lowest score (41 points) and the highest number by far (22% - double the average for the other three modes) saying that it was 'not at all accurate' for their organisation. It was also suggested that the planning mode, whilst the espoused theory of much public management pronouncement, would

not actually be as pre-eminent as this would suggest. Whilst it does rank highest of the four modes (46 points) it is only marginally above average for all modes.

The strategic modes were cross-referenced with the data on 'formal strategic planning' explored at the beginning of this Chapter. Figure 6:22 gives the figures for the levels of formal strategic planning for respondent's organisations where there is strong preference for a particular strategic mode. In this case, not only those responses where a strategic mode description statement was given a 'very accurate' response have been analysed, but also those responses where only one such statement was given a 'very accurate' response by those surveyed. In both cases the difference between the formal strategic planning percentage for all respondents (77%) and the percentage for each strategic mode has been given.

This analysis shows that for all the strategic modes, where there is a strong mode preference there is some tendency towards greater use of strategic planning than for the whole sample. This is not surprising given Hopwood's analysis of the various uses to which such systems may be put in the 'service' of one particular approach to strategic decisions (see Chapter 2). However, it is noticeable that there are some strong variations between different strategic modes. The strongest increased tendency towards formal strategic planning occurs in those respondent's organisations identified as being 'strategic planners' (12%-13%), which is to be expected given the nature of the suggested 'strategic planning mode'. Similarly, the least deviation from the total percentage for formal strategic planning occurs in the political mode (5%-1%), which again by its nature might be expected to have less consensus about, and tendency towards, using formal systems except as 'ammunition machines' (Hopwood, 1980). The visionary mode respondents show a relatively moderate increase in propensity for formal planning (7%-4%) while the learning mode respondents show a slightly higher preference (9%-6%) but still not as strong as the planning mode.

It is noticeable that the differences between the planning and politics mode is more exaggerated the more a respondent closely identified their organisation with a particular mode - in the cases where they identified with a only one particular mode

the differences are higher (13% to 1% respectively) than where they may have identified with one of more modes (12% to 5%). Similarly, for the other two modes, learning and visionary, the increased preference for planning is markedly less where there is a stronger identification with only one particular strategic mode. Thus, only in the case of the planning mode does the preference for formal strategic planning increase the more pure the identification with the particular mode.

One issue posed by previous research is whether the existence of paradoxical systems within organisations, by themselves, influences organisational performance. The 'logical-determinist' view would be that the existence of contradictory systems controlling the process and content of strategic decisions would inevitably reduce organisational performance. Previous studies have shown that this is not the case and indeed it may be that well managed tensions between paradoxical systems may actually enhance performance (Cameron & Quinn, 1988:8-10).

The data from the survey was analysed to see if there was any difference between those who said that strategic planning was or was not improving their organisations performance, in terms of their tendencies towards having less paradoxical strategic modes. The results show very little change in the overall balance between different strategic mode 'scores' (see Table 6-5), suggesting that the success of organisational planning has little correlation with the prevalence of competing strategic modes as such.

Table 6-5 Strategic modes and 'planning works'

	Mean 'scores'	
Strategic mode	All (N = 644)	'Planning works' (N = 397)
Planning	1.51	1.63
Political	1.40	1.38
Learning	1.45	1.49
Visionary	1.31	1.42

(Calculated by giving numerical scores to each category, i.e. 'not at all accurate' = 0; 'slightly accurate' = 1; 'fairly accurate' = 2; etc.)

However, within the minority or organisations that display a tendency towards one or more strategic modes over others there is some evidence that they feel that strategic planning is more likely to be successful. The percentage of all respondents who felt strategic planning was successful was 62%, however this figure increases when respondents expressed a view that at least one strategic mode was a 'very accurate' description of their organisation - planning (81%); politics (69%); learning (83%; and visionary (73%).

Figure 6:22 Strategic modes and formal strategic planning
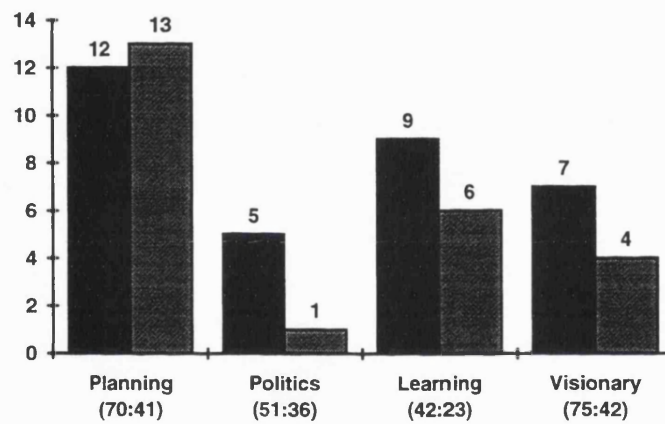
Strategic modes: (a) where mode = 'very accurate' (b) where only one mode = 'very accurate' - N for each in brackets(a:b) - percentage difference from overall 'formal strategic planning' of 77% (see Figure 6:1)
Source: calculated from Talbot, 1994

Influence Sub-systems

In Chapter 3 a model was suggested of six 'influence sub-systems' within public sector organisations, two for each 'domain'. The survey attempted to establish if there was any validity in these six sub-systems - if managers recognised them - and how far each actively influenced the strategy systems of public organisations.

Table 6-6 Influence Sub-systems in public organisations

Sub-system	no effect	slight effect	some effect	strong effect	weighted score (of 100)
Policy making	1	5	36	55	81
Resource allocation	0	3	16	78	90
Planning	2	16	43	36	70
Response	2	19	50	24	64
Professional Practice	4	21	44	26	62
Product/Service	2	13	42	39	71

N = 644, percentages of respondents
Source: Talbot, 1994

Respondents clearly recognised all six sub-systems as categories and active influences on strategy making in public organisations. Firstly, managers responding to the survey indicating that the any individual influence sub-system had 'no effect' in their organisation did not exceed 4% for any category and actually averaged only 1.8% across all six sub-systems. In other words, a minimum of 96% of respondents recognised each sub-system as felt it had some effect in their organisation.

The figures show clearly (see Figure 6:23) that the two 'policy domain' influence sub-systems - policy making and resource allocation - somewhat dominate the overall constellation of sub-systems. In fact the average weighted scores for the two 'policy domain' sub-systems is 86, compared to an average of 67 for both the 'management' and 'service' domain's pairs of sub-systems. This was not unexpected and confirms that, at least in the views of the survey respondents, the policy domain is stronger than the other two domains in public services organisation's strategy making. However, all six sub-systems clearly have considerable influence (with the lowest weighted score being 62). Of the six, resource allocation (weighted score:90) clearly stands out as the most influential sub-system.

Figure 6:23 Influence sub-systems
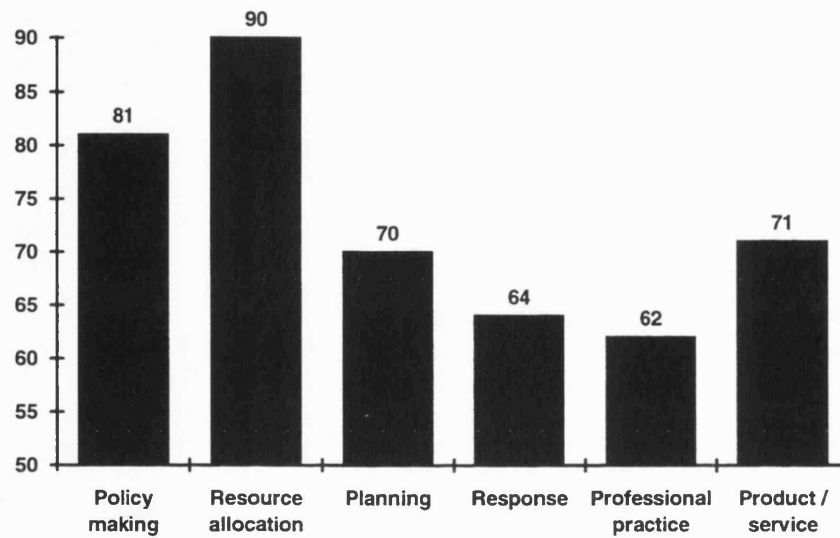
(N = 644, weighted scores [max. 100])
Source: Talbot, 1994

The relative positions of the pairs of influence sub-systems derived from domain theory (see Chapter 3) are interesting. When the scores for each of the pairs of sub-systems are averaged they give an intriguing picture of the balance between the three domains it terms of strategy processes: the 'policy' domain pair (policy making and resource allocation) have a mean score of 86 points whilst the 'management' domain pair (planning and response systems) and the 'service' domain pair (professional practice and service delivery systems) each have a mean score of 67 points (see Figure 6:26).

The data-set was also analysed to see if there were any tendencies for particular sub-systems to be more influential when organisations had a preference for a particular strategic mode. The data was grouped by those respondents who had indicated that one of the 'strategic mode' statements was 'very accurate' for their organisation (more on strategic modes below). The influence sub-system weighted score for each strategic mode group was then calculated (see Figure 6:24).

Figure 6:24 Strategic mode preferences and influence sub-systems

Legend: ■ Policy ⊠ Resource ☐ Planning ⊡ Response ■ Professional practice ⊞ Product / service

Planning (70): 94, 95, 84, 80, 69, 79
Politics (51): 82, 95, 77, 64, 62, 82
Learning (42): 87, 92, 77, 72, 64, 78
Vision (75): 90, 96, 81, 75, 75, 84
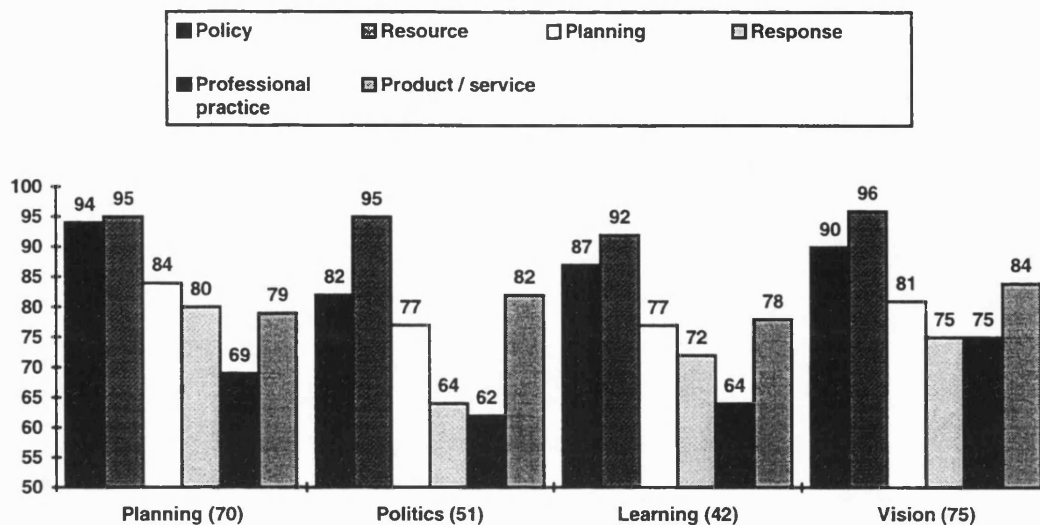
(Grouped by strategic mode 'very accurate', N for each group in brackets).
Source: calculated from Talbot, 1994

To see how much these scores deviated from the mean scores, they were subtracted from the mean score (for all 644 respondents - see Figure 6:23). This shows the different weightings given to each of the six influence sub-systems for each strategic mode group, compared to the mean scores for all respondents (Figure 6:25). Throughout the analysis that follows, the six sub-systems will also be grouped by 'domain' to see how a particular strategic mode alters the balance between 'domains' (see Chapter 1 and 3).

The first aspect which stands out from this analysis is that many sub-systems are given higher than average weightings when the organisation has also been ascribed a strong strategic mode. This is particularly true for the two 'deliberate' strategic modes - the 'planning mode' and the 'visionary' mode (score increase mean - 10.5 points each). The two 'emergent' strategic modes deviate less from the overall scores (mean increases of 4 points for the 'political' mode and 5.3 points for the 'learning' mode). There are also differences as to which sub-systems gain most in influence depending on the particular strategic mode.

In the 'visionary' strategic mode, the two 'service domain' sub-systems exhibit the greatest gain above the average level of influence (13 points each), followed closely

281

by the two 'management domain' sub-systems (11 points each) and then by the two 'political domain' sub-systems, with the 'resource allocation' sub-system showing the least deviation from the mean scores. However, as could be expected the two 'policy domain' sub-systems retain the dominant position of influence (mean 93 points) compared to the other two domains - management (mean 78 points) an service (mean 80 points).

In the 'learning' strategic mode, it is the two 'management domain' sub-systems which show the greatest increase, although one each of the other two domain pairs of sub-systems also shows increases. Again, the two 'policy domain' sub-systems retain the dominant position of influence (mean 89 points). It could have been expected that the 'service' domain sub-systems would have shown a greater increase and improvement in position relative to the other two pairs but this is clearly not the case.

In the 'political' strategic mode no clear domain-based change pattern emerges, with the overall level of change from the average being fairly low. Indeed in two cases (response and professional practice) there is no change at all from the mean for the survey. The 'political' mode in fact most resembles the pattern of influences on strategy for the whole survey with almost exactly the same 'gap' between the policy domain and the other two domains.

In the 'planning' strategic mode the changing configuration of influence sub-systems most closely follows what could be expected from the combination of domain theory and the strategic modes theory. It would be expected that organisations with a strong preference for the strategic planning mode would show the strongest increase in the management domain influence sub-systems. This is in fact the case, with the two management domain sub-systems increasing at their highest above mean scores - planning (14 point increase) and response system (16 point increase). They also increase relatively more than the other two domain pairs of sub-systems. However, even in this case the policy domain pair remain clearly dominant (95 points) all the management domain pair are gaining ground relatively (82 points) and have moved considerably ahead of the service domain pair (74 points).

Figure 6:25 Strategic mode preferences and influence sub-systems - differences from mean

Legend: ■ Policy ▨ Resource ☐ Planning ☐ Response ■ Professional practice ▨ Product / service

Values by group:
- Planning (70): 13, 5, 14, 16, 7, 8
- Politics (51): 1, 5, 7, 0, 0, 11
- Learning (42): 6, 2, 7, 8, 2, 7
- Vision (75): 9, 6, 11, 11, 13, 13
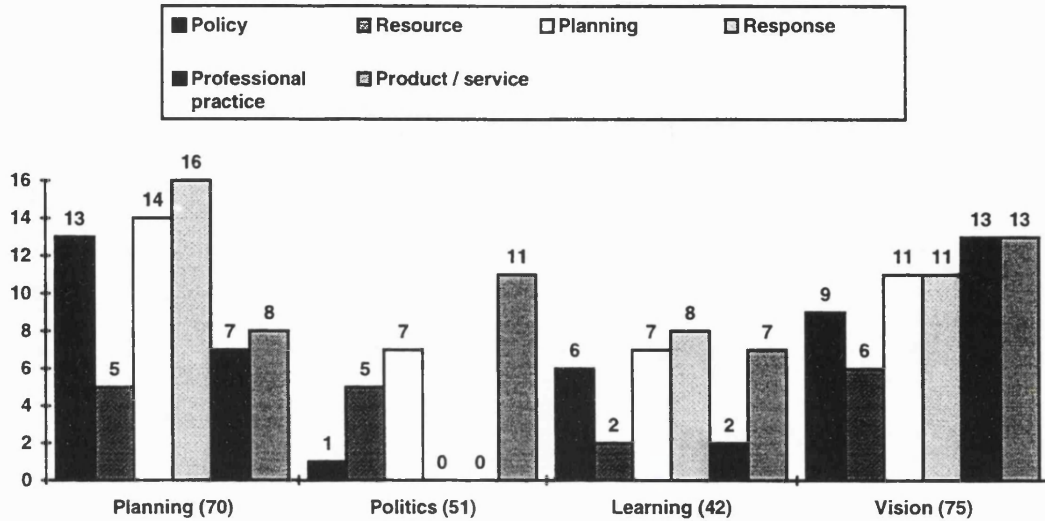
(Grouped by strategic mode 'very accurate', N for each group in brackets, and figures given difference between strategic mode sub-system score and average for all respondents).
Source: calculated from Talbot, 1994

Figure 6:26 Strategic modes, influence sub-systems and domains

Legend: ■ Policy domain ▨ Management domain ■ Service domain

Values by group:
- Planning (70): 95, 82, 74
- Politics (51): 89, 71, 72
- Learning (42): 90, 75, 71
- Vision (75): 93, 78, 80
- All (644): 86, 67, 67
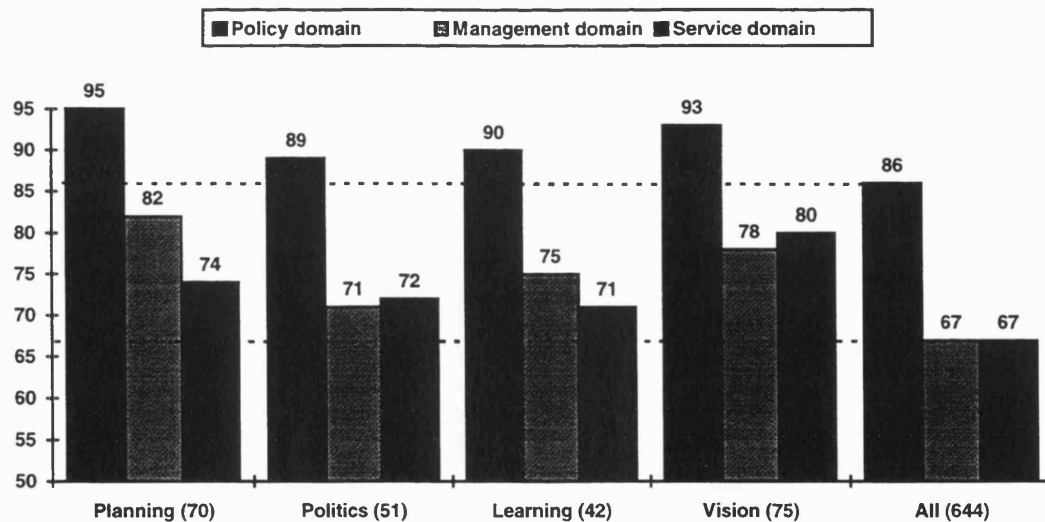
(Grouped by strategic mode 'very accurate', N for each group in brackets, and figures grouped by domain pairs).
Source: calculated from Talbot, 1994

To be sure that managers were making distinctions between the six categories a correlation of all six was performed. If managers were making clear distinctions and

283

assuming that the influences of sub-systems was unlikely to be closely balanced, it could be expected that there would be weak, or moderate, positive correlations between them.

The results of the correlations broadly correspond to this expectation. One interesting correlation is that between the professional practice and product/service sub-systems (+0.5) which is moderately strong, suggesting a 'domain' relationship in the 'service domain'. The other two 'domains' showed less strong correlations - in the 'management' domain the correlation between the 'planning' and 'response' sub-systems was somewhat weaker at +0.36 whilst in the 'policy' domain the relationship between the 'policy' and 'resource' sub-systems was weaker still at +0.28. the average of the three intra-domain correlations is +0.38, compared to an average for the twelve inter-domain correlations of only +0.23 (the average for all fifteen correlations is +0.26). The does suggest there is a slightly stronger link, in respondents views, between the influence of sub-systems within domains rather than between domains.

On the other hand, if there were any negative correlations between any of the sub-systems this would have suggested a negative relationship, i.e. if sub-system 'A' was strong, sub-system 'B' would be weak. There are no such negative correlations, suggesting that all six sub-systems can coexist and influence strategy without being mutually exclusive.

