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## **5<sup>th</sup> Organisations, Artefacts and Practices (OAP) Workshop**

### **Managerial Techniques and Materiality in Management and Organisation**

#### **Studies**

7 - 8 December 2015

**Workshop Topic:** Fads and Fashions in managerial techniques adoption and the place of materiality in this process

**Paper:** The Impact of Contemporary Management Ideas: their influence on the Constitution of Public Sector Management Work

#### **Abstract:**

This paper draws on empirical research conducted in Australia's Public Service (APS) with the most senior management practitioners, comprising current and former Departmental Secretaries, which addresses the research question: *how have contemporary management ideas influenced Departmental Secretaries and their work?* (Shearer 2015). The contemporary management ideas in question, the majority of which are various forms of managerialism introduced by new public management theory, animated public sector reforms of public sector management work from the 1980s onward. It is noted that the reformers paid little attention to the uniquely

complex characteristics and nature of the public sector (Mascarenhas 1993, p. 325). The role played by Departmental Secretaries, central agencies and the government of the day in the acceptance or rejection of contemporary management ideas, including how such ideas travelled, were translated, transferred and transformed, is considered. Departmental Secretaries' disposition to accepting and their orientation towards management ideas are explored, as is the process by which such ideas become legitimised and accepted. Finally the extent to which senior public sector management transformation occurred as a result of the adoption of contemporary management ideas is considered. The conclusion is that many of the contemporary management ideas which became manifest amongst advocates of public sector reforms did *not* alter the constitution of public sector management work in Australia, because they were deemed inappropriate and unsuited for the public actors, environments, and roles and responsibilities that constitute public sector management work. Indeed, the reform concepts and terms did 'not map the territory [of public sector management] directly' (ibid).

## **Introduction**

Public sector reforms informed by contemporary management ideas that have taken place across Anglo-American polities since the 1980s were focussed on economic rationalist concepts and managerialist approaches that prevailed in the private sector. Hence, concepts such as efficiency and effectiveness were advocated for the public sector, often on the assumption that they were relevant and could be applied easily. Private sector management concepts, principles, processes and practices were promoted under the mantra of ‘let the managers manage’ to be followed by ‘make the managers manage’. Critics have deemed public sector reforms, inspired by contemporary management ideas, as unsuitable in application to the public sector, given the unique character of *public* management (Brunsson 2006; Gregory 2003; Moe 1994; Savoie 1994; Sundstrom 2006; Talbot 2001; Williams 2000). Nonetheless, these ideas became very fashionable in the English-speaking world.

This paper discusses the impact of contemporary management ideas couched as public sector reforms from the 1980s onward and specifically addresses the question of how contemporary management ideas have influenced Departmental Secretaries and their work? The role played by the Departmental Secretaries, central agencies and the government of the day, in the acceptance or rejection of contemporary management ideas, as well as analysis of how such ideas travelled, were translated, transferred, and transformed, is also considered.

## **Senior Public Sector Managers: Cynics and Sceptics**

*The Shock of the New*

Abrahamson and Eisenman (2008, p. 720) propose that management fads are ‘collective behaviours thought to arise from a chance conjunction of forces triggering their diffusion’ and that management fashions are ‘transitory collective beliefs that certain management techniques are at the forefront of management progress’ (Abrahamson 1996, p. 254). ten Bos (2000) argues that the problem with management fashions and fads is that they are rationalist and positivist, hence utopian and idealized rather than practically pragmatic and grounded in the reality of the lived experiences of those practicing management (Townley 2004), managers that require the exercise of judgement (Barnard 1936/2002). As Townley (2004) argues, there is a need for managers to use judgement and practical reason to determine which if any managerial techniques and technologies might be considered and applied based on their practical relevance and suitability.

Some of the new public management ideas underpinning reforms, were translated, transferred and transformed from private sector experience and thought (Czarniawska & Joerges 1996; Czarniawska & Sevon 1996; Sahlin-Andersson 1996; Sahlin-Andersson & Engwall 2002), sometimes in ways that suited public actors, their places of work and the activities they performed but not always. Contemporary management ideas and public sector reforms entered the APS through sponsorship by those with decision-making power, such as the government of the day and especially the Departmental Secretaries of the top four central Departments of Prime Minister and Cabinet, the Treasury, Finance, and the Australian Public Service Commission, in the APS. The evidence shows that it is the disposition of these parties that will determine the acceptance, adoption, promotion or rejection of ideas and reforms. Where such ideas are accepted, this is usually based on an assessment of the suitability of these ideas as deemed to ‘fit’ the existing public sector.