Table 6-7 Correlations between influence sub-systems

	Policy	Resource	Planning	Response	Professional	Service
Policy	1					
Resource	0.28	1				
Planning	0.36	0.22	1			
Response	0.25	0.17	0.36	1		
Professional	0.20	0.07	0.27	0.31	1	
Service	0.23	0.10	0.21	0.34	0.50	1

N = 644
Source: derived from Talbot, 1994

The results of the analysis of the six strategy process influence sub-systems gives little support, except in the case of the strategic planning mode, that the prevalence of a particular strategy mode within an organisation leads to any predictable changes in the

pattern of influence exercised by the different sub-systems. This is unexpected given the theoretical framework in which the sub-systems were identified. There is then no clearly proven link between the six sub-systems and strategic modes.

There does seem to be some evidence that the three pairs of influences on the strategy process are possible to sustain within the framework of domain theory - the relative weight of the three domain pairs does seem to fit with the general view in domain theory of the dominance of the political domain but also the relative strength of the service (professional) domain within public services organisations. The correlations between the three pairs of sub-systems, especially in the case of the service domain pair, does offer support to this view. This conclusion also fits with the evidence of politicians and service professionals involvement in the strategy process (see Figure 6:27).

The six sub-systems themselves however do seem to have a high degree of validity - they are clearly recognised by managers and attributed levels of influence on the strategy process (see Table 6-6).

Participation

Participation by various groups in different aspects of the strategic processes of public organisations show some marked variations with their private sector counterparts (see Figure 6:27, Figure 6:28 and Figure 6:29 - note that some categories were not covered in either survey).

In terms of involvement in the process of formulating strategy (see Figure 6:27), the most marked difference is the much higher levels of customer/client involvement reported by public sector respondents (35%) compared to the private sector (7%). This seems a remarkable result, especially given the emphasis in much of the generic and private sector specific literature on 'customer orientation' since *In Search of Excellence* appeared over a decade ago. It suggests that public organisations have become much more customer orientated than their private sector counter-parts. There

are some interesting intra-public sector variations on this issue, with the NHS showing much higher levels of customer involvement in formulating strategy (49%) than either central or local government (24% and 30% respectively).

Another area where there are higher levels of participation in the strategy formulation process in the public sector are amongst senior managers and directors. Senior managers show a relatively higher level of involvement in the public sector (87%) compared to the private (78%) and directors show an even more pronounced result (89% and 64% respectively). Again, the NHS shows higher levels for both groups (98% for directors, 92% senior managers), marginally in relation to central government (95% and 87%) and more markedly in relation to local government (84% for both).

The final area where public sector participation rates are noticeably higher than in the private sector is for planning staffs (39% public, 29% private). Here again, the NHS seems much more likely to be using planning staff for strategy formulation (59%) compared to either central (44%) or local (29%) government.

The only really noticeable area where private sector participation in strategy formation outstrips public sector rates in for the use of consultants (private 25%, public 18%), although the difference is not heavily pronounced. On the other hand the differences within the public sector are very pronounced - again the NHS records higher rates (38%), in this case quite substantially higher than either central (11%) or local (9%) government. Indeed, the NHS rates of using consultants seem to be markedly higher than the rate in the private sector (38% to 25%).

Figure 6:27 Involvement in the planning process
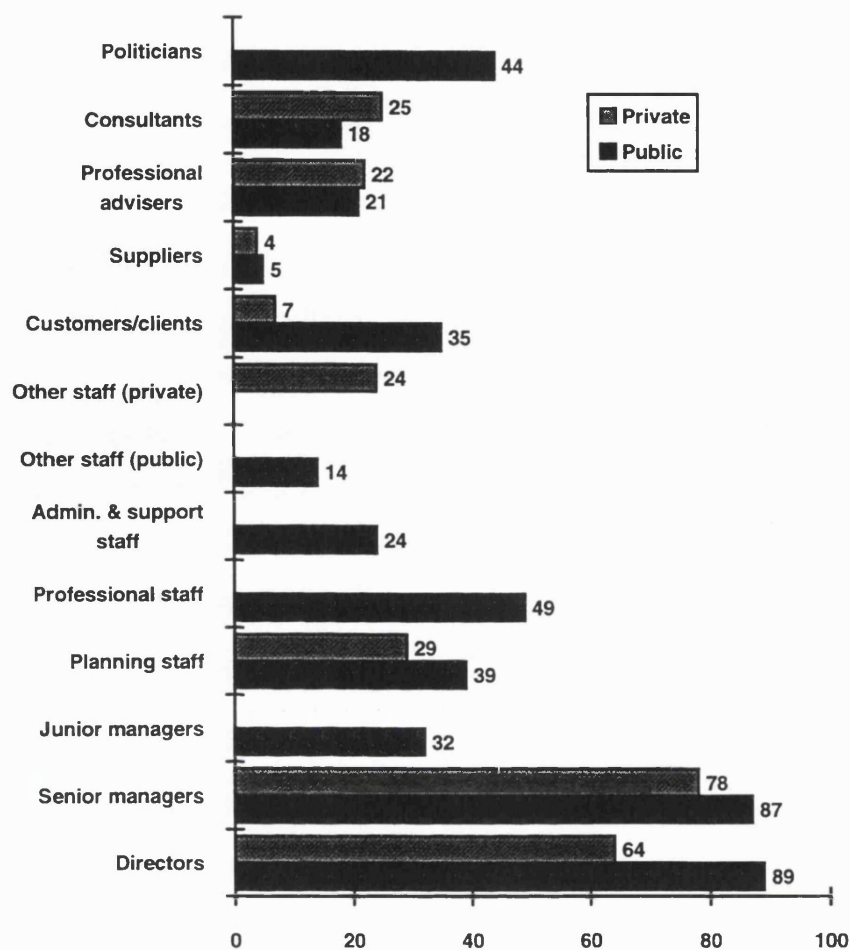
Category	Private	Public
Politicians		44
Consultants	25	18
Professional advisers	22	21
Suppliers	4	5
Customers/clients	7	35
Other staff (private)	24	
Other staff (public)		14
Admin. & support staff		24
Professional staff		49
Planning staff	29	39
Junior managers		32
Senior managers	78	87
Directors	64	89

(Private N= 183; Public N=644 - percentage of responses)

NB: The categories 'junior managers', 'professional staff', 'admin. & support staff' and 'politicians' were not included in the private sector study. An 'other staff' category was included but does not correspond to 'other staff' in the public sector study and is included separately.
Sources: BDO (1992) Talbot (1994)

The patterns of differences between the public and private sectors in terms of strategy formulation are broadly repeated in terms of who the strategy is communicated to (see Figure 6:28). Again, the public sector seems much more likely to communicate its plans to customers (59%) than the private sector (23%). The NHS also again is more likely to do this (77%) than central government (46%) or local authorities (50%).

The differences between the sector for communicating to senior managers (83% public, 51% private) and directors (73% public, 34% private) are also pronounced.

However the differences within the public sector are less marked - (for senior managers, NHS - 88%, CG - 91%, LG - 80%; for directors, NHS - 81%, CG - 86%, LG - 69%).

Communicating to planning staff about the outcome of the strategy process also varies markedly (public 43%, private 18%). However, although public organisations seem much less likely to be using consultants to formulate strategy, they seem much more likely to tell them what the strategy is (public 20%, private 8%). This could suggest that the difference between the public and private sectors here is that the private sector is more likely to use consultants for formulation and not for implementation, whilst the public sector is more likely to use them for implementation and not formulation. Unfortunately this rather neat hypothesis is does not seem to be born out when respondents were asked who is responsible for implementation, with the private sector relying more heavily (12%) than the public sector (7%) on consultants (see Figure 6:29).

On implementation of strategy more generally (see Figure 6:29), the differences between the public and private sectors is slightly less pronounced in some areas. The level of directors responsibilities are almost equal (82% public, 83% private) whilst senior managers are seen as less important in the private sector (64%) compared to the public (84%). The differences, proportionately, on the use of planning staffs for implementation are about the same as for other parts of the process (public, 18%, private 9%).

Within the public sector, the differences follow a similar pattern for implementation as for formulation and for communication across the NHS, central and local government but they are somewhat less pronounced.

The public sector data was also analysed in respect of the strategic modes in relation to participation by selected groups, determined by the framework of domain theory. Three groups were selected - professionals, politicians and senior and junior managers. The totals for each group by strategic mode are given (see Figure 6:30) and

the differences between these figures and the percentages for all the public sector respondents are also illustrated (see Figure 6:31).

According to the ideas on public sector strategy formation developed in Chapter 3, it might be expected that in the strategic mode could affect the levels of participation by various groups in the process.

The figures for the learning mode seem to give the strongest support for this suggestion - with both professionals (22% increase) and junior managers (13% increase) (who are often professionals themselves) showing relatively large increases in participation rates in this mode, whilst the participation of politicians (8% decrease) drops noticeably below the average. The relative increase in senior management participation (8%) does not fit this pattern.

For the other strategic modes the patterns of change are far less pronounced and fit the patterns which might be expected far less. One intriguing result is the relatively large increase (18%) for professional participation in the planning mode.

Figure 6:28 Communicating the strategic plan - public and private
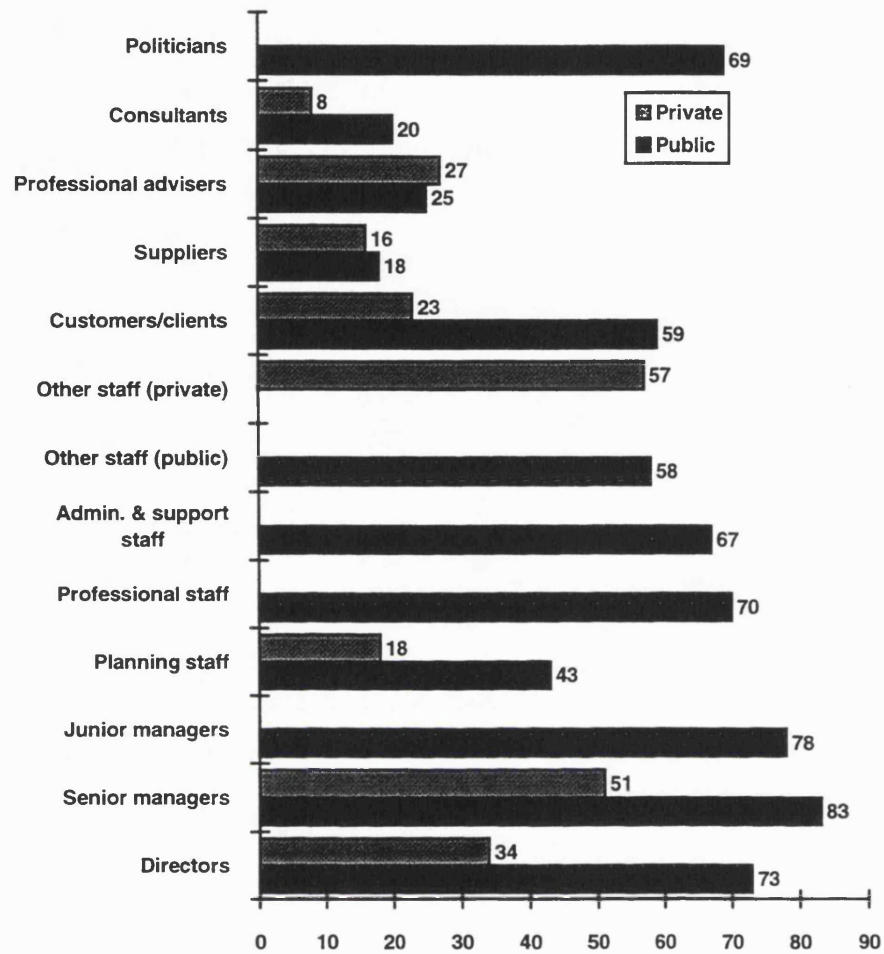
(Private N= 183; Public N=644 - percentage of responses)

NB: The categories 'junior managers', 'professional staff', 'admin. & support staff' and 'politicians' were not included in the private sector study. An 'other staff' category was included but does not correspond to 'other staff' in the public sector study and is included separately.

Sources: BDO (1992) Talbot (1994)

Figure 6:29 Responsibility for implementing the strategic plan - public and private

Legend:
- Private
- Public

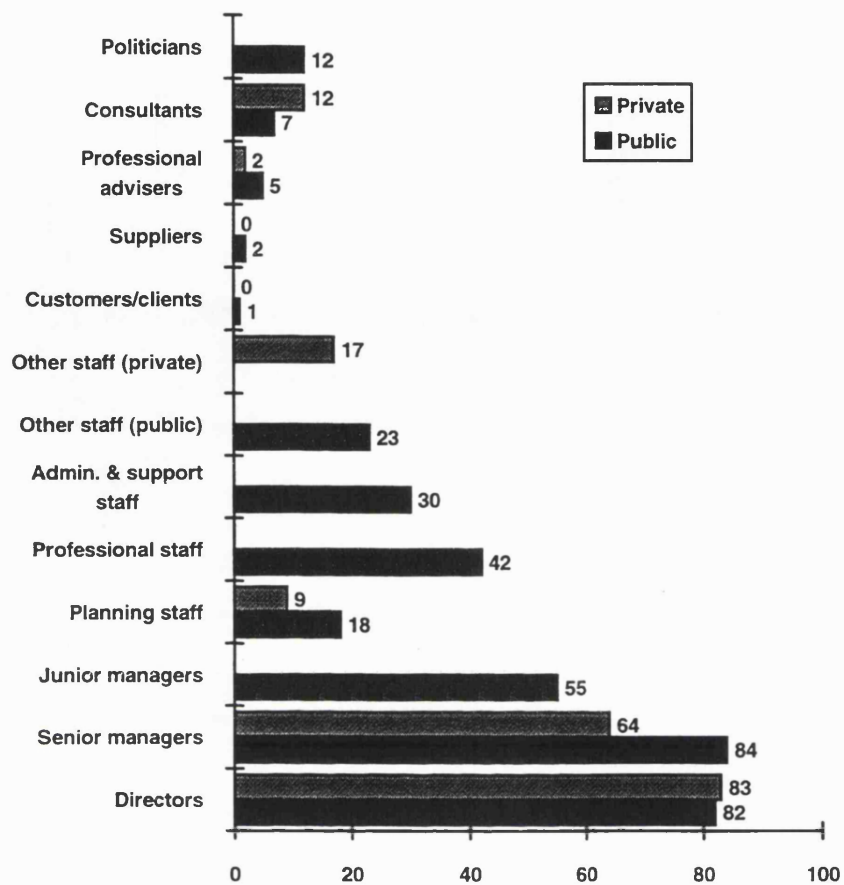| Category	Private	Public
Politicians		12
Consultants	12	7
Professional advisers	2	5
Suppliers	0	2
Customers/clients	0	1
Other staff (private)	17	
Other staff (public)		23
Admin. & support staff		30
Professional staff		42
Planning staff	9	18
Junior managers		55
Senior managers	64	84
Directors	83	82

(Private N= 183; Public N=644 - percentage of responses)

NB: The categories 'junior managers', 'professional staff', 'admin. & support staff' and 'politicians' were not included in the private sector study. An 'other staff' category was included but does not correspond to 'other staff' in the public sector study and is included separately.

Sources: BDO (1992) Talbot (1994)

291

Figure 6:30 Strategic modes and participation in the planning process

■ Professionals ▨ Politicians ■ Senior managers □ Junior managers
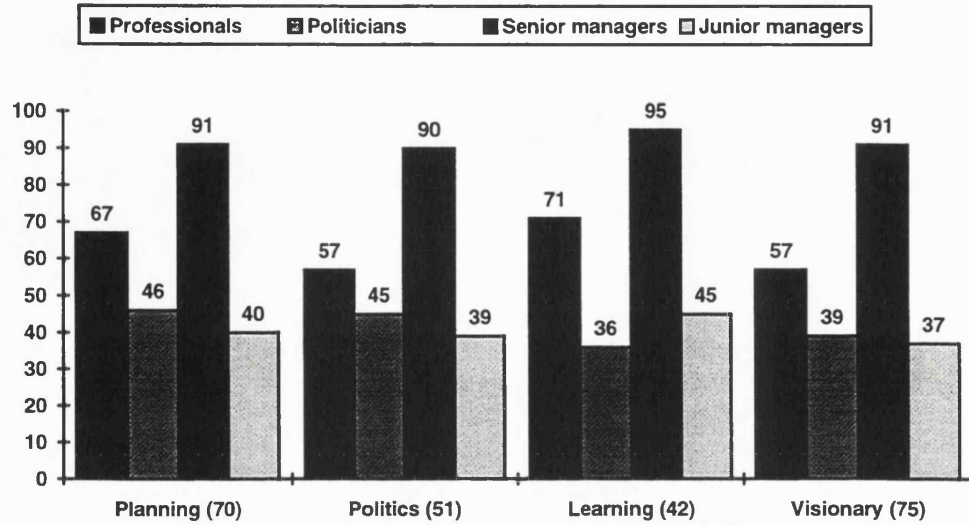
(Participation rates for selected groups by strategic mode - N for each mode in brackets - percentages of respondents)
Source: Talbot, 1994

Figure 6:31 Strategic modes and participation in the planning process - differences from all public sector results.

■ Professionals ▨ Politicians ■ Senior managers □ Junior managers
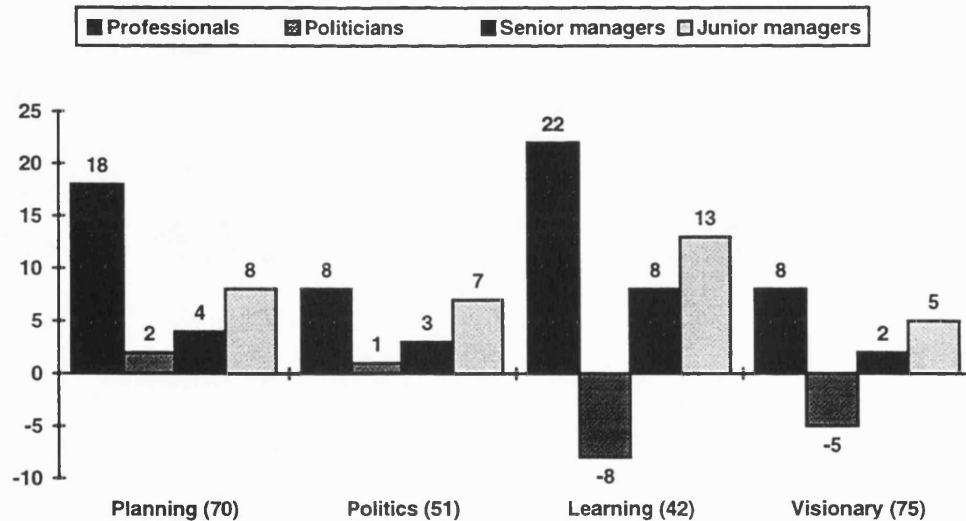
(Participation rates for selected groups by strategic mode - difference from total participation rates for all public sector - N for each mode in brackets - percentages of respondents)
Source: Talbot, 1994

Chapter 7 Results and Analysis II: Strategic Public Managers - Knowledge, Competences, Development.

This Chapter examines the data gathered from the survey with respect to three areas: strategic knowledge; strategic competences; and strategic managers' development. The first of these looks at the data on both strategic techniques and knowledge of strategy (or strategy related general management) authors. In this section it is possible to make some comparisons with the private sector survey. The many additional unstructured comments which managers added to the survey sections on techniques and authors have been analysed in the section dealing with strategic managers' development, for reasons which will become apparent below. The second section, drawing on the model of strategic competences developed earlier (see Chapters 3 and 5), looks at managers responses to these competences - both the quantitative data from the survey and the additional comments which many managers made. Thirdly, the data from the survey - again both quantitative and qualitative comments (in this case the comments come from earlier sections of the survey) - on strategic management development is examined, using the framework developed in Chapter 4.

STRATEGIC KNOWLEDGE - TECHNIQUES, AUTHORS

Knowledge I - Techniques

When asked about what techniques they might know about for use in developing strategic plans, an average 34% of all 644 respondents replied that they knew about one of the 16 techniques or mechanisms listed (see Figure). On the other hand, only 16% on average of those who did not have a personal knowledge of these techniques expressed a feeling that they ought to know about them.

293

The levels of personal knowledge of, and the desire to know about, various techniques have been divided into five categories - relatively high (40% or over); average (30-39%); moderate (20-29%); low (10-19%) and very low (below 10%).
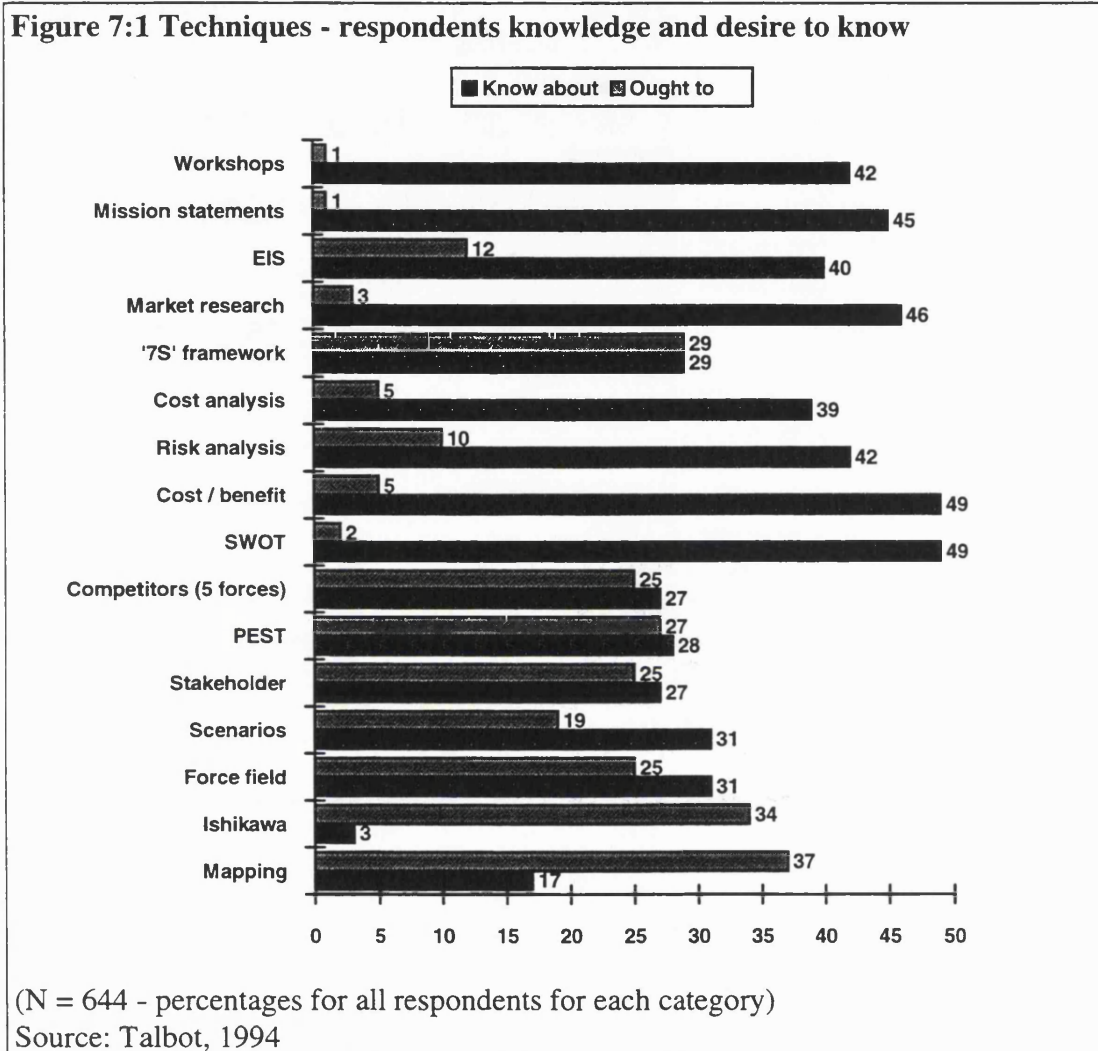
Seven of the sixteen techniques fall into the 'relatively high' category for personal knowledge - workshops and project teams (42%); mission statements (45%); executive information systems (EIS - 40%); market research (46%); risk analysis (42%); cost / benefit and SWOT analysis (49% each). However, no technique falls into this category in terms of desire to know about it.

Given the prevalence in the public sector management literature of items such as cost-benefit and risk analysis, the relatively high level of personal knowledge of individual strategic managers is not particularly surprising. Similarly SWOT analysis and the use of mission statements are fairly common items in generic management literature. On all four of these areas the desire of those who don't have a personal knowledge of them already to know about them is either low (risk analysis) or very low (mission statements, cost/benefit analysis and SWOT). The knowledge of EISs falls just within the relatively high category (40%) and there is a slightly higher, but still low, desire to know more about it (12%).

One item which does stand out is the relatively high knowledge of market research (46%). This might not have been expected, given the traditionally 'non-market' or 'non-competitive' orientation of public organisations. This ties in with other survey evidence of the increasing customer orientation, rather than the competitive orientation, of public sector organisations (see Talbot, 1994a). However the desire to know more amongst those without a knowledge of market research is very low (3%).

Only three items fall into the average category for individual knowledge - cost analysis (39%); scenarios (31%) and force field analysis (31%). Another two fall into this category for individuals desire to know about them - Ishikawa diagrams (34%) and mapping strategic problems (37%). In the case of cost analysis there is little desire

to know more it (5%) but the other two techniques exhibit markedly higher levels of interest - scenarios (19%) and force field analysis (25%).

Figure 7:1 Techniques - respondents knowledge and desire to know

(N = 644 - percentages for all respondents for each category)
Source: Talbot, 1994

Techniques which show a moderate knowledge base include the '7S' framework (29%); five forces model (27%); PEST analysis (28%); and stakeholder analysis (27%). Interestingly, all four of these also show a moderately high level of interest - '7S' framework (29%); five forces model (25%); PEST analysis (27%); and stakeholder analysis (25%).

In the low, or very low, category of knowledge about techniques only two appear - Ishikawa diagrams (3%) and strategic mapping (17%) but in both of these cases, as noted above, there are relatively high levels of interest in knowing more.

Figure 7:2 Techniques - organisational practice

Technique	Value
Workshops	77
Mission statements	75
EIS	34
Market research	59
'7S' framework	13
Cost analysis	58
Risk analysis	39
Cost / benefit	48
SWOT	67
Competitors (5 forces)	19
PEST	21
Stakeholder	20
Scenarios	26
Force field	12
Ishikawa	6
Mapping	5
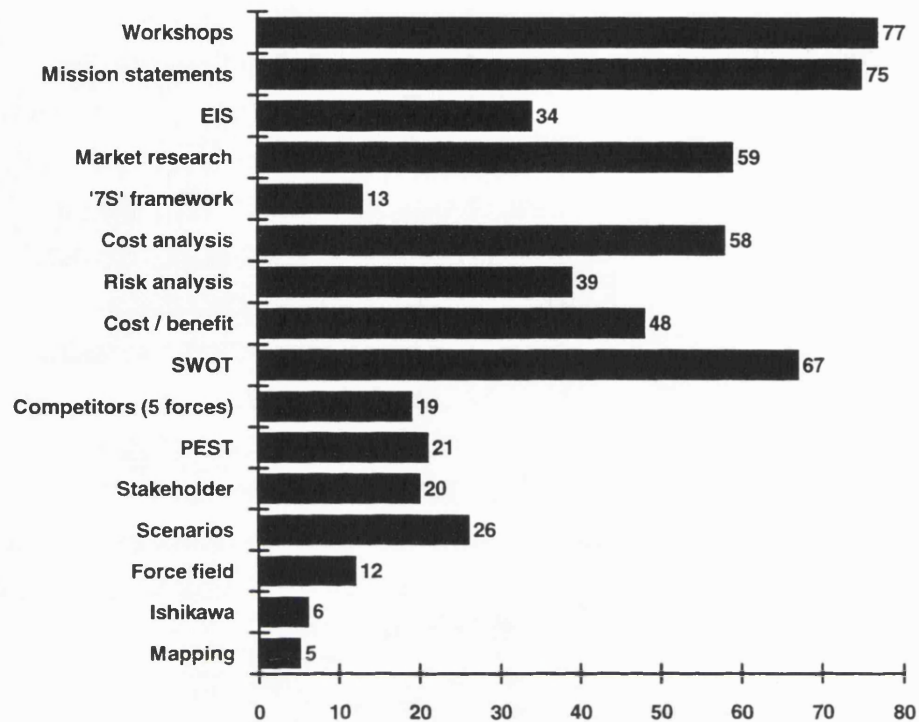
(N = 644 - percentages for all respondents for each category)
Source: Talbot, 1994

The use of individual techniques varies widely (see Figure 7:2) from the very high - workshops and project teams (77%) and mission statements (75%) - to the very low - Ishikawa diagrams (6%) and strategic mapping (5%).

The differences between individuals knowledge of specific techniques and their use in organisational practice (see Figure 7:2 and Figure 7:3) show some interesting issues. The actual usage of techniques averages 36% (compared to the average individual knowledge of 34%) but this apparent closeness of knowledge and practice hides some wide divergence's for individual areas.

A number of techniques show a marked surplus of individual knowledge over organisational practice, such as the '7S' framework (+16%), force field analysis (+19%) and strategic mapping (+12%). A number of others show small surpluses -

EIS (+6%), five forces (+8%), PEST (7%), stakeholder analysis (7%) and scenarios (5%) or very small surpluses - risk analysis (3%) and cost benefit analysis (1%).

Six techniques show a deficit - i.e. a situation where the individuals' knowledge falls short of the level of organisational practices. One of these is fairly minor - the use of Ishikawa diagrams (-3%). However all the other five show substantial deficits - workshops and project teams (-35%), mission statements (-30%), market research (-13%), cost analysis (-19%) and SWOT (-18%). These clearly indicate areas where there are probably gaps between individual knowledge and organisational practice and point towards a possible area of management development need.

It should be remembered that analysis is based on overall percentages - it is quite possible that for many individuals there may be either surpluses (or deficits) of personal knowledge over (or below) organisational practice in any of these particular techniques. The analysis does however show the broad pattern and illustrates where there may be major management development needs for public sector strategic managers.

Figure 7:3 Techniques - knowledge Vs practice

Technique	Difference
Workshops	-35
Mission statements	-30
EIS	6
Market research	-13
'7S' framework	16
Cost analysis	-19
Risk analysis	3
Cost / benefit	1
SWOT	-18
Competitors (5 forces)	8
PEST	7
Stakeholder	7
Scenarios	5
Force field	19
Ishikawa	-3
Mapping	12

(x-axis: -40 -30 -20 -10 0 10 20)
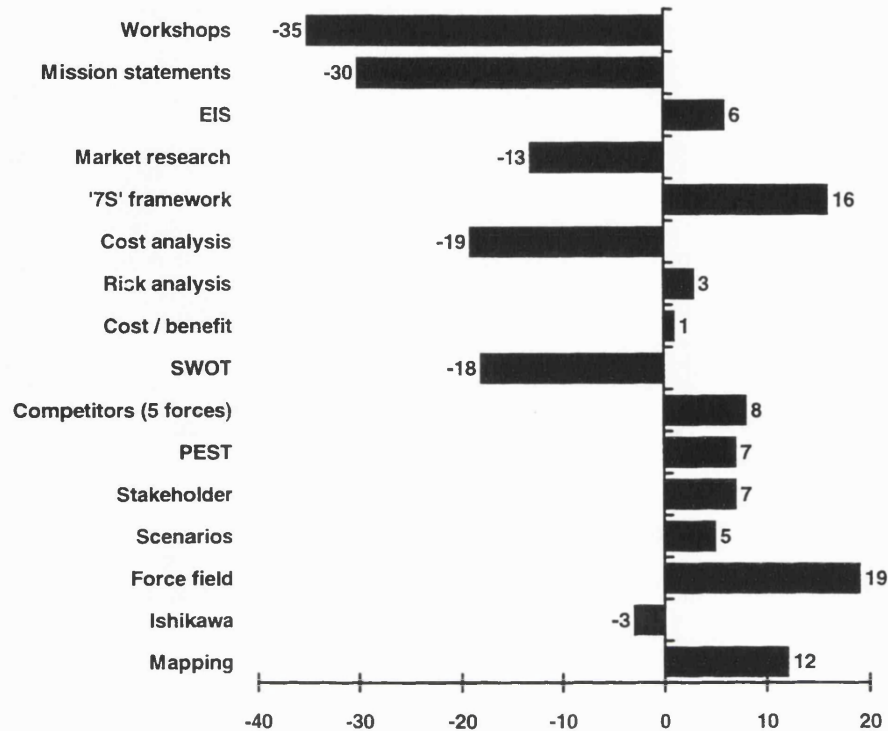
(Difference between percentage 'individual knowledge' minus 'used in organisation' - N = 644 - percentages for all respondents for each category)
Source: Talbot, 1994

Where there is a direct comparison possible between data collected for this research and the BDO survey of private sector practices it is clear that there are both some areas of strong similarity and strong difference (see Figure 7:4).

In seven cases there is a difference of 10 percentage points or less between usage of techniques in the public and private sectors, although in some cases these still represent proportionately large differences.

The use of mission statements (private 69%, public 75%); executive information systems (26%, 34%); market research (64%, 59%); risk analysis (38%, 39%); cost-benefit analysis (42%, 48%) and SWOT analysis (57%, 67%) show fairly close patterns of similarity between the two sectors. One other area shows a 10 percentage point difference, but this is proportionately very high - '7S' framework (private 3%, public 13%). This relatively much higher use in the public than the private sector also

hides some significant differences within the public sector, with 16% of local government respondents reporting the '7S' framework in use in their organisations compared to 12% in the NHS and only 8% in central government. Whether there may be a link here with the promotion by the Audit Commission of their own version of the '7S' framework (discussed in Chapter 3) to local government in the mid-to-late 1980s does seem suggestive.

Figure 7:4 Techniques - differences between public and private sector practice

(N = 644 - percentages for all respondents for each category)
Sources: BDO, 1992 and Talbot, 1994
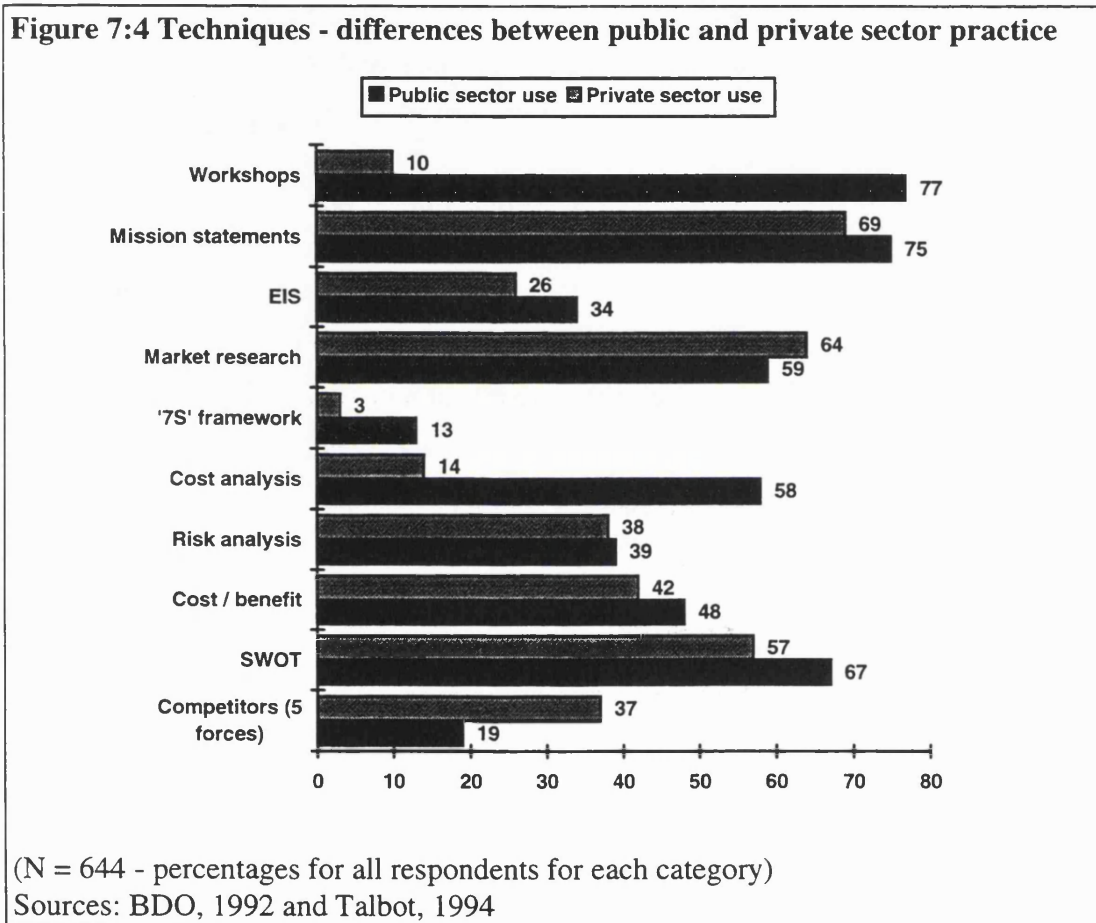
The other three techniques show marked differences between the two sectors. The use of competitor analysis (five forces) shows a gap of 18 percentage points (private 37%, public 19%) which suggests that, while public organisations may use market research or SWOT analysis as part of the strategy process at similar levels to the private sector, their external focus is narrowed much more to individual customers and they are much less likely to be analysing competitors.

The difference of 44 percentage points between the sectors on the use of cost analysis (private 14%, public 58%) is very similar to the useful attributed to strategic planning in making 'better use of resources' (private 5%, public 69%) recorded in Chapter 6. This suggests that public strategic managers place much greater emphasis on controlling costs than their private sector counterparts. This is further reinforced by recent findings that public managers see cutting costs as by far the greatest pressure on them (Talbot, 1994:28).

The final technique which shows the greatest difference, at 67 percentage points, between public and private sector usage is using workshops or project teams to develop strategy (private 10%, public 77%). This 'participative' technique is clearly favoured much more strongly in the public sector and this reinforces the other evidence of there being a stronger preference in this sector for participative strategy systems (see Chapter 6). It does not seem unreasonable to speculate that the more complex nature of public organisations, in terms of stakeholders, domains, objective setting, etc., may well make such participative mechanisms as workshops and project teams both more desirable and necessary. Given the much higher levels of experience of using these techniques in the public sector, suggested by these results, it would also not be unreasonable to suggest that those advocating their greater use in private sector might gain valuable insights from public sector practice.

Knowledge II - Authors

In turning to respondent's use of particular management authors approaches in developing strategy, it is worth staying with the public-private sector divide briefly. Where direct comparisons were possible between the BDO and this survey (see Figure 7:5), there are few major differences exhibited between respondent's organisations use of these approaches. In four out of five cases the difference is less than 3 percentage points - Drucker (private 12%, public 15%); Argenti (5% both); Ohmae (3%, 2%) and Peters (16%, 18%).