Departmental Secretaries are prepared to consider the merit of contemporary management ideas but disposed to think that such ideas are more than likely temporal fads and fashions rather than matters of substance, which creates a degree of scepticism and cynicism towards these ideas. Nonetheless, Departmental Secretaries are well positioned to consider contemporary management ideas because of their involvement in a range of local and 'globalising webs' (Hansen & Salskov-Iversen 2005, p. 214); hence, their disposition towards specific ideas is a determining factor in the eventual determination of their suitability, recommendation or rejection.

Many of the Departmental Secretaries interviewed commented on the 'faddish or fashionable' (2:48) nature of contemporary management ideas. Contemporary management ideas were seen as often coming in various 'tides or waves' (16:12) over time. Many contemporary management ideas were recognised as being temporally fashionable and so were generally avoided by Departmental Secretaries.

*So you necessarily have to think, is this particular management tide or leadership tide applicable to the public service or not? (14:12).*

Many Departmental Secretaries believe that management consultants and management gurus promote contemporary management ideas that are overly complex, theoretical, and unnecessarily complicated; in practice, they argue, such ideas are often based on common sense, practical experience and intuitive knowledge (2:35). Some argued that management consultants 'trammel their wares' using buzzwords, advocating so called new theories, new terms and new concepts which were simply a new '*flavour of the month*'. Some compared management consultants to '*snake oil salesmen peddling their wares*' (9) of management fads. They saw management fads as dangerous when they were accepted without consideration.

*I mean I have read most books about management and leadership that exist. Most of them are bullshit. They are mutually exclusive. They are quite contradictory in nature and they assume a one size fits all prescription for organisations. You most usually find this expressed by consultancy firms, they have got the solution to a problem you may not even know you have got when they come in and do this (20:23b).*

These fads created a degree of scepticism and cynicism amongst some Departmental Secretaries, especially those who had observed other Departmental Secretaries being ‘seduced’ by and succumbing to such fads on a yearly basis (7:13; 13:17e; 24:28).

Some believed that the APS had erred on the side of importing too many contemporary management ideas without applying a degree of analysis to establish the suitability and relevance of these ideas for the public sector: *‘I think we [the APS] sometimes ... make the error of sort of grabbing, trying to grab, whatever the latest thinking is in the private sector management world’ (10:11).*

Not all senior managers were just downright rejectionist. Some expressed concern that others in the public sector had dismissed all contemporary management ideas because of their distaste for management fads that had been adopted unquestioningly in the past.

*You know lots of terms that came out of the literature over the years that I think breed cynicism in a lot of people. Because most people who have been a witness to the impact that they [contemporary management ideas] were having in the public sector saw that they were usually temporal fads. The trouble is that people used to dismiss really good ideas as temporal fads because of the terms that were used sometimes and because many of them were temporal fads, they would dismiss everything (13:21).*

Many contemporary management ideas were understood to be variations on a theme. Delivery mechanisms such as information technology management, call centre management, and payroll management systems were examples of contemporary management ideas which had been considered and adopted but which were not original: *'So I think a lot of the new ideas force you to think about things in different ways but for me a lot of it is variations of a theme'* (2:23). Contemporary management ideas were often considered by Departmental Secretaries not to be new ideas but instead reinvented, or recycled, with many originating not from the private sector but from earlier public sector experiences (11:7d; 15:28a; 15:28b), such as the concept of merit based employment and promotion. They are reflecting here the primacy of the public sector and the public service to which they belong which frames their reception of ideas.

Often contemporary management ideas were thought recycled, based on the application of new or different labels or names, heavily promoted and marketed (11:7c; 13:20; 24:28). Departmental Secretaries commented that the public sector workforce was an educated workforce that was not easily fooled or persuaded by old management ideas purporting to be contemporary. Departmental Secretaries were mindful of promoting ideas, simply because they purported to be new. They recognised so many of these ideas to be, as Galbraith (1980) argues, labels applied by researchers and others to what has been created by practitioners in the past. Instead they applied an evaluative lens to such ideas (13:19).