Figure 7:5 Authors - differences between public and private sector practices
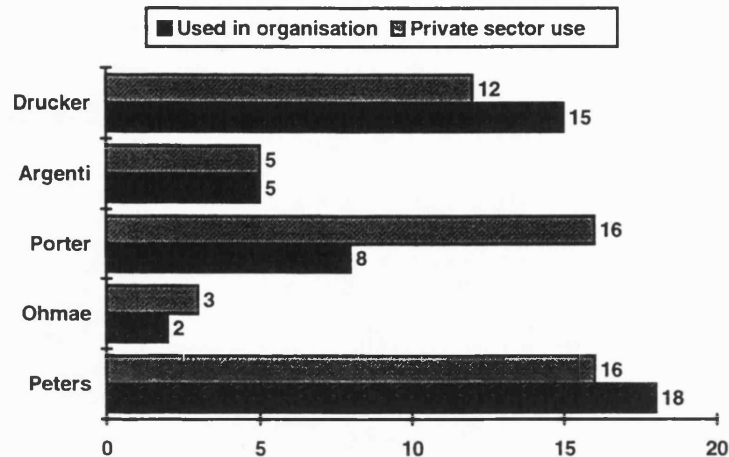
Source: Talbot, 1994

Only in the case of Michael Porter is there a significant difference, of 8 percentage points, with the public sector (8%) showing relatively much lower usage than the private (16%). This obviously corresponds to the similar proportionate difference between the two sectors in the use of competitor (five forces) analysis recorded earlier (see Figure 7:4).

A wider range of authors were included in the public managers survey (see Figure 7:6). The responses show that public managers exhibited a very strong knowledge of the work of Peter Drucker (58%) and Tom Peters (61%), with around 6 out of 10 managers knowing about both, whilst not more than half that number knew of any of the other authors. J.B.Quinn and Mintzberg (26%) and Ansoff (23%) showed moderately levels of knowledge about their work. In all four of these cases the levels of desire to know more about the authors fell below existing levels of knowledge, in the first two cases substantially so.

In only two cases did the percentage of those professing knowledge fall below 10 (Bowman & Asch - 9%, Stacey - 7% - but to be fair to the latter it should be pointed out that this is also the newest of the titles included in the survey!).

301

Figure 7:6 Authors - respondent's knowledge and desire to know
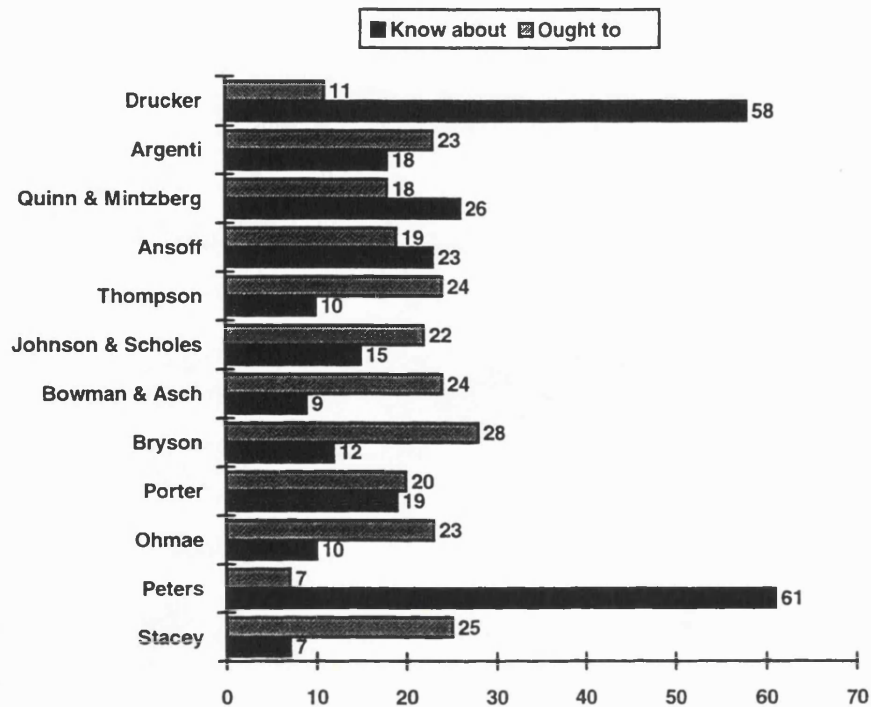
Source: Talbot, 1994

The levels of desire for knowledge obviously partly follows the pattern of existing knowledge, but certain authors seemed to fair particularly well - Bryson especially showed the highest desire for more information (28%), a fact probably not unconnected with the fact that this was also the only title which explicitly mentioned the public sector ("*Strategic Planning for Public and Non-Profit Organizations*"). However, in all cases except the 'top four' mentioned above the desire to know more about the authors exceeded existing knowledge, usually significantly. Only in the case of Porter were the existing levels of knowledge and desire for knowledge almost equal (19% and 20% respectively).

It is worth mentioning that there were a large number of 'write-in' additions to the list of authors supplied in the survey questionnaire. The most significant of these included Charles Handy (mentioned by 3% of 'write-ins'), John Stewart (2%), Peter Senge and John Harvey-Jones (1% each).

Figure 7:7 Authors - knowledge and use in organisations

Legend: ■ Know about ▨ Used in organisation

Drucker — Used: 15, Know about: 58
Argenti — Used: 5, Know about: 18
Quinn & Mintzberg — Used: 6, Know about: 26
Ansoff — Used: 4, Know about: 23
Thompson — Used: 1, Know about: 10
Johnson & Scholes — Used: 6, Know about: 15
Bowman & Asch — Used: 3, Know about: 9
Bryson — Used: 4, Know about: 12
Porter — Used: 8, Know about: 19
Ohmae — Used: 2, Know about: 10
Peters — Used: 18, Know about: 61
Stacey — Used: 1, Know about: 7

(x-axis: 0, 10, 20, 30, 40, 50, 60, 70)

Source: Talbot, 1994

Unlike for the use of techniques, the correspondence between respondents knowledge of particular authors and the application of the author's approach within their organisation showed a surplus in all cases (see Figure 7:7). In other words, for all these authors more respondents knew about their approaches than reported that they were actually practised in their organisations. As will be seen when we turn to the comments made by many respondents, this probably has a great deal to do with the pragmatic and eclectic way in which such ideas tend to be used.

STRATEGIC COMPETENCES

The survey asked managers to say "how useful would you think each of the following strategic abilities, knowledge or skills are for public service managers?" Each of the 24 statements which followed described one of the 'strategic competences', offering a four-point range of responses from "not at all useful" to "very useful". The responses

for each of the 24 strategic competences questions is set out in Table 7-4 to Table 7-7 (grouped according to the strategic mode from which they were derived (see Chapter 3 and 5)), with a summary of the 'scores' for each in Table 7-1.

Competence Patterns

Before looking at some of the individual competence scores in more detail, it is worth looking at the overall patterns which emerge. As can be seen from Table 7-1, there do seem to be significant differences within each strategic mode and differences in the patterns for each mode compared with the others.

Table 7-1 Strategic competences - scores grouped by mode

	Planning Mode	Visionary Mode	Political Mode	Learning Mode	Means
Policy making	80	80	43	35	60
Resource provision	82	82	74	57	74
Planning	67	40	71	61	60
Response	64	64	54	76	65
Professional practice	50	52	55	72	57
Service/product	78	73	55	73	70
Means	70	65	59	62	

N = 644, competence scores grouped by mode and sub-system, shaded areas above mean for mode scores.

Table 7-2 Competences - by domain

		Deliberate - radical modes		Emergent - incremental modes	
Domain	Sub-systems	Planning Mode	Visionary Mode	Political Mode	Learning Mode
Policy	Policy making & resource allocation	81	81	59	46
Management	Planning and response	66	52	63	69
Service	Professional practice and service/ product	64	64	55	73

N = 644, mean scores for each pair of competences per mode/domain - strongest domain shaded

Overall, the planning mode competences are ranked highest of the four sets of competences (mean 70 points), with the visionary mode second (65), learning mode third (62) and political mode last (59). This suggests that the competences most associated with rational planning are, broadly, seen as most useful by public services managers.

When looked at as groupings of competences associated with a strategy sub-system the resource allocation competences clearly rank top (mean 74 points). It is interesting to note that the rankings of these mean scores for each sub-system could be seen as broadly conforming to 'managerialist' perspectives - that is the 'harder' competences associated with resource provision and the end product or service scoring highest.

The patterns of mean competences scores between different strategic modes emerge even more clearly if the results are grouped by public organisation domains (see Table 7-2). These show that within the grouping of competences for the two radical-deliberate modes - planning and visionary - the policy domain competences are clearly ranked as relatively more useful than the competences related to the other two domains. In the political mode, on the other hand, the relative balance between all competences related to all three domains is quite evident. In the learning mode it is also noticeable that it is the service domain competences score relatively highly whilst the policy domain competences score markedly lower.

These figures do seem to give some credibility to idea that the groups of competences for each mode reflecting the way in which each distinct mode tends to operate, as outlined in Chapter 3.

Individual Competences

The notion that these are competing and paradoxical competences can be established in a number of ways.

Firstly, establishing that they have some validity individually can be done by establishing how useful respondents see each competence. If, for example, a majority of managers did not see a particular competence as at all useful it could reasonably be concluded that this was not a general public services strategic competence. Further investigation might establish it is a specific competence in specific types of organisation/situation but its utility as a general competence would obviously be very doubtful.

Secondly, the problem of establishing that they are paradoxical is slightly more complex. Assuming that the competences are reasonably valid individually, how can the fact that the are both competing and paradoxical be established? For them to be both competitive (contradictory) and paradoxical (i.e. capable of existing simultaneously despite being contradictory) it must be shown that there are not any strong correlations, either positive or negative, between them.

If the competences are competing but not paradoxical then they would tend to be mutually exclusive - i.e. if one competence were strong then others should be correspondingly weak. Whether this is the case can be established by seeing if there are any significant negative correlations between them. Absence of such strong negative correlations would tend to suggest that are not mutually exclusive.

On the other hand, if strong positive correlations existed between competences it would suggest that they are not competitive - i.e. if one increases as others increase it would suggest that they are not competitive but co-operative. Absence of strong positive correlation's and strong negative correlation's would therefore suggest that they are indeed paradoxical.

In terms of individual competences, the scores obtained for each (see Table 7-4 to Table 7-7) suggest that most of the competences do indeed have some validity for the majority of respondents. Firstly, the highest "not at all useful" percentage (34%) is only about one third of the respondents - i.e. two thirds of managers responding saw this competence as useful to some degree. In fact only four out of the twenty-four

competences were ranked as "not at all useful" by more than 10% of respondents, or put he other way round, twenty competences were seen as to some degree useful by at least 90% of all respondents.

The competences have also been ranked by their individual scores (see Table 7-3). The rankings themselves do not produce any obvious patterns. In fact it is clear from the full responses and the scores that there are three 'doubtful' competences, i.e. where there scores fall below 50 (out of 100 possible) points. These are (with scores in end brackets):

> (v) integrate ambiguous missions, policies, objectives and rules for the organisation (43)
> (f) use the organisation's planning system to justify the organisational mission (40)
> (x) tolerate diversity of missions, policies, objectives and rules within the organisation (35)

Two of these deal with concepts of ambiguity and diversity, suggesting that it is this type of idea which may be seen as not useful. However, other competences include such concepts - e.g. (l) "allow for diversity and innovation in design and organisation of services" which scores well (73 points) or (q) "adjust resource allocations to meet conflicting priorities and policies" (74). These suggest that its is not ambiguity or diversity as such which managers are rejecting.

The other factor which the two statements have in common is relating ambiguity and diversity to the organisation's "mission, policies, objectives and rules." It seems therefore that while managers are willing to recognise the need to tolerate ambiguity and diversity in other areas, the idea of doing so at the level of organisational objectives, in its broadest sense, does not seem useful. Given the amount of literature concerning conflict, ambiguity and diversity in the objectives of public services organisations (see Chapter 3) this is a very interesting finding, and one which may well deserve further research. (It is also interesting to note that these pair of competences have a correlation of +0.36, which is relatively strong.)

The last competence which is doubtful due to low score is (f) "use the organisation's planning system to justify the organisational mission." This competence, as baldly stated as this, may perhaps have been seen as being 'unethical' to some managers. Interestingly, when a very similar concept is presented in slightly more neutral language and in a more restrictive form - (c) "use the organisation's planning system to support particular projects or policies" - scores much better (71). (Incidentally, this is also the competence which correlates most strongly with (f) - +0.30).

As will be seen below, when the correlations between all competences are examined, there are other competences where, at a minimum, the wording of the descriptive statements may have produced unreliable results.

The individual competences have all been correlated to one another (see Table 7-8). Each sub-system level group of four competences has been highlighted by blocking them in a solid box.

Following the argument advanced above, for each group of four competences at each sub-system level it could be expected that there would not be any strong correlation's, either positively or negatively between them. Similarly, for all the correlations it should not be expected that there would be any strong correlations.

In only three cases do positive correlation's exceed +0.5, i.e. indicating what would generally be called a moderate positive correlation. One is in fact quite strong (+0.72), that between (s) "integrate, through persuasion or coercion, professional practice to match plans" and (n) "integrate, through persuasion or coercion, professional practice to match mission." Both of these competences fall within the professional practice sub-system. There is clearly a strong possibility here that the fact that there is only a one word difference between the descriptions given for each competence ("mission" or "plans") that respondents were not distinguishing between the two statements. (This does lend some (accidental) credence to the validity and reliability of the survey).

Table 7-3 Competences statements - ranked by score

Sub-system	Competence statement	Score	Rank
Provision/Resource	(e) integrate resource allocation and policy making systems	82	1
Provision/Resource	(b) derive resource allocation and targeting from mission and policy objectives	82	2
Policy	(a) set detailed missions, policies, objectives and rules for the organisation	80	3
Policy	(p) set broad missions, policies, objectives and values for the organisation	80	4
Product/Service	(u) ensure services are clearly defined and organised to meet plans	78	5
Pragmatism	(d) make pragmatic adjustments through experience of practical service delivery	76	6
Provision/Resource	(q) adjust resource allocations to meet conflicting priorities and policies	74	7
Product/Service	(t) ensure services are broadly organised to meet mission and policies	73	8
Product/Service	(l) allow for diversity and innovation in design and organisation of services	73	9
Professional Practice	(h) allow professional practice scope for innovation, within broad goals	72	10
Planning	(c) use the organisation's planning system to support particular projects or policies	71	11
Planning	(i) use the organisation's planning system to produce rational solutions to problems	67	12
Pragmatism	(m) make pragmatic adjustments to stay within the overall plan	64	13
Pragmatism	(j) make pragmatic adjustments to stay within the broad organisational mission	64	14
Planning	(r) use the organisation's planning system for learning and adaptation	61	15
Provision/Resource	(w) allow flexibility in resource allocation and allow resources to follow 'success'	57	16
Professional Practice	(k) integrate, through compromise, professional practice into organisational goals	55	17
Product/Service	(o) achieve compromise and consensus over the design and organisation of services	55	18
Pragmatism	(g) make pragmatic adjustments through negotiating internal compromises	54	19
Professional Practice	(n) integrate, through persuasion or coercion, professional practice to match mission	52	20
Professional Practice	(s) integrate, through persuasion or coercion, professional practice to match plans	50	21
Policy	(v) integrate ambiguous missions, policies, objectives and rules for the organisation	43	22
Planning	(f) use the organisation's planning system to justify the organisational mission	40	23
Policy	(x) tolerate diversity of missions, policies, objectives and rules within the organisation	35	24
	Mean (shaded areas below mean score)	64	

Another case shows a similar pattern to the first, although it is less pronounced. The positive correlation (+0.56) is less strong between (m) "make pragmatic adjustments

309

to stay within the overall plan" and (j) "make pragmatic adjustments to stay within the broad organisational mission", both in the response sub-system, may also have something to do with the specific wording of the descriptive statements. Although the critical distinction in the wording is again between "mission" and "plan" the use of slightly different phraseology around these key words may have caused greater differentiation than in the former case.

Finally, there is one case where there is a moderate positive correlation (+0.53) where the two correlating competences come from different sub-systems and strategic modes - (a) "set detailed missions, policies, objectives and rules for the organisation" (from the policy sub-system cluster and planning mode) and (b) "derive resource allocation and targeting from mission and policy objectives" (from the resource allocation sub-system and visionary mode). There is no obvious reason for this correlation - the descriptive statements are obviously quite different, so there is no issue of respondents confusing the two.

Besides these individual cases of obvious positive correlation's it is useful to look at the six 'clusters' of competences for each strategy sub-system and their correlation's. If we use as a bench-mark those competences where they equal or exceed a correlation of +0.3, i.e. where there could be said to be a weak positive correlation between competences the 'scores' within each cluster of competences vary markedly. At one end, none of the competences within the service/product sub-system correlates at or above +0.3 with any other competence. At the other extreme, all four competences within the response sub-system correlates at or above +0.3 with every other competence in the same group. There are not any very obvious reasons for these variations.

There are also four areas where three or more of the six possible correlation's equal +0.30 or higher. These are between policy making and resource allocation competences (3); the resource allocation and planning competences (4); the response and professional practice (3) and the service/product competences (4); and finally the professional practice and service/product competences (4). The first and last of these

sets are paired within domains (policy domain and service domains respectively) whilst there are fairly obvious reasons why there might be slightly stronger correlation's between the other two groupings.

There are also a few relatively random weak positive correlations between individual competences. There are no significant negative correlation's at all.

Overall, the 24 competences show a range from no real correlation at all to weak positive correlation, with a small number showing a moderate positive correlation and only one pair showing a fairly strong positive correlation. These results suggest that the competences do indeed exist relatively independently of one another and, in so far as they do exist and are logically contradictory to one another can reasonably be described as 'competing competences'. The anomalies of strong positive correlations have been at least partly explained by faulty, or at least insufficiently clear, descriptive statements for competences.

However, there is still a clear pattern for there to be a noticeable tendency for there to be weak positive correlations between competences. Around 46% of the correlation's are at +0.2 or above and 82% at +0.1 or above. Why should this be the case?

In R.E.Quinn's work on competing competences at the general management level (see Chapter's 4 and 5) there are two types of managers where there is a positive correlation between different competences, at either end of the effectiveness continuum. At the lower end are very poor performers who have little ability in any of R.E.Quinn's competences or roles. Equally low scores for use of competing competences, in this framework, would give high positive correlation's for these individual managers. At the other end of the performance continuum, Quinn's "master managers" display strong abilities across all competences and roles. Likewise, therefore, the correlation's between their scores would be high (see Quinn, 1988:98-99). Assuming normal distributions of managers it therefore follows that whilst the majority will display no strong correlation's between competences, there will be a minority who do display strong positive correlation's (at either end of the performance

spectrum). These minority scores would tend to skew the overall correlation results towards a weak positive correlation.

Whilst managers in this survey were not self assessing their own competences, it could well be that there is a similar explanation for the very weak positive correlations. Minorities of managers at either end of the normal distributions of scores rating all the competences either very low of very high would produce a similar effect and possibly for similar reasons. Whilst this was not a self-assessment exercise, it is more than likely that managers perceptions of what is useful for their organisations may be coloured by their perceptions of their own strengths and weaknesses.

Table 7-4 Planning mode competences

Sub-system	Strategic abilities, knowledge or skills	not at all useful	slightly useful	fairly useful	very useful	score (of 100)
Policy	(a) set detailed missions, policies, objectives and rules for the organisation	1	8	33	55	80
Provision/ Resource	(e) integrate resource allocation and policy making systems	1	5	33	58	82
Planning	(i) use the organisation's planning system to produce rational solutions to problems	3	18	43	32	67
Pragmatism	(m) make pragmatic adjustments to stay within the overall plan	2	19	47	26	64
Professional Practice	(s) integrate, through persuasion or coercion, professional practice to match plans	11	29	34	18	50
Product/ Service	(u) ensure services are clearly defined and organised to meet plans	1	8	28	57	78
		3.17	14.5	36.33	41	

(percentage responses - n = 644)

Table 7-5 Visionary mode competences

Sub-system	Strategic abilities, knowledge or skills	not at all useful	slightly useful	fairly useful	very useful	score (of 100)
Policy	(p) set broad missions, policies, objectives and values for the organisation	1	6	27	60	80
Provision/ Resource	(b) derive resource allocation and targeting from mission and policy objectives	1	6	34	57	82
Planning	(f) use the organisation's planning system to justify the organisational mission	24	34	23	13	40
Pragmatism	(j) make pragmatic adjustments to stay within the broad organisational mission	3	19	50	24	64
Professional Practice	(n) integrate, through persuasion or coercion, professional practice to match mission	9	27	35	20	52
Product/ Service	(t) ensure services are broadly organised to meet mission and policies	2	8	39	44	73
		6.67	16.67	34.67	36.33	

(percentage responses - n = 644)

Table 7-6 Political mode competences

Sub-system	Strategic abilities, knowledge or skills	not at all useful	slightly useful	fairly useful	very useful	score (of 100)
Policy	(v) integrate ambiguous missions, policies, objectives and rules for the organisation	27	19	26	19	43
Provision/ Resource	(q) adjust resource allocations to meet conflicting priorities and policies	1	10	34	48	74
Planning	(c) use the organisation's planning system to support particular projects or policies	1	16	45	36	71
Pragmatism	(g) make pragmatic adjustments through negotiating internal compromises	6	35	38	17	54
Professional Practice	(k) integrate, through compromise, professional practice into organisational goals	7	28	38	20	55
Product/ Service	(o) achieve compromise and consensus over the design and organisation of services	5	29	41	18	55
		7.83	22.83	37	26.33	

(percentage responses - n = 644)

Table 7-7 Learning mode competences

Sub-system	Strategic abilities, knowledge or skills	not at all useful	slightly useful	fairly useful	very useful	score (of 100)
Policy	(x) tolerate diversity of missions, policies, objectives and rules within the organisation	34	24	23	12	35
Provision/ Resource	(w) allow flexibility in resource allocation and allow resources to follow 'success'	8	22	41	22	57
Planning	(r) use the organisation's planning system for learning and adaptation	4	21	40	27	61
Pragmatism	(d) make pragmatic adjustments through experience of practical service delivery	1	9	44	44	76
Professional Practice	(h) allow professional practice scope for innovation, within broad goals	2	13	41	40	72
Product/ Service	(l) allow for diversity and innovation in design and organisation of services	2	11	37	45	73
		8.5	16.67	37.67	31.67	

(percentage responses - n = 644)

Table 7-8 Competence correlation's - grouped by strategy sub-system

		policy				resources				planning				response				professional practice				service/product			
		a	p	v	x	e	b	q	w	i	f	c	r	m	j	g	d	s	n	k	h	u	t	o	l
Policy	a	1.00																							
	p	0.16	1.00																						
	v	0.03	0.09	1.00																					
	x	-0.02	0.04	0.36	1.00																				
Resources	e	0.19	0.16	0.13	0.05	1.00																			
	b	0.50	0.20	0.06	0.04	0.33	1.00																		
	q	0.06	0.27	0.31	0.08	0.30	0.21	1.00																	
	w	-0.06	0.12	0.26	0.41	0.13	0.09	0.15	1.00																
Planning	i	0.19	0.09	0.08	0.03	0.31	0.29	0.15	0.13	1.00															
	f	0.21	0.01	0.22	0.18	0.23	0.20	0.19	0.19	0.23	1.00														
	c	0.28	0.08	0.08	0.06	0.38	0.43	0.18	0.13	0.38	0.30	1.00													
	r	0.05	0.19	0.11	0.06	0.33	0.25	0.26	0.12	0.39	0.18	0.41	1.00												
Response	m	0.13	0.10	0.25	0.18	0.28	0.16	0.27	0.21	0.23	0.19	0.17	0.14	1.00											
	j	0.16	0.15	0.18	0.14	0.18	0.20	0.21	0.19	0.27	0.20	0.16	0.17	0.56	1.00										
	g	0.06	-0.01	0.27	0.24	0.17	0.11	0.22	0.23	0.23	0.29	0.18	0.11	0.37	0.36	1.00									
	d	0.13	0.03	0.15	0.15	0.25	0.23	0.23	0.19	0.23	0.15	0.29	0.19	0.33	0.37	0.35	1.00								
Professional practice	s	0.02	0.07	0.32	0.19	0.15	0.12	0.26	0.17	0.23	0.21	0.12	0.20	0.29	0.33	0.29	0.24	1.00							
	n	0.04	0.08	0.27	0.17	0.10	0.09	0.21	0.16	0.17	0.20	0.07	0.11	0.27	0.28	0.30	0.20	0.72	1.00						
	k	0.00	0.06	0.25	0.19	0.09	0.06	0.17	0.17	0.13	0.21	0.09	0.10	0.37	0.43	0.41	0.19	0.41	0.40	1.00					
	h	0.07	0.14	0.12	0.15	0.25	0.22	0.11	0.24	0.27	0.12	0.23	0.24	0.20	0.26	0.29	0.29	0.23	0.18	0.27	1.00				
Service/product	u	0.26	0.09	0.11	0.03	0.26	0.24	0.17	0.10	0.23	0.11	0.19	0.18	0.15	0.17	0.07	0.19	0.19	0.10	0.08	0.12	1.00			
	t	0.07	0.36	0.21	0.05	0.21	0.18	0.28	0.12	0.14	0.10	0.09	0.16	0.22	0.25	0.10	0.13	0.25	0.20	0.17	0.16	0.24	1.00		
	o	0.08	0.21	0.23	0.14	0.13	0.10	0.22	0.12	0.16	0.14	0.08	0.09	0.37	0.27	0.35	0.19	0.31	0.35	0.38	0.21	0.09	0.28	1.00	
	l	0.04	0.15	0.10	0.15	0.24	0.17	0.18	0.30	0.24	0.02	0.17	0.35	0.34	0.31	0.23	0.26	0.22	0.21	0.24	0.40	0.13	0.14	0.22	1.00

N = 644, Correlations between all 24 competences - shaded areas indicate => +0.30

315

Before leaving the individual competences it is worth recording some of the additional suggestions, and other comments, which respondents made (of which there were some 92 in this section). Although these comments ranged over a number of topics and suggested a range of additional competences, skills or knowledge. In order to give some organisation to these suggestions, they have been divided into groups linked to the four strategic modes, although some do not easily fit into these categories. Some of the comments from individuals have been split between sections - although the fact that they made comments appropriate to more than one section could be noted as adding extra weight to the idea of paradoxical strategic modes.

First, it is worth recording the negative comments made about this section of the questionnaire. Some were very hostile comments:

"This section tends to be the worst form of theoretical crap. I doubt if it is at all practical or measurable."

"What a daft bloody questionnaire."

Other comments showed the difficulties some managers experienced in completing this section of the questionnaire:

"I'm sorry - I don't have the time."

"I thought the above list was very vague and 'woolly'."

"By now I've lost track of all rational thought!"

"I found the above statements a little confusing to follow."

Obviously this was a difficult and complex section of the questionnaire, made more difficult by the constraints of partially 'randomising' the questions. It does (as the pre-tests showed) take some time and a fair degree of concentration to complete. An issue for future research of this type would obviously be to try to bring out the essential points of competence descriptions without being too leading.

316

Political Mode Comments

Respondents comments which could be described as falling within the strategic politics mode focused to negotiation skills, political skills (small and large "p"), pragmatism and common sense. They also mentioned issues such as networking, communications skills and interpersonal relations.

A number specifically focused on politics with a big "P":

> "The political dimension in local government."

> "Patience to deal with politicians!!"

> "Political skills to integrate short and medium term objectives of Councillors into longer term strategy."

> "Awareness and skill in manipulating the political environment of the public sector."

> "The important thing to remember is that we are at the end of the day answerable to political masters (who can change their minds, not necessarily for the needs of the service)."

> "Political environment."

Some managers mentioned the problems of dealing with competing pressures from different parts of the political domain:

> "Reconcile national missions, policies and objectives imposed by the political system with local missions policies and objectives."

> "Integration of strategic departmental development within context of political environment both locally and nationally."

> "Managing with political skill between central government and local government policy objectives."

> "Translate political and external goals into local objectives."

"The basic "mission" spans a very broad base and is heavily controlled by statute. This makes answering some of these questions very ambiguous."

"In a complex organisation there may be a wide range of aims and supporting objectives which nevertheless contribute to the whole. Tolerate is not the word I would choose."

One mentioned the issue of what might be termed internal marketing:

"Understanding of market for services and ability to express rationale for intervention in 'treasury-ese'.

Another issue which surfaced was the degree to which strategic managers can effectively influence their political domain:

"Knowledge and awareness of political environment (i) in which influence can be exercised (ii) in which have little influence/control."

"Influencing/understanding external politics."

"Understanding, managing and using the political process to achieve change (i.e. political and in elected party-political councillors)."

"The ability to manage the shifting sands of the member interface, particularly in a hung council where there are few if any strategic objectives shared by the Politicians."

Some mentioned the problems of reconciling the professional and political domains, both stressing the need for persuasion and one stressing the inappropriateness of coercion:

"Political skills (with a big or a small p) and understanding of where political goals have to be reconciled with professional/organisational goals."

"I must say I do not think that coercion works, for strategic management, there is a huge gap between persuasion/and coercion. Coercion surely is only a minimal last resort...."

A number of managers mentioned "political skills", "political tact" and "politics with a small 'p'". Several also mentioned "negotiation skills", including:

"Negotiating ability (customer client v. Politicians)."

"Negotiation skills to ensure acceptance of the mission, objectives and rules."

"Political ability to identify and negotiate around or within external constraint."

Linked to these issues of political and negotiating skills were others skills such as "good communication skills", "public speaking", "tolerance", "common sense", and "sense of humour.

"If 'pragmatism' means 'flexibility' then you have covered it all! Issues around political changes and adaptability?"

One manager noted the usefulness of "networking" in building personal "awareness" whilst another commended:

"The ability to work with managers from other organisations with different cultures. Public and private."

Visionary Mode Comments

A sense of organisational vision and abilities which could be associated with developing vision and selling it to the organisation featured in a number of comments. Some which combined the need for vision with ability to implement were:

"A sense of vision and an understanding of how the organisation functions and power and influence to change organisation to more really achieve sense of vision."

"Analysis, insight, product champions."

"Need to develop "lateral thinking" and visionary managers, in order to use imagination in strategy formulation. Also the development of complementary communication skills in order to transmit the "vision" through the organisation."

Some simply stated the need for organisational vision:

"Longer term vision and planning needed - 5 years +."

"Establishing vision."

Creating this sense of vision, including the ability to opportunistically recognise possibilities through analysis and intuition formed the core of a number of comments. Comments about opportunism included:

"In the NHS: a "nose" for "business opportunities" based on knowledge of purchaser preferences, some of which will be highly personalised e.g. favourite subjects of G.P. Fundholders, individual tastes of key people in Health Authority Commissioning Teams."

"Opportunism. Zero based analysis..."

"Seizing opportunities as and when they arise, particularly those which bring 'new' investment/resources and which if not seized now may never be available again - if it needs a label how about 'Learning to think on your feet!'."

"Identify changing environment, internal and external, and be able to assess the affect these have on current and future objectives and plans and to be able to adjust accordingly."

Comments which focused on what might be called the strategic thinking process required for creating strategic vision included:

"1. An ability to see the broad corporate picture. 2. Vision beyond the parameters of what appears to be achievable. 3. Lateral thinking. 4. Creativity. 5. Outstanding interpersonal skills 6. Optimism!"

"Lateral thinking/vision and synergy inter-service and with external agencies/organisations."

"Lateral thinking."

"Clairvoyance. Making bricks without straw."

"Strategic management is about positioning the organisation in relation to the outside environment. The necessary skills include: negotiating, analytical, psychology, game theory, political, organisation development, etc."

Others tended to focus on the problems of implementing the vision, putting it into practice within the organisation and overcoming obstacles:

"Ability to present mission and policies in a way that can be readily accepted by staff."

"Leadership skills to motivate and build teams delegation."

"1. The ability to take people with you is crucial (i.e. leadership). 2. Not to be put off by operational distinctions or short-term crisis. 3. To believe in what you're doing."

"Sheer bloody-mindedness and determination."

"Stayability."

"Organisational development and the management of change, including 'cultures' of large organisations. Basic 'new' management philosophy and style and approach to underpin strategic and corporate management. Corporate approach and management - recognising how much this requires fundamental action in large public sector organisations to counter professional power."

"Ability to influence 'corporate culture' towards delivery/feedback."

Others saw influencing skills, for implementation, as more subtle and in some ways these comments lie of the boundary between strategic vision and strategic learning modes:

"Communication skills, influencing but not coercing. Flexibility, adaptability. Listening!"

"Realising the potential of people, harnessing the power of technology, entrepreneurial skills."

Planning Mode Comments

Strategic planning has been the most promoted mode of strategy in public services. However, the survey results showed that it was not significantly more prevalent than other modes (planning scored 46, political 43, learning 45 and visionary 41 - see Chapter 6, Part II). The number of comments about strategic competences (or abilities or skills) which could be attributed easily to this category was similar, if not slightly lower, than in some other modes.

One comment which certainly displayed a need for rationality and order in strategic was in response to the competences which mentioned ambiguity:

"There shouldn't be ambiguous missions, etc."

Another manager, however, commented from what is clearly a strategic planning perspective on the need for slightly more flexibility and tolerance for uncertainty:

"Whilst I am in strong believer in agreeing Mission Statement/Values/Objective and Action Plans, I believe also that work demands are unpredictable and that planning cannot cover a significant proportion of the issues (say 30%) that have to be dealt with on a re-active basis. In this context it is useful to be patient/pragmatic."

Others emphasised the need for a thorough implementation of strategic management systems:

"The whole arena of strategic analysis is poorly understood within the public sector with the result that many strategies are built on sand because the foundation work has not been undertaken."

Another manager highlighted the importance of seeing planning within a broader strategic management context:

"Understanding the concept of strategic management as a whole, which is quite distinct from individual strategic management processes and systems such as formulating and developing a strategic plan."

A further comment suggested the need to link core capabilities of the organisation with client satisfaction and overcome opposition from the professional domain:

> "Understanding client wants as distinct from needs and learning how to produce client satisfaction. How to overcome 'professional bureaucracies'. How to identify core capabilities and develop support systems that work effectively

It is interesting to note this manager's use of Mintzberg's 'professional bureaucracy' terminology. The following comment, advocating the use of specific analytical tools, also clearly draws on knowledge of management theorists:

> "The application/development of Porter's five forces and/or value chain specifically for the (new) public sector."

Another specifically commented that management education provided a useful way of accessing strategic management knowledge:

> "Non-public service specific training, e.g. MBA gives useful perspectives on issues, solutions, methods, etc."

A number of managers mentioned specific topics which needed to be understood clearly as a basis for strategic analysis. These included what might be called 'imposed planning', i.e. where the organisation is subject to strong external constraints:

> "The answers to these questions are to some extent defined by the nature of the Service. Being a Fire Service performing to nationally set criteria in terms of risk, etc., we do not have a free hand, as would the private sector, to develop all of these areas."

Another mentioned a range of issues:

> "The nature of the relationship between central and local government. Public vs. private/independent/voluntary organisations. Change from resource led to needs led service. Risk(s) of the local authority competition in public sector.....The competent work force."

Others focused on issues to do with financial control and more commercial skills:

"Finance, finance and again finance - profit element."

"Financial planning."

"Awareness of the financial ground rules."

"Business/commercial skills - internal market will force this."

One manager suggested the need to integrate control, monitoring and performance measures into the strategy process:

"Integrate quality and measurements of control and monitoring into the design and organisation of service. Allow for review of performance within the planning process."

Finally in this section, one respondent pointed out the boundary difficulties in establishing 'strategic' Vs 'operational' management competences:

"This organisation has developed its own competence profiles for management tiers 1, 2 and 3. It is difficult to draw a clear boundary around which competences are "strategic" as opposed to those which are merely essential, the latter including, for example, a range of inter-personnel and general management skills."

All of the above comments can be seen as falling broadly within the 'rationalist' terrain of formal strategic planning approaches, although some are clearly more generally applicable.

Learning Mode Comments

The strategic learning mode, as defined in this work, is primarily about establishing strategy through practice, experiment and experience. This implies a close relationship with the organisation's clients/customers and, in the case of public services especially, other allied organisations, actors or professionals in the same field of activity.

Comments which seemed to fit this strategic learning mode well included:

"A good knowledge of the population/customer base, i.e. age, sex, race, socio-economic make-up. Strong links/networks with local population. Skills in public relations, particularly putting over the purpose and achievements and plans of the organisation in a positive and interesting way. Good alliances with partner agencies, i.e. health with social services, education, housing and leisure departments of local authorities, plus local voluntary organisations."

"Consultation and participation of customers such as Council Tenants or other service users in the promotion of strategic plans, and their implementations."

"Communicating throughout the process and during implementation (high profile on planning and contracting all staff and League of Friends, Community Health Council and [health service] purchasers)."

"To develop an outward looking customer focus or viewpoint rather than an introspective organisational driven approach."

"Constant awareness of the external comparatives influencing the "business" e.g. political, economic, etc. Regular contact and consultation with customers, shareholders and other users of the services."

"Alliances with other public bodies locally."

"Listening and establishing priorities to meet the needs of users."

"Experience."

"Grasp of health issues and awareness of health and health care distinctions."

"Allow planning system to modify strategy/mission through bottom up component to planning process."

The emphasis on an outward looking, learning approach is clear in the above quotes. The last point about 'bottom-up' planning is particularly relevant to the learning approach. One comment which set out a broad learning approach in the form of a brief list, which seemed, in some respects, similar to J.B.Quinn's 'logical incrementalism', was:

> "knowledge of socio-political context (changing);
> ability to tolerate uncertainty and long time scales;
> ability to formulate and stick to broad objectives and plans;
> teamworking, lack of defensiveness re professional or other base."

Public services, according to one manager, have far more complex values systems underpinning their operation than their private sector counterparts, as well as the need to learn from users:

> "Listening to an incorporating user's and potential user's needs. Understanding and working with a political, or public service ethos, rather than a private sector, simpler ethos's."

Two comments mention issues to do with personal learning or self-knowledge:

> "(Question) 18 employs a technical vocabulary but excludes any explicit reference to 'people' abilities, knowledge or skills. Clearly public service managers, at the strategic level, should stay in touch with themselves, as human individuals, and maintain a humane and empathetic insight into the people they serve both inside the organisation and in the community."

> "Personal self-learning - the process and appreciation of the need to do it! Principles of 'Kaizen' - the need for continuous change."

Three comments cover what could be termed 'learning-in-action' situations, where flexibility, adaptability and the need to learn to handle new situations/conditions are important:

> "Being able to manage effectively having regard to increasing workloads due to new legislation and drastically reducing resources."

"Ability to manage change with inadequate resources and impossible timescales!!"

"Given the nature of our 'business' events outside of our control can deflect strategic plans. Flexibility, adaptability and sometimes the need to manage perceived 'failure' through no fault of the organisation are essential factors."

Strategic Masters?

In what has been covered above there have already been glimpses of managers who have mentioned strategic competences, skills or abilities which cross more than one strategic mode.

In R.E. Quinn's work on general management competences managers who display high levels of ability across all the competing competences, and who understand and self-manage the values conflicts inherent in the different competences, are called "master managers". ("Master" here, and in Quinn's work, is used in a gender neutral sense.)

The same concept could be applied to managers who recognise the different modes of strategy within organisations and attempt to manage them all, and the contradictions between them. They could be seen as exhibiting what Torbert (1991) has called "the power of balance."