*...I'm not cynical about having a theory of management. I suppose what I'm cynical about is old ideas being dressed up in new clothes every year, you know there is this sort of brilliant new theory, [but] there is not much new. But people make a living out of saying that they have got this*



*brilliant new way of seeing the world or of doing things and it's usually not new, it's just some well-tried and established principle by another name (7:12).*

Departmental Secretaries reflect a disposition that is predominantly sceptical, restrained, and sometimes disparaging towards contemporary management ideas. Their disposition is to be opposed to the majority of contemporary management ideas to which they are exposed because these ideas challenge their bureaucratic identities, clash with their political and governmental environments, and contradict their institutionalised work.

The majority of Departmental Secretaries, however, are not merely retrograde and iconoclastic. As will be discussed below, in a seemingly contradictory sense they acknowledge learning from exposure to contemporary management ideas via local and 'globalising webs' of public service affiliation. Departmental Secretaries, on occasions, offered constructive criticism of contemporary management ideas, indicating a need to show that they are modern thinkers, open-minded and receptive to change, even when they understood that positive change from such contemporary management ideas had mostly been negligible in its implications for their management work. It also reflects the view that Departmental Secretaries believe there may be no real need for change; as one shrewd former Mandarin commented: *'there would be something wrong with the bureaucracy [public sector] if you could change or break the bureaucracy'*.

#### *Exposure to Local and 'Globalising Webs'*

Departmental Secretaries are members of a variety of local groups, committees, fora and professional associations (or webs). These local webs (Hansen & Salskov-Iversen

2005) include the Australian Public Service Commission, the APS200 (a forum for the top 200 Senior Executive Service in the APS), the Secretaries Board, professional public sector bodies such as the Institute of Public Administration Australia (IPAA), professional associations and institutions such as the Australian Institute of Company Directors (AICD), the Australian Human Resources Institute (AHRI) and Australian Institute of Management (AIM). Departmental Secretaries' participation in these webs include: delivering presentations/sessions on a range of subject matter areas; advising and guiding other APS agencies; contributing to 'whole of government' initiatives and mandates; promoting the APS Values and the APS Code of Conduct, and other similar activities.

Departmental Secretaries commented that it was these local webs that enabled them to learn about contemporary management ideas (2:35), from within and across the public sector and to disseminate them to a range of communities, groups, and organisations in Australia and overseas (6:32). Such comment appears in stark contrast to Departmental Secretaries' sceptical, restrained, and disparaging disposition towards contemporary private sector sourced fashionable management ideas and exemplifies their portrayal of a more contemporary, accommodating, progressive, and adventurous persona.

*I guess I was influenced and pushed in certain directions by the management ideas that were current at the time. I think that's responsible in a way. You do need to try to stay across the literature and to be active in management forums and to listen and try to take the best ideas and to implement them at home (17:19).*

Departmental Secretaries were also exposed to contemporary management ideas via a number of global organisations, universities and colleges (Scott 2008) through participation in education, development, training, secondments, reading literature and other activities. In particular the Harvard Business School/University, (especially its Advanced Management Program), John F Kennedy School of Management, the *Institut Europeen des Affaires d'Administration* (INSEAD), Kellogg School of Business (North-Western University, Illinois), London School of Economics, Boston Consulting Group, McKinsey's Consulting, (and other academic institutions and 'think tanks') have featured prominently as vehicles for the development of Departmental Secretaries (12:16).

*So I was very fortunate that the government sent me to Harvard Business School to do the Advanced Management Program in 2008 ... I have got a Master's in Business Administration ... So I've seen lots of those [ideas] the latest in management thinking (4:14).*

Departmental Secretaries commented on seeking out influential principals, professors and other academics (within these above mentioned institutions) to learn from their ideas. Individuals mentioned as people to whom they had been exposed included US Secretary of State Colin Powell, CEO Jack Welch, author and consultant Steven Covey, Academics Peter Senge and Peter Drucker; contemporary public administration professors such as Malcolm Sparrow, John Kotter, Patrick Dunleavy, and Ronald Heifetz and other academics such as Daniel Goleman, Patrick Lencioni, Martin Seligman, Tony Wilson and others (1:10; 1:11; 12:16). The concept of 'superstitious learning' proposed by Levitt and March (1988, p. 325), whereby 'the subjective experience of learning [assumed after exposure to managerial ideas and techniques] is compelling, but the connections between actions and outcomes are

misspecified', might be indicated here: stars are remembered but, to beg the question, what they are remembered for is more problematic.