Obviously, a few lines of additional comments made on this survey do not constitute adequate grounds for identifing the strategic equivalent of Quinn's "master managers." However, a few comments certainly give some idea of such a balanced approach. One manager specifically recognises the value of all the competence statements and comments precisely on the tensions (contradictions?) between them and the need for a flexible approach:

"Taking each of the above in isolation, it is evident that all have at least some value, but it is difficult, given the complexity of an organisation such as

XXX, to give them a weighting relative to one another - particularly as the nuances and subtleties - together with the tensions and opportunities that go with business, means that a very flexible (but responsible) approach is needed."

One comment which broadened out to include what could be seen as skills appropriate to strategic vision, politics and planning was:

"1. The ability to align departmental objectives with corporate objectives.
2. Being able to thrive on uncertainty - i.e. live in the grey areas - and be aware of opportunities and how to use them. Nothing is certain even in one year let alone 3 or 5 years!"

Another very detailed comment included at least vision, learning and politics was:

"Ability to identify responses to external pressures e.g. legislation which enable the authority to continue to meet it's own objectives as far as possible. Ability to learn from other authorities practice and to adapt according to local conditions. Ability to integrate equalities issues in policy and strategy development. Political skills and understanding : explicit awareness of own value systems and politics. Ability to build up an integrated strategic picture and make recommendations which take full account of community needs e.g. poverty. Understanding of theories of the State and their different implications for practice."

Three other, somewhat briefer comments are worth including here. One manager simply commented on the competences that they were "all useful". Another emphasised integration and communication:

"Knowing how it all works and how it all hangs together and being able to communicate that."

Whilst the final manager quoted in this section commented:

"More emphasis on interpersonal skills including their direct application on most, if not all, of the above. Perhaps a general broad need for conceptual skills and the ability to link different, not obviously linked elements to a new amalgam. Lastly, skills around networking in the realisation of working with,

supporting and enabling others, often outside the organisation, to design, manage and deliver the outputs/outcomes."

These are mere hints at ideas of what a balanced strategic management approach could look like, the masters of public sector strategic management. It is beyond the scope of this specific work to take this further at this stage. It does perhaps suggest some fruitful lines of further research development.

DEVELOPING STRATEGIC MANAGERS - COMPETING APPROACHES

When managers were asked in the survey to identify those techniques and authors with which they were familiar and which were applied in their organisations they were also given the opportunity to add any comments they wished. Many did so (a total of 154 comments were added to the two questions). Allowing for those who added comments to both questions, this represents about 20% of respondents. Obviously these comments cannot be taken as being 'representative' of the whole sample but they do add some very useful qualitative material to the quantitative analysis of the responses.

The first point which stands out from an analysis of these additions is how many of those commenting chose to focus on the relationship between techniques or authors and practice. The majority of the comments posed, explicitly or implicitly, the relationship between theory and practice. The analysis which follows uses the framework, discussed in Chapter 4, of Kolb's learning cycle, as simplified and popularised by Honey and Mumford into the four learning styles of Activist, Reflector, Theorist and Pragmatist (Honey and Mumford, 1988).

Table 7-9 Methods of developing strategic managers

		not at all used	slightly used	fairly heavily used	very heavily used	score (of 100)
a	qualification courses including strategic management (e.g. MBA, DMS, etc.)	11	57	26	3	39
b	in-house management short course including strategic management	19	33	35	9	43
c	external management short-course including strategic management	12	59	22	3	37
d	job-rotation schemes aimed at developing strategic managers	57	31	5	1	15
e	mentoring scheme to develop strategic managers	49	34	10	1	19
f	assignment to special projects or secondments to develop strategic managers	21	50	20	4	34
g	participation in the strategic management process to develop strategic managers	19	40	28	9	41

(percentage responses - n = 644)

These qualitative comments can be combined with an analysis of how managers approach developing strategic managers - what methods are used most frequently to equip managers with strategic techniques, knowledge or competences? The survey's findings about the use of methods for developing strategic managers employed in respondent's organisations are interesting (see Table 7-9). Of the seven methods asked about, all were in use to some degree but with very large variations between them. The results can be usefully analysed by grouping them according to the categories of management development approach developed in Chapter 4, also applying the learning cycle concept to these methods (see Figure 7:8).

Figure 7:8 Development methods - scores by approach

Competences
Management skills
development

Job-rotation: 15
Participation in
process: 41

Assignments
and projects: 34

Action
Learning
Project based
learning

Active
experimentation

Concrete
experience

Reflective
observation

Reflective
practicum
Professional
development
Apprenticeship

Abstract
conceptualisation

Mentoring: 19

Qualification courses: 39
In-house courses: 43
External courses: 37

Traditional
management
education

Theorists

Clearly, traditional management education methods seem to be the most favoured approach. All three methods which can be grouped under this heading - management qualification programmes, internal and external short courses - score relatively highly (39, 43 and 37 points respectively).

Many managers commented about management qualification courses. Some obviously saw this as a major source of knowledge about strategic management, for example:

"I have done an MBA!"

"Many of the concepts considered and promoted by these authors form part of current thinking with a group of senior managers who have pursued DMS and MBA courses of study."

"Have completed an MBA so have an understanding of strategic management approaches. They are not, however, used with commitment or rigour in the organisation."

"Reason is that I am third year of an MBA!"

"There is not yet the culture of applying theory of strategy ... in practice though this is improving through education - particularly staff undertaking MBA studies."

"I'm pleasantly surprised that we seem to utilise so many of the above!!!"

One manager obviously regarded management qualification courses as an important factor, but also hghlighted possible biases (with apologies to Prof. Johnson!):

"I suspect that much depends on the extent to which senior managers have been on particular courses/where they have done postgrad. degrees, for example, I studied for an MBA at Cranfield University therefore Johnson and Scholes book much used as Gerry Johnson was the teacher!"

Some managers, although clearly supportive, commented on the problems of translating management theorists ideas into practice, as well as being critical in their approach. They also, in some cases, illustrated how theory was being applied:

"Many names recognised e.g. Ansoff, Mintzberg, Stacey, Argenti - the corporate strategy development "framework" lives on in the mind following the DMS or MBA - but the detail/names/books etc., fade with time! Many theories seem to be rehashes of older ones or minor departures. Tom Peters is merely an evangelist!"

"The strategic process is undoubtedly influenced by a distillation of the above rather than one specific 'guru'."

"I read widely in general management issues and believe that these and other valuable sources that are not 'strategy' in orientation but contribute to the way strategy is developed and implemented."

"To know is not necessarily to love ..."

The comments which identified the use to which theory is put, and some of the adaptations which occur, included:

"Use some ideas from some but not any in TOTAL."

"These ideas are used in the organisation, even though not necessarily the authors you have listed."

"We use workshop and seminars at Director level and departmental level (Management Team) to develop corporate or departmental plans, these are the background against which individual cost centres set their business plans. First time this year politicians and officers worked together to set strategic priorities."

"In preparing for CCT and Reorganisation Corporate Strategies are being prepared and timetables are being implemented which will conclude Strategic Review, Choice and Implementation."

Others obviously saw management education in general as important, but found there were serious personal constraints, especially time, in gaining access to strategy ideas, e.g:

"Obviously got a lot of reading to do!"

"So much to learn, so little time!"

"I need to do some reading!"

"Were there time to read them all!"

"I am surprised at the number of authors who I am not familiar with."

A few managers identified issues which they felt ought to have been in the lists offered, for example one manager thought the quality should have been included:

"Quality issues should be seen as part of Strategic Management not a bolt-on extra."

Other techniques or approaches identified included: critical success factors; forecasting techniques; decision support; statistical techniques; option appraisal; bench-marking; and life cycle analysis.

Other sources of developing strategic knowledge included specific courses, official and other sources:

"I know about these techniques through LSE course : Public Sector Management Programme, attend 1993. I hope to encourage their use with the Museum over next 2 years."

"We tend to use public sector frameworks coming out of departmental good practice guidance (DOH, Welsh Office to our case) aided by academic ideas (King's Fund, Health Policy Depts.)"

"A great deal is written specifically for Local Government on the subject of strategic management. In particular, there are two good weekly magazines : Local Government Chronicle and Municipal Journal."

A final, interesting, example of a straightforward theory-driven approach to strategic management is given in the following comment:

"A series of chief officer workshops completed a mission and values statement and SWOT analysis. A working group gathered facts (using [PEST analysis] above). Values were set out under 8 themes - Mission, Team, Organisation, Communication, Individual, Change, Recognition and People. Standard business planning approach - objectives - targets - strategies - resources - monitoring and evaluation (including performance indicators and audits)."

Activists

The approaches to strategic management which focus on developing concrete experience - job rotation and particpation in the strategy process - gain a very mixed reception from respondents (see Figure 7:8). Job rotation is not seen as being very prevalent in

respondent's organisations with a score of only 15 points. The majority of respondents report that this method is not used at all in their organisations (57%) and nearly all the rest say it is used only slightly (31%). There is some variation within the public sector, with the NHS and central government using job rotation rather more (21 and 18 points respectively) compared to local government (12).

On the other hand, the use of participation in strategy process as a developmental tool scores relatively very well - 41 points (the second highest). Again, there is some variation within the public sector and along identical lines to hose of job rotation - the NHS scoring highest (48 points), central government second (43) and local government lowest (38).

In the comments sections on strategy techniques and authors, some managers were extremely hostile to the use of theory at all - comments such as: "jargon++", "pleasant theoretical balderdash"or "what about a column - I do not know about and don't want to!?" These extreme reactions to theory were not isolated examples, others included:

> "Because I do not know about it does not necessarily mean I want to know about it."

> "Do not know about and am not particularly interested (haven't got time or inclination to read the books)."

> "Those unmarked I neither know about nor feel that I should."

> "A lot of the above is jargon/gobbledygook!"

> "? I am not aware of these 'Terms'."

> "Pick any 10 from 100."

> "It is not "Academic" ability to analyse the theories of the above, compare, contrast and attribute them to their originators which is important in the business environment. What matters is using pragmatic techniques to achieve the most effective outcomes. Thus I am unfortunately unable to answer this question."

Probably two of the most defensive comments were:

"Am I now supposed to feel inadequate? I've managed very happily without all this theory."

"Does this identify significant gaps in my knowledge base or are these theorists relevant to the real world which I inhabit?"

Some managers recognised their own, or their organisations weaknesses in the area of theory but were far less defensive or hostile to theory in general:

"I must confess no use has been made of "formal" or "academic" strategic management thinking."

"It would be nice to have the time to read these books. However, I very much doubt that this organisation has any of them or realises that they exist; I've never heard of them - coming from a science background perhaps this isn't unusual."

"Maybe I'd be able to tick more of the boxes if the jargon in the questions was replaced by explanation. Quite often one finds one is already implementing a particular type of analysis, but never knew its 'official' name"

"I cannot comment on books about which I have no knowledge."

"Very weak in this area."

"Those I don't know about have been left blank if I don't feel I should know about them from the description given. The use of these tools can be over-emphasised."

One manager seemed to be expressing a degree of uncertainty about the their personal relationship with theoretical ideas:

"Being unable to give a reference does not mean that I am not totally unaware of the ideas but I am not certain!"

Whilst another thought that lack of use of theory was a specifically public sector problem:

"Little use made of academic/organisational publications in public sector."

336

Others were also obviously not happy with the use of theory but somewhat more playful, such as the managers who simply added "Que?" or "?" in the comments section. However, the 'activists' also had positive alternatives to offer to what they clearly saw as unnecessary theory. Some recommended the use of external networks to access experience:

> "We use our own experience, that of other local authorities and relevant publications from LGMB, etc."

> "Exploitation of relationships and networks critical in achieving adaptive positioning whilst internal/external environments change/develop."

Others simply rely on 'common sense' and experience to see them through:

> "Our business plans are very 'hard' focused documents."

> "Concentrate our use on practical ideas."

> "Common sense goes a long way!"

Whilst disparaging textbook based ideas, others also suggested ways of accessing them without having to read them, especially through the use of management consultants:

> "The organisation tends to use Management Consultants from time to time who must base a lot of their work on the above. Therefore, indirectly senior staff have knowledge of some of the above works."

> "Consultant appointed vis a vis leadership."

> "We used an O.D. consultant (private) for 18 months to help develop our ??? thinking skills. When we had to write our first Strategic Plan, we found we'd (almost) already written it!"

> "I do not have the time nor the desire to read management textbooks! I do not believe they are as helpful as a good facilitator."

Others suggested that they did have some access to 'theory' but did not use it directly or consciously, e.g:

"Don't directly work from theory."

"Most of the ideas in (the above) publications support sensible use of information, people, ideas in formulating and implementing strategy."

"Many of the ideas are used informally/sub-consciously - we do not formally adopt the Argenti or other 'method'."

"Cannot say that any of them are used overtly .... however many of their 'themes' are utilised frequently."

"I would like to know more but do not have the spare time to consider new ideas unless packaged succinctly."

"Whereas I/we know of most of the above, we seldom make use of these mechanisms/techniques in 'real' situations for the benefit of the organisation."

"Individual directors awareness of management theory will influence decision making at board level although I would not claim that there exists a policy to adopt the theory of any one author detailed above."

Both of the preceding sets of comments fall somewhat between the 'activist' and 'pragmatist' categories, with the underlying hint that some ideas derived from theory may just be useful in some circumstances. We turn now to look at more explicitly 'pragmatist' comments.

Pragmatists

Only one method which focuses on strategic management development through active experimentation was asked about - assignment to special projects or secondments to develop strategic managers. This scored closely behind the 'abstract conceptualisation' approaches with 34 points. Half of respondents (50%) reported some usage and a further 20% fairly heavy use (see Table 7-9). There was little variation within the public sector.

Many managers comment on the eclectic, or piecemeal way in which strategic (and other) management ideas are used in the strategy process:

"Elements of various academic, leading management writers works, etc., are used within the organisation, either consciously or sub-consciously. A close examination of systems, styles and approaches usually reveals the origins of such innovative thinking and practice. Audit Commission and other publications are also used or adapted as appropriate by the organisation."

"The plans of the organisation are not based on any one theoretical study, but uses elements of many."

"Although some quoted are about general change management, they have strong relevance to strategic change and so to strategic planning. Our in-house strategic planning style is no doubt idiosyncratic, and not fully attributable to any 'school'. We are eclectic pragmatists!"

"Probably do use some of these techniques but not as described. As is common with many of these questions the answer is probably in part rather than complete usage e.g. market research which we are developing."

"A range of methodologies are in use but because of the size of organisation - as part of a large local authority - their use is very variable."

"The culture and training habits of this organisation incline more towards eclectic synthesis than towards 'guru worship'; managers will have come across and critically evaluated a number of the above works in the course of gaining management qualifications or in other ways."

"Most are known about; many are used but in a relatively random way. There is insufficient management drive to develop across whole organisation. This is changing for the better."

"When I say "used" ... that does not mean we rigidly and wholly follow everything (or even worst things) they say!!!"

"As the authority at business unit level moves more and more into a competitive environment, many of the above techniques are starting to be used at that level. At a strategic level, whilst there is currently no conscious use of many of the environmental analysis techniques, because of local government's limited market place, the in-depth knowledge of senior managers of the major issues facing the organisations means that much of the

339

benefit to be gained from use of those techniques is being achieved in any event."

As with many of the comments reported in the 'activist' section, managers reported here also showed a sceptical attitude towards theory but within a positive framework of asking 'what can they do for us?'

Academic guru's come in and out of favour depending upon who you read last. Their ideas should not be adopted as a set piece panacea for all ills - they all can generate good ideas or a general basis

Many of the above are known about and have influenced our approach but I wouldn't say we "use" any particular guru's approach

A general awareness of written material is useful. It is not necessarily appropriate to use all or any of this material in strategic planning

Other frameworks from public/private sector are used. Scenario planning to be further developed to link with analysis/environmental scene to marketing/development strategy

A number of comments indicate that there is somewhat of tendency for organisations, or individuals, to latch-on to specific ideas or approaches to the exclusion of others:

"We have used Argenti in the past because of early familiarity with it through the Civil Service College, however, other authors are influencing much of our strategic thinking."

"I believe John Bryson's model for strategic planning is the best we have encountered."

"The authority has engaged in a process of "Quality Improvement" (Crosby version) with the support of Local Government Management Board."

"We are committed to quality improvement methodology (Crosby)."

"Have used framework laid down by Penn State University when I was at Kings Health care."

"Charles Handy is my favourite organisational theorist."

However, one manager warns of the dangers of latching on to one particular approach at the expense of wider thinking:

> "We have an (unfortunate) tendency to latch on to one high profile approach to the exclusion of all others."

Another makes a similar comment:

> "My senior manager is an enthusiast of Tom Peters and I consider is led by those thoughts. Personally I prefer to take a wider view..."

One manager attributes this tendency to a narrow focus on single approach to the pressures on public managers:

> "There are many ways of developing a strategic plan but, in reality, workload and time pressures compel a focus on one or two strategic planning tools which have been proven to be effective (either by experience or by case study)."

Some comments were made about the sources of knowledge which is being applied in pragmatic ways:

> "A recent course on strategic planning increased my knowledge of some of the systems which will in future be used within the organisation."

> "Ideas/processes etc. come via professional contacts/seminars not directly from source publications."

> "Few are used. Most information in the area comes from articles/seminars in 'soundbites' rather than books."

> "My knowledge of strategic management is difficult to attribute to specific writers. I assimilate ideas from articles, conferences, and an ongoing C60 learning set often without knowing source."

> "Amongst those involved there is varying awareness of some or all of the above [i.e. authors]."

"We do make a lot of use of Local Government Management Board/Audit Commission and other commentaries, especially in the corporate development unit and at executive board level. Our aim however is to use these to inform rather than determine our strategies."

"Many of the above are used in the development of business plans for specific services/Depts. rather than the authority's strategic plan."

"Some terminology above may be unfamiliar, but techniques in use."

"Used to some degree in plan, more in other contexts."

"Suspect some of the techniques are known by alternative names or are used in varied forms."

"Using a range of techniques [to] develop options."

"Whilst the work of the authors above may not, formally, be utilised as a tool by the organisation they would form a background to managers decisions on many occasions."

"The above are used in varying degrees by senior management and the Corporate Planning team and such use has been increasing over the past three years, before which no real strategic planning was undertaken ."

"Many of our staff undertake management development and will know of and use at least some of these sources."

"It is difficult to say that the ideas are 'used' but they definitely form the backbone of thinking in terms of the way forward."

One very clearly 'pragmatist' comment was:

It would be wrong to say I follow any particular 'disciple' - many have influenced my thinking but each needs to be balanced against success of current methods and use of past experience

Another emphasised the eclectic use of theories:

Practical organisational development and management tends to be eclectic, drawing on models not necessarily related to the organisation

One manager suggested that the pressures of managerial work prevented managers adequately accessing these ideas and they needed to be made more 'user friendly':

> "What is really needed is for these authors' (and others') ideas to be abstracted and synthesised into a practical set of working tools and concepts. Most health service managers read textbooks but don't have the time (or necessarily the experience) to translate their contents into practical advice and good practice. Could this be a role for management schools/ institutions/ associations?"

This emphasis on practicality, utility and ease of access clearly falls into the 'pragmatist' approach to learning, with the emphasis very much on 'what can this do for me?'

One issue which is included here, but is not strictly a 'pragmatists' problem only, is how knowledge about strategic techniques/approaches does, and doesn't, get distributed within organisations. Two managers commented on aspects of uneven distribution and use of techniques at different organisational levels, whilst another mentions the problem of accessing knowledge:

> "Some of the above techniques are used informally by service managers rather than used to evaluate higher level strategic objectives or are part of the strategic planning process."

> "Knowledge not widely spread through department. However department structured into client-oriented teams and have just prepared one year business plans and some have used a number of these techniques."