Although Departmental Secretaries commented on having valued this exposure as it allowed them to consider contemporary management ideas for application in their management work and more broadly across the public sector, at the same time they rejected many of the ideas from these sources as they deemed them to be, in essence, simplistic, common sense and of negligible value to their work; nonetheless, limited acceptance of many of these ideas contrasts with positive rhetoric about the value of such exposure. The positive rhetoric is akin to what Abrahamson and Fairchild (1999, p. 715) argue 'management knowledge entrepreneurs' generate to reduce the anxiety that can develop when 'environmentally induced performance gaps' in organisations develop, which call forward fashionable or 'quasi-magical' solutions. Their covert disposition is evident, despite a positive rhetoric.

*Malcolm Sparrow, a fellow from Harvard who did some stuff on leadership. Wrote a book, made about \$10 million out of it and he has got three principles to his philosophy. He says understand what you and your organisation [are] where you are, so what's your culture, your performance and all that sort of stuff, so understand that; understand where you want to go; and then finally go there [laugh]; that's it! (2:48).*

Departmental Secretaries acknowledged that contemporary management ideas were generated via collaborative communities of national peer and global government and public sector institutions. These institutions include: Public Sector Departments across Australia and more globally; Public Service Commissions across the world; Group of 20 (G20), Organisation for Economic Cooperation and Development

(OECD), International Monetary Fund (IMF) and other institutions who meet together with their peer Finance and Treasury Ministers. Best practices are shared across these global communities of peer institutions and intellectual property is aggregated and made accessible.

While communities of peer institutions expose Departmental Secretaries to contemporary management ideas, analysis of the evidence shows that it is contemporary public sector topics of a technical nature that are disseminated via such global webs rather than contemporary management ideas. Common frameworks and standards on a range of contemporary public sector topics are discussed and considered for use across jurisdictions. *'Internationally we've championed quite a lot of working closely together [on technical work] with the other [...] administrations'* (9:21c). Hence collaboration with peers provides Departmental Secretaries with opportunities to compare and contrast contemporary public sector topics of a technical nature with their peers with a view to improving this work (3:7; 3:14a; 3:14b; 9:10; 9:21d; 19:14a; 19:14b) rather than contemporary management work. These examples indicate their disposition towards contemporary management ideas is secondary in importance to them and their constitution of public sector management work.

Departmental Secretaries espouse a positive rhetoric of being open minded and receptive to contemporary management ideas and of being influenced by such ideas (8:12; 13:22; 17:21; 21:23; 22:25; 16:17b) via local and globalising webs. Their rhetoric shows a desire to appear current, progressive, and open to change (Parker & Ritson 2005; Williams 2004). They believe the public sector should not be insular and inward looking, and that it is not appropriate and indeed, is 'arrogant', to assume

that they cannot learn from or can ignore contemporary management ideas (*12:17a; 12:17b; 13:20; 25:8b*). Departmental Secretaries commented that consideration and comparison of contemporary management ideas is taking place more frequently than in the past. They commented that there is more flexibility today than twenty or thirty years ago, to consider and apply contemporary management ideas deemed applicable to the public sector (*11:6*). Yet contemporary management ideas and managerial artefacts have been largely ignored in public sector management work as they do not accord with the bureaucratic actors, the political governmental and bureaucratic environments or the duality of activities performed in the public sector. At best such ideas have been tolerated where necessary but generally have not taken hold because they were not deemed relevant.

The fervour, commitment and ideology of novel ideas, the reform processes in which they were couched and the managerialist narrative that frames them are mostly lost in practice. Contemporary management ideas, reforms and managerialist devices clash with a system that was and remains enduring because it is bureaucratic (not in a pejorative sense), political and governmental in substance. This system is enduring and influences public sector management work because it is much more relevant to how Departmental Secretaries constitute public sector management work.

Contemporary management ideas do not necessarily fit the public sector domain, because management fads and fashions originating from the private sector were foisted on a public sector that operates with a different logic. As Friedland and Alford (1991) argue, a set of competing and challenging institutional logics exists, in this case between the private and public sectors, and these different logics do not lend themselves easily to the acceptance of contemporary management ideas generated in

one sector for use across other sectors. Furthermore, despite comments made by Departmental Secretaries about understanding the need to consider contemporary management ideas, many explained they do not have sufficient time to devote to engaging with and considering these ideas (15:29b). The sourcing, consideration, analysis, translation, application and assimilation of contemporary management ideas require resources, not least time. But the public sector has not in a collective sense, dedicated sufficient resources to this activity and has not been able to benefit from the possible learning. The lack of resourcing is suggestive of the lack of value that these ideas are accorded, as generally resources are allocated to valued activities. They do not necessarily actively dedicate time to these and so their exposure is likely to be more ad hoc or incidental.

Contemporary management ideas were sometimes seen as being about an 'ideal' that was not realistic for the highly contextual constitution of public sector management work, especially because of the institutionalised 'command and control' style of management in the public sector. This makes it difficult for the public sector to apply contemporary management ideas, as these often contradict the established, traditional and conservative style of public sector management. This practice of conservative embeddedness fearful of novel challenges to the bases of its authority is reminiscent of the idealisation and utopianism of management fashions that ten Bos (2000) refers to and his suggestion (drawing on Achterhuis 1998, pp. 362-363) that managers in organisations tend to resist these idealised and utopian standards because they are understood to be unrealistic and impractical. Whilst managerialism is a term understood intellectually by the Departmental Secretaries and the broader public sector workforce, its practices do not resonate with how public sector management work is conceived and done. Furthermore the lack of passion of Ministers for the

management domain, as well as the lack of experience of it for most of them, also drives behaviour unfavourable to contemporary management ideas.

*The management idea has been the management ideal of doing. I've thought about good management and leadership over the years. I've spent time studying [contemporary] management ideas. I've actually been quite studious in reading up and understanding them. Not necessarily just applying them by rote. Because there are good things to be gathered from different management theories. [But] at the end of the day for me it was a question of maintaining my own authenticity and integrity (9:19).*

## **Legitimacy and Acceptance of Contemporary Management Ideas**

The constitution of public sector management work as described by current and former Departmental Secretaries in Australia's Public Service is fundamentally different from the managerialism that has been advocated by public sector reformers. Public sector management work has little to do with managerialism and much to do with the bureaucratic actors, political environments and duality of activities performed. Coupled with the relatively adverse disposition Departmental Secretaries typically have towards contemporary management ideas, there exists a process of legitimisation and acceptance required prior to the sanction of such ideas.

Departmental Secretaries referred to the roles played by government, central agencies and the public sector workforce in legitimisation and acceptance. Analysis of the evidence shows that although it is rare for such parties to legitimise and accept contemporary management ideas, even where such parties do so such ideas rarely modify the constitution of public sector management work in a significant sense. This is because of the enduring institutionalised nature of public sector management work.



### ***Role of Government and the Four Central Agencies***

The findings indicate that the legitimacy and acceptance of contemporary management ideas and their sanction are based on three primary factors. The first factor is the nature of the relationship between government and the public sector, as well as the government mood for centralised or devolved communication between the two parties. Where the nature of this relationship is open and collaborative it allows for decentralised communications and the public profile or media presence of the four central agency Departmental Secretaries is generally higher. However, where the relationship is closed and less participative, the Departmental Secretaries' freedom to communicate is restricted and their visibility or public profile is less. Departmental Secretaries commented that communications became more centralised as governments of all persuasions chose to adopt a singular and controlled message (16:18b; 16:21b-22). Communication during such periods comes directly from the government of the day, often via the Minister's Office. Thus, although seemingly contradictory, centralised communications create less cohesion in the take up of contemporary management ideas because the voices of the four 'key' Departmental Secretaries are quashed.

It is political factors that shape the dissemination and legitimisation of contemporary management ideas in public sector management. The adoption of such ideas is dependent on who controls the dissemination of communication, that is, the government or the public sector central agencies. If the public sector central agencies are closed out of the relationship with government it is difficult for them to disseminate contemporary management ideas across the sector and their take up is less palatable.