> "There is a lot of knowledge in the organisation, but apparently we have difficulty in harnessing it."

Perhaps the final comment in this section should go to the manager who seems to be implying they might need to know more about techniques/authors but realise they do not at the moment. It could be included as either a frustrated pragmatist or a realistic reflector. In any case, their comment was simply:

> "Ouch!"

Reflectors

Reflective observation on practice - in the form of mentoring of managers to develop their strategic abilities - faired least well of the four approaches amongst survey respondents (scoring only 19 points - see Figure 7:8). As has already been pointed out (see Chapter 4) the 'apprenticeship' or 'professional development' model of management development, recommended in the Handy report (Handy, 1988) was somewhat eclipsed by the growth of the competence based approach. It was also pointed out that the most exposed professional development model - Schon's 'reflective practicum' - seemed to be mainly restricted to non-managerial occupations. The survey seems to confirm that these reflective approaches are indeed the least used, at least in public management.

The comments from respondents which can be included under the heading of 'reflectors' include many which are 'reflective' in the more general sense - comments which seem to suggest a thoughtful, contemplative approach to the issues raised in the survey. For example, a number of comments were made about the problems associated with transferring what are perceived as private sector practices to the public sector, for example:

> "Again, most of the above literature references relate to private sector organisations with profit motivated objectives. While many of the ideas may have some relevance in the public sector, wholesale importation needs to be considered cautiously and in conjunction with applicability to the public sector context."

> "Problems in adopting private sector, strategic planning practices in the public sector context."

> "Whether [force field analysis, cause and effect diagrams, mapping strategic issues] have relevance to Local Government is debatable."

> "Not totally appropriate to NHS commissioner."

> "More relevant to private sector?"

344

"There are particular difficulties involved in strategic planning in a demand led environment where very limited opportunities exist to manage demand i.e. the police service. Annual financial allocations also impede long term planning."

Some fairly detailed reflective comments were made about how far, and in what ways, strategic planning tools are utilised throughout respondent's organisations:

"I don't know what systems/ideas used as basis. I don't think our strategies were original thought though."

"The 'plan' is hierarchical i.e. My senior manager prepares his for the 'group', and as an individual manager I then prepare mine for my office. I am therefore, to a large extent, planning within his set plan i.e. my initiative is limited to his consent or refusal."

"The service/business planning process used in [XX] Council, when taken with developments such as our integrated policy/budget/review process, our emphasis on the achievement of core values and a gradual improvement of the organisation, means that some or all of the techniques are used by individual services and the "corporate" centre at some point. How effectively they are used and integrated is a different issue. We could do better in some areas."

"The Organisation Development Unit uses all of the above when working both with our own team and also with Managers, Clinicians and Staff. The Unit is fairly new and there are 5,500 staff within the Hospital hence the variance in the answers. Some parts of the Hospital are more advanced than others in the application of these techniques and interventions."

The main problem is the relatively short term notion of planning at the Centres of Departments

We could be more adventurous in our use of Strategic planning tools - this list is an interesting one

"I have a personal interest in strategic management as do a number of other senior colleagues. However, there is no formal recognition in the organisation - managerially or politically - of strategic management or organisational development as skill specialisms requiring expertise/experience."

"There is a need for more expertise in these areas available to X City Council."

Other comments indicated reflective thinking about the usefulness of strategic planning and associated tools. For example, one manager questioned their relevance to community based management approaches, and their male-domination:

"Most of our ideas relate to neighbourhood delivery of services and decision-making which roots our management style in a partnership with the community. This tends not to be taken into account in most management books. As you may notice most of the authors are 'male' - this can also lead to a particular bias in management theories!"

Another suggested that the lists of different techniques and authors in the questionnaire was implying that managers needed a wide knowledge, when a more focused approach might be adequate (a comment which probably lies somewhere between 'reflector' and 'pragmatist'):

"Organisational as well as personal capacity to take on too diverse a range of approaches may be problematic therefore guilt engendered by admitting lack of employing techniques may be associated with a focused approach by management!"

A comment which probably falls somewhere between 'activist' and 'reflector' was:

"Above are useful background documents but not very helpful in actually formulating and then delivering a business strategy."

One manager gave an example of how strategic practices may evolve through reflective practice shared through peer-networks:

"In a public authority new management ideas are often generated through peer groups/networks rather than by formal adoption of academic models."

One or two managers made comments which seemed to reflect on their own need for more knowledge:

"Don't know enough about the others to know if I should know about them."

"Help."

On this optimistic note it is perhaps time to turn to drawing some conclusions from this mass of quantitative and qualitative data. In the final Chapter the analysis of the data set out in this and the previous Chapter will be reviewed, some conclusions drawn and some ideas for further research set out.

Chapter 8 Conclusions and Recommendations

This Chapter sets out to review the substantive research contained in this thesis, covering both the theory and practice of developing strategic managers for UK public services, and to reflect on some of the methodological problems posed by the particular approach adopted.

This first part reviews the research using the objectives set out earlier (see Chapter 5) as a framework. The second part reflects on some methodological issues raised by the research experience. The third part summarises some of these issues and offers some thoughts on a possible research agenda to further understanding in the substantive area and the particular approach adopted.

RESEARCH OBJECTIVES

The first research objective was:

> 1. To establish some broad-based (and comparative) information about the nature and extent of strategic planning practices within UK public services.

The survey has clearly achieved this aim. The successful return of 644 survey questionnaires from a reasonably broad sample of senior managers in UK public services has provided a substantial data set. This data set provides useful intra-public sector comparisons as well as inter-sectoral comparisons with the earlier private sector survey.

The main conclusion to be derived from this data is clearly that strategic planning is both extremely prevalent in the UK public sector and fairly diverse in the details of its application.

The issue of prevalence is clearly an important one. Even in the area with the lowest level of formal strategic planning in the public sector (local government) more organisations reported it taking place than in the comparative private sector survey.

Taken together with those who replied that they had a non-formalised strategic plan, over 8 out 10 local government strategic managers replying to the survey said their organisations had some sort of strategic planning and the figures are even higher for other parts of the public sector. Whatever the trends that led to this position, whatever the content of this 'strategic planning', whatever the pressures which may have caused this prevalence, the force of the survey evidence suggests hat 'strategic planning' is a major factor for senior public sector managers.

The first implication of this finding, in the context of developing senior managers, is clearly that if strategic planning is such a prevalent phenomena in public service organisations it is reasonable to assume that understanding it, having skills in and knowledge about it, and being competent in it, are important for senior managers. Thus the issue of developing strategic managers for UK public services is potentially an important one.

The second aspect of this part of the research is however the divergences in what constitutes 'strategic planning' in practice. The survey shows some fairly wide variations across the public sector on a range of issues. For example, the level of strategic planning at corporate and departmental levels, and the levels of integration between the two, showed some wide differences, in particular between local government and other public organisations. The findings, below, on paradoxical systems provide only part of what is clearly a complex and diverse picture within the overall prevalence of formalised strategic planning. However, the findings on the varying levels of use of aspects of strategic planning, such as types of goals set, planning periods, levels of integration, levels of involvement, etc., all suggest that practice is reasonably diverse.

The second research objective was to explore one aspect of such diversity, centred around the notion of paradoxical systems:

2. To explore the idea of competing, paradoxical, systems within public services strategic practices - by specifically (i) construction of theory or models of how such paradoxical systems might apply to strategic management in the public services and (ii) carry out some limited testing of the possible validity of one set of (deduced) 'strategic modes' and 'strategic sub-systems'.

The first part of this objective was achieved in Chapters 1, 2 and 3, through an effort at synthesis of existing theory on the nature of public management and on strategic management brought together within a paradoxical systems framework. This was clearly an exploratory, and ambitious, project and it was beyond the scope of a single researcher or a single thesis to fully explore this issue either in theory or in empirical research. In theoretical terms, the Chapters did succeed in providing models, based on the paradoxical systems approach, of both generic strategic management modes and of public sector specific strategic sub-systems. It should be stressed that the purpose of these models was two-fold - firstly, to offer a speculative attempt at developing such models within the paradoxical systems framework and secondly, to use these as the basis for some limited empirical exploration of the framework.

The statements about strategic modes and strategy sub-systems included in the empirical survey were derived from these models. The responses to these statements offer a reasonable support for the idea that these paradoxical four strategic modes and six strategy sub-systems do indeed exist. The analysis in part II of Chapter 6 shows fairly clearly that large numbers of respondents at least recognised these statements as 'real' for their organisations and that the statistical analysis shows fairly conclusively that these results show that the responses represent paradoxical systems.

These findings represent important new evidence to support the growing field of research into paradoxical systems in organisations (discussed in Chapter 5). They suggest that, whatever the validity of the specific models offered here, there is clear evidence that public managers recognise contradictory, but parallel, elements in the

way in which their public organisations operate strategically. For example, the results show that in most cases the four strategic modes suggested are present to some degree in most organisations (hence the low numbers for each mode who said it was 'not at all accurate') but that in few cases is one mode dominant to the exclusion of the others (hence the lack of strong negative correlation's and small number of only one mode being described as 'very accurate'). Moreover, the lack of any strong correlations (positive or negative) between strategic modes suggested their relative independence, whilst the weak correlations which are present (both positive and negative) tend to confirm what Weick has called the 'loose-coupling' of these systems (Weick, 1979).

This initial attempt at theory building and empirical verification has necessarily been fairly limited and in some respects crude (given its main utilitarian purpose in relation to the specific aims of the thesis). The specific strategic modes or strategy sub-systems undoubtedly need further exploration, refinement and possibly even recasting. However, the survey responses, and the theoretical developments, do seem to at least justify further research in these areas. As will be discussed further below, the attempt has also produced some developments and ideas about the methodological problems of exploring paradoxical systems.

The central purpose of this thesis is to explore the issues of the development of strategic managers. In order to this the third research objective of necessity addressed issues of management development:

> 3. To establish a framework for analysing possible approaches to the development of strategic managers, establish some information about the management development practices and preferences of managers and organisations in relation to strategic management skills, knowledge and abilities and to gather some broad-based (and comparative) information about the knowledge-base of UK strategic managers in the area of strategic techniques and approaches.

In order to be theoretically consistent, the paradoxical systems approach was also applied to the review of management development. In this case a readily available model (Kolb's experiential learning cycle) provided a framework for such analysis. The resulting model of management development was used in a slightly different way

than the models of strategic management. Here it was used primarily as an analytical tool to apply to data derived from the survey, both from specific quantitative questions and from more qualitative comments from many respondents (as detailed in Chapter 7).

Firstly, a comment on the model itself. The model was derived from work on management development by the researcher which has been published and received some useful, and positive, feedback (Talbot, 1993a). This enabled the researcher, by invitation, to present the developed model (as presented in Chapter 4) to an audience of leading UK management educationalists, consisting mainly of Deans of University Business or Management Schools (at the Association of Business Schools Conference, June 1994). While the reaction to this presentation of the model is obviously being judged by a partisan observer, it certainly seemed to provoke a supportive response from a potentially very critical audience. This may not be a valid research method for establishing the validity of the model, but it certainly gave the researcher a great deal of confidence that the model of management development had, at the very least, substantial 'face validity'.

The use of the model in the analysis of data derived from the survey also proved fruitful. The quantitative data on management development methods employed by organisations seems to show that a variety of methods are employed but that methods associated with 'reflective observation' are in relatively low usage. Probably more importantly, overall these responses also showed the levels of activity in public organisations in any type of developmental activity for strategic managers. When compared to the prevalence of strategic planning in public organisations established by the earlier questions in the survey, the levels of developmental activity seem low, with no method scoring more than 45 points out of a possible 100 and the mean score for all 7 methods asked about being only 33 points out of 100.

A recent survey by the same researcher of 1,160 UK public managers produced similar results when managers were asked about the adequacy of specific types of management development. Specifically, some 30% of respondents in that survey felt

that the level of management development support for 'formulating and implementing strategy' was either inadequate or very inadequate and another 20% were unsure (Talbot, 1994:68). Taken together, these two survey results suggest a significant gap between strategic management development and needs.

This finding needs to be slightly modified in the light of the data obtained about respondents knowledge of specific authors and techniques and their use in respondents' organisations. The data here shows that, in general, respondents suggested that they had greater knowledge of specific authors and techniques than the level of use of these authors ideas, or techniques, in their organisations. On techniques, while the levels of individual knowledge and organisational usage were very similar taking all techniques together, this included very important differences. In particular, six techniques (Ishikawa diagrams, workshops and project teams, mission statements, market research and cost analysis) showed deficits, with managers personal knowledge falling below levels of organisational usage. While personal knowledge of individual authors seems to exceed the organisational use of their ideas, this seems attributable to the lack of 'pure' application. Overall, the levels of personal knowledge of both techniques and authors were fairly low and a minority of respondents showed a strong desire to know more.

The qualitative statements made by survey respondents, in the comments sections following the questions about strategy authors and strategic techniques, clearly showed the diversity of managers' approaches to the relationship between strategic theory and practice and the roles of pragmatic experimentation and reflection on practice. A great deal of very rich data provides strong evidence for the idea that differing approaches to developing strategic managers, related to ideas of personal learning preferences, are needed to provide a complete strategic management development system for public managers. Moreover, these comments also clearly show that managers' personal value systems are inextricably linked to their learning preferences and approaches to theory and practice, etc. The affective content of some of the statements is quite striking in this regard, showing in some cases what could almost be called 'emotional outbursts' about specific issues.

The fourth research objective build specifically on the model building under objective (2) to develop a set of competences:

> 4. To explore the idea of competing, paradoxical, strategic 'competences' and to test the possible validity of a specific set of (deduced) competences.

The responses to these competences in the survey questionnaire were generally very positive. In a small number of cases only did a substantial number of respondents (but not more than one third in any case) reject the competences as 'not at all useful'. However, within this broad acceptance of the competence statements there were clearly wide variations, with individual competence scores ranging from 35 to 82 (out of 100) with a mean of 64 points. Moreover, the analysis of correlations between the competence statements suggests (as with the strategic modes analysis mentioned above) that they are paradoxical. Some of the detailed correlations and individual competence statement scores suggest particular areas of weakness in the model as it stands. Additionally, a great deal of work would be needed to operationalise the competences into specific development programmes (including setting clear development objectives, designing learning methods and assessment systems, etc.) which are clearly beyond the scope of this single piece of research. Nevertheless, the outcomes of this work does suggest that there is at least the foundations for a fruitful approach established here, both substantively and methodologically.

Before turning to the final research objective, it is worth considering some of the methodological problems and opportunities which have presented themselves during the course of this research.

RESEARCH METHODOLOGY

Paradoxical systems and quantitative approaches

As already noted (in Chapter 5) researching paradoxical systems presents a set of methodological problems which do not easily fit into many conventional research approaches. For example, to have used the language and methods of hypothesis formulation (null and alternate) and associated statistical techniques would have been unnecessarily cumbersome and, in a dealing with such complex variables and systems, ultimately produced more confusion than clarity. The researcher has therefore deliberately avoided using such terminology and concentrated on exploring the data descriptively, using simple statistical means and only resorting to more complex procedures where appropriate. This approach does seem to have achieved some benefits and even some methodological advance, in so far as similar attempts at exploring these types of systems have not been reported.

It is not suggested that this is necessarily a completely adequate response for investigating 'loosely-coupled' paradoxical systems. The researcher is not a statistician, but it does seem possible that development of more sophisticated statistical approaches than those applied here may be appropriate to research in this area. One possibility, which has recently suggested itself but has not been explored here, is to use some of the new software which has been produced for mapping and establishing quantitative relationships within complex systems. These approaches, derived from systems dynamics, could potentially be applied to loosely-coupled paradoxical systems. Software such as Ithink (or STELLA in its educational version) certainly appears to offer the possibility of mapping such systems and (using data of the type generated in this survey) modelling their performance. However, even with relatively sophisticated systems dynamics tools such as this, it has to be recognised that what is being attempted is essentially re-eductionist and structuralist, approaches which have limited value is exploring systems which are very complex and fluid.

Paradoxical systems and qualitative approaches

As explained (in Chapter 5) the research objectives (and some constraints of the research process) determined the particular approach adopted here. The collection and analysis of data from a relatively large sample of strategic public managers was seen

as necessary for both research reasons (the paucity of background data on strategic management practices in the UK public sector, in particular) and expedient (because of the resource issues). However, if this research were to be taken further a much more qualitative dimension would need to be added.

Some methodological approaches have already been developed which would seem to lend themselves easily to such research. One particular cognitive mapping approach (SODA - Eden & Radford, 1990) is based on a cognitive psychological approach which emphasises bipolar contrasts in individuals cognitive processes (Kelly's 'personal construct psychology' and associated 'repertory grid' techniques, see Fransella & Porter, 1990) and has developed techniques for mapping these in a managerial environment. It would seem possible that such an approach might be adapted to investigation of paradoxical systems, particularly given its ability to absorb contradictory variables within its framework and its ability to capture very fluid and complex systems.

Problems of survey research

One further issue is the cognitive problems associated with using survey instruments to investigate such complex, and possibly poorly understood, issues. The problems of reliability and especially validity in surveys are well known and especially the problems generated by respondents' misperceptions of questions or statements on which they are asked to respond (see Belson, 1984).

There is clearly some evidence in the analysis of the data (for example some of the unexpected, and uncommon, positive correlations between similarly worded competence statements) which suggests that there were problems with question interpretation. While every effort was made to minimise these at the design and field-trial stages it was clearly not entirely successful. It seems not unreasonable to conclude that while survey instruments may be useful for establishing some broad-brush validation of the existence of paradoxical system elements it would be a mistake

to expect to achieve a great degree of fine resolution with such an approach. Other procedures, of the type discussed above, may be more relevant.

These comments about quantitative and qualitative approaches to investigating paradoxical systems have emerged from the researcher's reflections on this particular research process. There are undoubtedly many other issues and possibilities, as already indicated in the remarks of Quinn and Cameron (1988:15) already cited in Chapter 5.

FUTURE RESEARCH

The final research objective was:

> 5. On the basis of the (first 4 objectives), to make some recommendations about further research which would aid the 'development of strategic managers for UK public services'.

The research has produced a number of possible issues for further exploration from both the theoretical model building and the analysis of the empirical data gathered in the survey. These will be treated together under a number of sub-headings:

Strategic practices in the public sector

The research has established a great deal of empirical data about public sector strategic management practices in the UK which has not been reported elsewhere. This in itself suggests a number of possibilities for more detailed empirical work. For example, the lack of integration between local government corporate and departmental plans, compared to other public sector organisations deserves further attention. Another issue is clearly the degree to which strategic planning is seen as an, externally imposed, formality and how much it is a genuine activity. The focus of strategic planning systems - whether they in practice concentrate on implementation whilst the strategic direction is set in other ways - also seems an area worth further work.

The models of strategic management modes and sub-systems clearly have some validity and this framework could be further explored using other research methods - case studies of specific organisations, possibly longitudinally based, could be used to examine patterns of strategic behaviour. Other methods, such as those discussed above, could also be employed in such investigations. In particular the issue of the relationship between the domains of public services organisations and strategic practices would seem a fruitful area for more projects. While the analysis of the data collected in this survey does not show as clear or simple a relationship as the initial models would have suggested, it is clear that there are some grounds for further exploration. This is particularly so given the relatively high levels of recognition accorded by the survey respondents to the strategic modes and strategy sub-systems used in the survey. The research reported here does seem to point to a useful framework for exploring these relationships further, even if it yet to fully account for them. Indeed it may be that, given the complexity and fluidity issues involved in such paradoxical systems the use of survey approaches is too crude an instrument to capture these subtleties (see the discussion of methodology above).

Strategic competences, knowledge and skills

The survey data has established a very useful baseline of information about the levels of knowledge of particular authors ideas and a range of techniques which can be used in strategic management. Together with information on what skills, ideas and techniques are actually employed, this could form the basis for translating into design of strategic management development programmes for public managers.