*But I think the inability to maybe translate in an open and visible way a lot of the management ideas and learnings that are going on elsewhere. That used to happen through the mechanism that I've talked about, through PM&C, Head of PM&C and others [Finance and Treasury] is not as evident these days as it was [due to centralised communication]. And I think it just seems to me that is having an adverse impact on the service as whole and its sense of purpose and direction and its take up of contemporary ideas (16:21a).*

The second factor in the legitimisation and acceptance of contemporary management ideas and their sanction is also dependent on the government's zest or propensity for such ideas and reforms (1:4c; 5:6). It was recognised that without political commitment, or when political commitment wavers, no real ideas or reforms would be realised. Departmental Secretaries recognised catalysts originating from within society that drove reforms through government to be implemented by the public sector. They explained that recent amendments to the Public Service Act 1999 (amended 2013) were brought about by demands from within society, agreed to by government through the Parliament, leading to consequent changes to the public administration framework. Thus, public sector reforms are dependent on the political judgements made by politicians within the government of the day.

*So there are catalysts every so often. They are really driven not from the bureaucracy but from the society. It says to government, what are you going to do about this? I think we are in a mess. Something has got to change drastically here and we want, we're looking to you, you're the government. So they're supported obviously by smart people in the*

*bureaucracy but in the end it's a political decision to make a big change*  
(5:16a).

Whilst the influence of government reforms and contemporary management ideas can be potentially significant because the public sector is responsive to government (3:24) and hence is required to follow its direction, reforms promoted (and in some cases forced through) by government rarely challenge traditions of public sector management work. Governments via their Ministers are less concerned about the management domain than they are about the technical domain or policy dimension of public sector work. Reforms and ideas are not regarded with the same gravitas as recommendations made in relation to public sector work that is fundamentally associated with its 'technical' core.

The third factor contributing to the legitimacy and acceptance of contemporary management ideas and their sanction is the role of the four central agencies and the strength of personality of their respective Departmental Secretaries. This factor aligns with the identification by Mathews (2015, p. 311) of the role individuals' play, encompassing their personality, in the decision to adopt ideas. Departmental Secretaries commented that those contemporary management ideas and reforms which are successful are often driven from within the public sector, in particular from its four central agencies: the Department of Prime Minister and Cabinet, the Treasury, Department of Finance, and the Australian Public Service Commission. These central agencies and the strength of personalities of their respective Departmental Secretaries influence which contemporary ideas and reforms are driven throughout the public sector. These central agencies and their Departmental Secretaries are in positions of authority, and have roles and the prerogative to recommend to government relevant

contemporary management ideas and reforms to improve the public sector and its management work.

*I was going to go on to say how influential it is the contemporary management ideas and how to fix public sector management. There are some key leadership positions within the public service that are fundamental to the take up of those ideas. Really if you think back about over the last 20-25 years or so, ... it's fallen more often than not to the heads of the Department of Prime Minister and Cabinet, the Public Service Commission, maybe the Department of Finance and maybe the Department of Treasury, so those four Departments. And at various points they have quite strong personalities. So if you think of PM&C in particular where you had the Max Moore Wiltons, you had the Peter Shergolds (16:17a).*

The personality of these Departmental Secretaries who head the four central agencies was considered to be a key factor in the promotion and implementation of contemporary management ideas and reforms and hence their legitimisation and acceptance. Depending on who they were, these position holders were able to consider contemporary management ideas from business, academia, and consultancies, and then promote/advocate and disseminate them across the public sector with greater or lesser success.

Departmental Secretaries work by *reinforcing* what they are *familiar* with and what they *value* and what they deem *appropriate* for the public sector. This indicates passive and active resistance to reforms with which they do not agree. Over the past four decades, various incumbents have initiated and effected reforms and ideas, often reflecting a bias towards the existing status quo or marginal and incremental

modifications to the constitution of public sector management work. However, over the past four decades these reforms have not always been incremental as the initial surge of managerialism (Pusey 1991) was radical and supposedly involved a paradigm shift. There have been waves of reform initiatives sometimes led by influential Departmental Secretaries and sometimes by governments influenced by external reformers, including managerial consultants/academics and business peoples, recently with the reform initiatives during the Rudd/Gillard government 'vigorously promoted by both the Secretary to the Prime Minister and Cabinet Department, Moran, and the Public Services Commissioner, Sedgewick' (Pollitt & Bouckaert 2011, p. 236).