The analysis of the strategic competences also shows that this model has a great deal of validity, even if further work is clearly needed. Coupled with the analysis of qualitative comments - and especially the evidence on managers' contradictory reactions to theory, practice, pragmatic and reflection - this could provide the basis for developing programmes which catered for differing approaches to learning and sought to improve managers' understanding of paradoxical systems (in strategic practice, competences and learning) themselves.

It was not the intention of this project to produce a fully-fledged development programme for strategic managers in the UK public services. As explained in Chapter 5, this is far beyond the scope of a single researcher and project. However the analysis provided here does point to a framework for developing such a programme, even if a great deal more work needs to be done.

The 'supply-side' of public service strategic management development

One issue which has hardly been addressed at all in this thesis is the levels and types of existing provision of management development for strategic managers in the public services. The survey does establish some information from an organisational perspective, but obviously says nothing about the levels and types of 'supply-side' provision being offered outside of public organisations. It is quite possible, for example, that some of the innovative developments in management development touched on in Chapter 4 may already be leading, in practice if not in theory, to applying what could be called a competing values and competences perspective to strategic management development. This area certainly needs further exploration. Since the Handy and Constable & McCormick reports of 1987 addressed the issues of management development supply in the UK there seems to have been little further work to examine the major changes which have occurred since then. If this is the case for general management development the situation for both strategic management development and public management development are at least equally, if not more, poorly understood. Much more baseline data about the quantity, quality and type of such provision is needed.

Methodological issues in Paradoxical Systems research

The full title of this thesis is 'Developing strategic managers for UK public services - a competing values and competences approach'. This was adopted at registration, heavily influenced by an initial reading of Quinn's work on the general management

competing values and competences. As the work has progressed it has become increasingly clear to the researcher, as must be apparent to the reader by now, that whilst the approach has been about competing values and competences it has raised somewhat more general issues about what might be called the 'paradoxical systems approach'. While many of the elements of this approach already exist in the literature, in the work of Quinn, Weick, Morgan and many others, it seems to this researcher that the methodological approaches to using this framework for research are under-developed, partly perhaps because with few exceptions it has yet to be explicitly recognised as distinctive approach, even where researchers are in practice adopting such a framework (see Chapter 5 for examples).

A deeper understanding of issues surrounding strategic management and managers in public services organisations has been the main benefit of this project, and it provides a great deal of useful data, analysis, and perhaps some useful models for approaching the problem of developing strategic managers. That in itself seems sufficient justification for the effort.

However, the researcher also feels that a perhaps more important benefit may lie in exploring the methodological and theoretical issues surrounding paradoxical systems in organisations. While some small progress has been made in this thesis, it has raised some issues which may be useful pointers for further work in exploring this issue. This approach seems particularly fertile in a public sector context, where conflicting values are perhaps more transparent than in the private sector and thus some of the paradoxes created that much more visible. It does seem to be a more generally useful approach which could be developed more widely. The model of 'strategic modes' developed for this thesis, for example, is a generic and not public sector specific one and clearly derives from adopting a paradoxical systems approach. The final thought therefore is that developing methodological and theoretical tools to better explore these types of systems seems necessary to exploit the possibilities of developing more fully this way of understanding what Mintzberg calls 'our wonderful world of organisations'.

APPENDIX A

Survey questionnaire as sent to public sector strategic managers (see Chapter 5)

**CENTRE FOR
PUBLIC SERVICES MANAGEMENT**

CPSM

SOUTH BANK UNIVERSITY

March 1994

Dear colleague,

Strategic Management and Managers in the Public Sector

Managers in the public sector are often urged to adopt strategic planning or management systems. Individual Chief Executives, Directors and other senior managers are urged to "think strategically".

We are inviting you to take part in a survey of over 3,500 Chief Executives, Directors, Chief Constables and other leading managers in the UK public service, covering local and central government and the health service. The purpose of the survey is to begin to establish:

- how far is strategic management actually being used in public organisations?
- what sorts of skills, knowledge and abilities do strategic managers need?
- how are organisations developing 'strategic managers'?

> ### A Free Executive Summary of the survey will be sent to everyone who replies.

The survey complements a separate survey of nearly 4,000 public managers recently carried out by the **Centre for Public Services Management (CPSM)**, jointly with the **Institute of Management (IoM)**, into the degree of real change taking place in public management. The results are being published this spring by the IoM.

Your help in completing and returning the attached questionnaire is vital in helping to build up an accurate picture of public sector strategic management and strategic managers in the UK. Your replies will be treated in strictest confidence.

Please return the questionnaire by 31 March 1994 (in the reply paid envelope enclosed) to the address below.

<u>**Please complete as much of the questionnaire as you can. We would prefer incomplete responses to no response at all!**</u>

Thank you for your help and co-operation.

Yours faithfully,

Colin Talbot
Head of the CPSM

Strategic Management and Managers
in the Public Sector

1	**Does your organisation have a formal strategic plan?**	Yes ☐
	(If "Yes", please go to Question 3)	No ☐

2	**If no formal strategic plan exists, is this because** *(tick any appropriate):*	
a	a plan exists but has not been formalised	a☐
b	the organisation's situation is too simple to require a formal plan	b☐
c	the organisation's situation is too complex or uncertain for planning	c☐
d	it is felt that strategic planning cannot improve performance	d☐
e	you feel a strategic plan would be effective and want to prepare one soon	e☐
f	strategic planning has been tried but found to be ineffective	f☐
g	the resources or expertise required to develop a plan are not available	g☐
	Please go to Question 6	

3	**Has the strategic plan been effective in leading to better**	Yes ☐
	performance? *(If "Yes", please go to Question 5)*	No ☐

4	**If no, why not?** *(tick any appropriate):*	
a	it is too early to tell	a☐
b	specific objectives were not identified	b☐
c	no milestones for the achievement of objectives were identified	c☐
d	did not solicit input to corporate strategy from staff	d☐
e	did not gain commitment of staff to corporate strategy	e☐
f	the organisation's environment is too complex or uncertain	f☐
g	the plan was unrealistic	g☐
h	the organisation did not possess the necessary planning skills	h☐
	Please go to Question 6	

5	**If yes, how has the organisation benefited?** *(tick any appropriate)*	
a	achieved goals and objectives set out in plan	a☐
b	specified milestones for achievement of gaols and objectives	b☐
c	gave all staff a unified vision of the organisation	c☐
d	targeted spending in areas of greatest opportunity	d☐
e	identified new opportunities or ideas	e☐
f	achieved cost savings	f☐
g	made better use of resources	g☐

6	**Does the organisation have any of the following?** *(tick any appropriate)*	
a	mission statement	a☐
b	corporate plan	b☐
c	subsidiary or departmental plans (for each service area)	c☐
d	functional plans (for each function, e.g. human resources, finance)	d☐
e	integration of corporate with departmental plans	e☐
f	integration of corporate with functional plans	f☐
g	service level agreements (SLA's); framework documents or contracts	g☐

7	**How does the strategic plan define progress toward specific goals?**	
	(tick any appropriate)	
a	spending targets	a☐
b	quantified non-financial targets (e.g. outputs, quality levels)	b☐
c	unquantified non-financial targets (e.g. customer survey results)	c☐
d	competitive targets (e.g. numbers of contracts won)	d☐

8 What planning horizon do you use?

(tick one box only)

☐ under 1 year	☐ 4 years
☐ 1 year	☐ 5 years
☐ 2 years	☐ 6 to 10 years
☐ 3 years	☐ 10 to 15 years

9 How often is the strategy reviewed?

(tick one box only)

☐ continually	☐ yearly
☐ monthly	☐ 18 months
☐ quarterly	☐ 2 years
☐ half yearly	☐ longer (please state in years)...............

10 How often is progress against strategic targets reported?

(tick one box only)

☐ monthly (or more frequently)	☐ yearly
☐ quarterly	☐ longer
☐ half yearly	☐ not reported at all

11 How long have strategic plans been prepared in your organisation?

(tick one box only)

☐ less than 1 year	☐ 4 years
☐ 1 year	☐ 5 years
☐ 2 years	☐ 6 to 10 years
☐ 3 years	☐ 10 to 15 years

12 *(tick any appropriate)*	(i) Who is involved in formulating the strategic plan?	(ii) Who is it communicated to?	(iii) Who is responsible for implementation?
a) Directors	a☐	a☐	a☐
b) Senior managers	b☐	b☐	b☐
c) Junior managers	c☐	c☐	c☐
d) Planning staff unit	d☐	d☐	d☐
e) Professional staff	e☐	e☐	e☐
f) Admin. & support staff	f☐	f☐	f☐
g) Other staff	g☐	g☐	g☐
h) Customers/Clients	h☐	h☐	h☐
i) Suppliers	i☐	i☐	i☐
j) Professional advisers	j☐	j☐	j☐
k) Consultants	k☐	k☐	k☐
l) Politicians	l☐	l☐	l☐

13	Do you know of, or use in developing your strategic plan, any of the following *(tick any appropriate):*	(i) I do know about	(ii) I do not know about but feel I should	(iii) is used in organisation
a	workshops or project teams	a☐	a☐	a☐
b	mission statements	b☐	b☐	b☐
c	executive information systems	c☐	c☐	c☐
d	market research	d☐	d☐	d☐
e	'7S' framework (shared values, strategy, structure, systems, skills, style, staff)	e☐	e☐	e☐
f	cost analysis	f☐	f☐	f☐
g	risk analysis	g☐	g☐	g☐
h	cost/benefit analysis	h☐	h☐	h☐
i	SWOT analysis (strengths, weaknesses, opportunities, threats)	i☐	i☐	i☐
j	competitor analysis (e.g. five forces analysis)	j☐	j☐	j☐
k	PEST analysis (political, economic, social and technological environment)	k☐	k☐	k☐
l	Stakeholder analysis	l☐	l☐	l☐
m	Scenario's	m☐	m☐	m☐
n	Force field analysis (driving and restraining forces)	n☐	n☐	n☐
o	Ishikawa (cause and effect or fishbone) diagrams	o☐	o☐	o☐
p	Mapping strategic issues (e.g. soft systems method, 'SODA', etc.)	p☐	p☐	p☐

Any comments?

14	Do you know about, or feel you ought to know about, or use in your organisation, the ideas developed by any of the following? *(Titles of recent or prominent books in brackets)* *(tick any appropriate)*	(i) I do know about the ideas of	(ii) I do not know about the ideas of but feel I should	(iii) is used in organisation
a	Peter Drucker *Managing for the Future*	a☐	a☐	a☐
b	John Argenti *Practical Corporate Planning*	b☐	b☐	b☐
c	James Quinn & Henry Mintzberg *The Strategy Process*	c☐	c☐	c☐
d	Igor Ansoff *Corporate Strategy*	d☐	d☐	d☐
e	John Thompson *Strategic Management - Awareness & Change*	e☐	e☐	e☐
f	Gerry Johnson & Kevan Scholes *Exploring Corporate Strategy*	f☐	f☐	f☐
g	Cliff Bowman & David Asch *Strategic Management*	g☐	g☐	g☐
h	John Bryson *Strategic Planning for Public and Non-Profit Organizations*	h☐	h☐	h☐
i	Michael Porter *Competitive Advantage*	i☐	i☐	i☐
j	Kenichi Ohmae *The Mind of the Strategist*	j☐	j☐	j☐
k	Tom Peters *Thriving on Chaos*	k☐	k☐	k☐
l	Ralph Stacey *Strategic Management and Organisational Dynamics*	l☐	l☐	l☐
	Others *(please specify):*			
i		i☐	i☐	i☐
ii		ii☐	ii☐	ii☐
iii		iii☐	iii☐	iii☐
iv		iv☐	iv☐	iv☐

Any comments?

15. Internal influences on strategy making

Please rate the importance of the following internal elements of the strategy process in your organisation. How much effect does each have? *(please tick appropriate boxes)*

		no effect	slight effect	some effect	strong effect
a	**policy making systems:** processes and decisions, setting broad objectives and rules governing organisational operation	0 ☐	1 ☐	2 ☐	3 ☐
b	**resource allocation systems:** processes and decisions, budget cycles, setting budgets, financial targets	0 ☐	1 ☐	2 ☐	3 ☐
c	**planning systems:** and cycles, detailed forward plans, setting detailed control and monitoring systems	0 ☐	1 ☐	2 ☐	3 ☐
d	**response systems:** for responding pragmatically to changes, adapting plans and budgets, switching resources	0 ☐	1 ☐	2 ☐	3 ☐
e	**professional practice systems:** the emerging practice of service delivery, new styles or policies evolved by service professionals	0 ☐	1 ☐	2 ☐	3 ☐
f	**service delivery systems:** changing organisational needs of service delivery, new methods of service delivery, new requirements for services	0 ☐	1 ☐	2 ☐	3 ☐

16. Styles of strategy making

How far does each of the following statements accurately describe the strategic style of your organisation? *(please tick appropriate boxes)*

	Strategic decision making as:	not at all accurate	slightly accurate	fairly accurate	very accurate
a	a rational decision making process leading to major shifts in organisation direction	0 ☐	1 ☐	2 ☐	3 ☐
b	a process of bargaining and accommodation leading to small or incremental changes in organisational direction	0 ☐	1 ☐	2 ☐	3 ☐
c	a rational decision making process based on small changes in organisational direction, experimentation and learning	0 ☐	1 ☐	2 ☐	3 ☐
d	a process of visionary leadership and major shifts in organisational direction	0 ☐	1 ☐	2 ☐	3 ☐

17. Methods of developing strategic managers

How much are each of the following methods for developing strategic managers used in your organisation? *(please tick appropriate boxes)*

		not at all used	slightly used	fairly heavily used	very heavily used
a	qualification courses including strategic management (e.g. MBA, DMS, etc.)	0 ☐	1 ☐	2 ☐	3 ☐
b	in-house management short course including strategic management	0 ☐	1 ☐	2 ☐	3 ☐
c	external management short-course including strategic management	0 ☐	1 ☐	2 ☐	3 ☐
d	job-rotation schemes aimed at developing strategic managers	0 ☐	1 ☐	2 ☐	3 ☐
e	mentoring scheme to develop strategic managers	0 ☐	1 ☐	2 ☐	3 ☐
f	assignment to special projects or secondments to develop strategic managers	0 ☐	1 ☐	2 ☐	3 ☐
g	participation in the strategic management process to develop strategic managers	0 ☐	1 ☐	2 ☐	3 ☐

18. Strategic abilities, knowledge or skills

How useful would you think each of the following strategic abilities, knowledge or skills are for public services managers? *(please tick appropriate boxes)*

		not at all useful	slightly useful	fairly useful	very useful
1	set detailed missions, policies, objectives and rules for the organisation	0 ☐	1 ☐	2 ☐	3 ☐
2	derive resource allocation and targetting from mission and policy objectives	0 ☐	1 ☐	2 ☐	3 ☐
3	use the organisation's planning system to support particular projects or policies	0 ☐	1 ☐	2 ☐	3 ☐
4	make pragmatic adjustments through experience of practical service delivery	0 ☐	1 ☐	2 ☐	3 ☐
5	integrate resource allocation and policy making systems	0 ☐	1 ☐	2 ☐	3 ☐
6	use the organisation's planning system to justify the organisational mission	0 ☐	1 ☐	2 ☐	3 ☐
7	make pragmatic adjustments through negotiating internal compromises	0 ☐	1 ☐	2 ☐	3 ☐
8	allow professional practice scope for innovation, within broad goals	0 ☐	1 ☐	2 ☐	3 ☐
9	use the organisation's planning system to produce rational solutions to problems	0 ☐	1 ☐	2 ☐	3 ☐

Strategic abilities, knowledge or skills (continued)	not at all useful	slightly useful	fairly useful	very useful
10 make pragmatic adjustments to stay within the broad organisational mission	0 ☐	1 ☐	2 ☐	3 ☐
11 integrate, through compromise, professional practice into organisational goals	0 ☐	1 ☐	2 ☐	3 ☐
12 allow for diversity and innovation in design and organisation of services	0 ☐	1 ☐	2 ☐	3 ☐
13 make pragmatic adjustments to stay within the overall plan	0 ☐	1 ☐	2 ☐	3 ☐
14 integrate, through persuasion or coercion, professional practice to match mission	0 ☐	1 ☐	2 ☐	3 ☐
15 achieve compromise and consensus over the design and organisation of services	0 ☐	1 ☐	2 ☐	3 ☐
16 set broad missions, policies, objectives and values for the organisation	0 ☐	1 ☐	2 ☐	3 ☐
17 adjust resource allocations to meet conflicting priorities and policies	0 ☐	1 ☐	2 ☐	3 ☐
18 use the organisation's planning system for learning and adaptation	0 ☐	1 ☐	2 ☐	3 ☐
19 integrate, through persuasion or coercion, professional practice to match plans	0 ☐	1 ☐	2 ☐	3 ☐
20 ensure services are broadly organised to meet mission and policies	0 ☐	1 ☐	2 ☐	3 ☐
21 ensure services are clearly defined and organised to meet plans	0 ☐	1 ☐	2 ☐	3 ☐
22 integrate ambiguous missions, policies, objectives and rules for the organisation	0 ☐	1 ☐	2 ☐	3 ☐
23 allow flexibility in resource allocation and allow resources to follow 'success'	0 ☐	1 ☐	2 ☐	3 ☐
24 tolerate diversity of missions, policies, objectives and rules within the organisation	0 ☐	1 ☐	2 ☐	3 ☐

19. Are there any additional areas of strategic abilities, knowledge or skills which you see as important for public managers? *(please continue on separate sheet if necessary)*

20. Public Management Careers *(please tick appropriate boxes)*

	General admin. or management	Functional professions (e.g. legal, personnel, IT)	Service professions (e.g. teacher, doctor, social worker)	Other (please specify)
1. Was your pre-managerial background in:	☐	☐	☐	☐
2. Has your managerial career been mainly in:	☐	☐	☐	☐
3. Are you now managing in:	☐	☐	☐	☐
4. Where do you expect to be in 5 years:	☐	☐	☐	☐
5. Do you have a qualification in:	☐	☐	☐	☐
6. Do you expect to gain a qualification in:	☐	☐	☐	☐

21. Public Organisation Type *(please tick appropriate box):*

A. Local Authority
a   County Council   a☐
b   District Council   b☐
c   Metropolitan District Council   c☐
d   London Borough   d☐
e   Other *(please specify)*   e☐

Department:
1   Chief Executives   1☐
2   Housing   2☐
3   Social Services   3☐
4   Education   4☐
5   Police Service   5☐
6   Environmental Health   6☐
7   Fire Service   7☐
8   Direct Service Organisation   8☐
9   Other *(please specify)*   9☐

B. NHS
a   RHA   a☐
b   DHA   b☐
c   FHSA   c☐
d   Special HA   d☐
e   NHS Trust   e☐
f   Non-Trust provider unit   f☐
g   Other *(please specify)*   g☐

C. Central Government

a	Department	a☐
b	Agency	b☐
c	"Quango" *(please specify)*	c☐
d	Other *(please specify)*	d☐

D. Other (please specify) ☐

E. Total Staff Employed

(please give figure for your <u>whole organisation</u>, except where you are answering for a Local Authority department (e.g. Social Services, Police) where you should give department staffing).

a	0-249	a☐
b	249-999	b☐
c	1,000-4,999	c☐
d	5,000-9,999	d☐
e	10,000+	e☐

22. Other Comments

Are there are comments you would like to add? *(please continue on separate sheet if necessary)*

Name of Organisation:

Your Name: Telephone:

Would you be willing to be interviewed as part of the follow-up research to this questionnaire?   ☐ Yes ☐ No

Please return to: Centre for Public Services Management
South Bank University, 103 Borough Rd.
London, SE1 0AA

Using reply paid envelope enclosed.

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