Similarly, other Departmental Secretaries reported that they, their Departments, and the APS as a whole, were well regarded by the government and their views were regularly sought on contemporary management ideas, via formal invitations by the Australian Federal Parliament (3:13). They were asked to deliver presentations on their organisations' functions; to participate in orientation sessions for new members of Parliament incorporating sessions on the work of their Departments, and to deliver occasional lectures. On occasions, requests are made by the Parliament for Departmental Secretaries to discuss their views via semi-formal briefings on the future of public administration and similar topics. However, although there is respect and regard for the knowledge, experience and proficiency of the Departmental Secretaries, the contemporary management ideas which are shared are often those which reflect the status quo and so reinforce the constitution of public sector management work resulting in institutional isomorphism, and isopraxis (Powell, Gammal, & Simard 2005, p. 233).

## **Adoption of Contemporary Management Ideas**

Contemporary management ideas sanctioned by the government or the four central agencies are sometimes accommodated via tailoring in attempts to make them better fit the APS. Tailoring is not extensive because there is rarely great interest, concern or focus on innovation in public sector management work. The focus is on the rational managerial dimension of work: ideas have been imported directly into the public sector with little or no tailoring and have created dysfunction and disarray.

### *Tailoring, Translation, and Transformation*

Rarely did Departmental Secretaries embrace or adopt contemporary management ideas in an indiscriminate manner or assimilate them in their original form or in a wholesale manner (7:11; 17:21; 22:15; 24:28) ‘...yes we’ve certainly looked at those management ideas and concepts and typically we don’t adopt them vanilla’ (6:31). Departmental Secretaries reported keeping abreast of management ideas and considering their merits and applicability for the public sector (3:19). They chose to selectively ‘cherry pick’ what they took to be the best.

*... for the last 30 years, private sector ideas have been dominant. I think there was a lot of merit in some of those private sector ideas but I don’t think they translate perfectly into a public sector environment ... (17:19).*

Departmental Secretaries reported the adoption of tailored ideas such as the use of outsourcing of some services in which the public sector had little industry based expertise; the balanced scorecard adapted into a ‘four quadrant’ model focussing on stakeholder relationships, products and services, staffing, and business processes (3:19; 6:31b); scenario planning (22:25); the adaptation of Steven Covey’s ‘Seven

Habits' framework to encompass the articulation of values (*6:31c*); the use of total quality management and six sigma concepts in quality assurance processes and the achievement of ISO standards: principles of the 'learning organisation'; concepts associated with 'emotional intelligence' (EQ); project management; financial management; accrual based accounting and budgeting processes; concepts of 'transformational leadership' and 'adaptive leadership'; and customer service.

The tailoring of novel ideas comprised variation, selection, retention and rejection of managerial fashions as proposed by Abrahamson and Fairchild (1999) rather than simply acceptance and retention. However, most of these ideas reflect only the rational components of managerial work rather than the substantive constitution of public sector management work. As ten Bos (2000, p. xiv) argues, such contemporary management ideas and similar 'fashionable [management] topics' are often 'subjugated to rational and utopian forms of understanding rather than to a more lyrical one'. In reality, the constitution of public sector management work has changed only marginally, if at all, through the adaptation and adoption of such ideas.

Contemporary management ideas, introduced as a consequence of public sector reforms, have been controversial and problematic because they were adopted from the private sector, with little, if any, adaptation (*13:3*). The performance appraisal and management system, and its counterpart, the performance bonus system, were imported directly from the private sector to evaluate and measure performance. Although still in place in the public sector, Departmental Secretaries commented on the challenges which such systems brought to the sector (*18:3*). In effect they simply tolerate these systems as they have limited, if any, confidence in their value.

Although the performance appraisal, management and measurement systems are still in place their impact on the constitution of public sector management work is negligible because the parties bound by such systems, Ministers and Departmental Secretaries, understand and acknowledge their limitations and compensate for them by ‘working around’ these systems, rendering them devoid of their intended objectives in practice. As one Departmental Secretary commented, Ministers understand that although performance agreements are drafted and in place for Departmental Secretaries, their accountabilities often change *‘before the ink has dried on the agreement document’* (18) and so they are largely disregarded. Such systems resemble institutional polymorphism, and polypraxism (Powell et al. 2005, p.233) and their impact on the constitution of public sector management work is low.

*... I think we overstepped the mark see, where we used some private sector practices too far. I think we had some problems with accrual accounting, [and performance management systems] I think we had some problems with over reach in terms of losing sight of the values of the public service and some parts of that (24:6).*

The dismantling of tenure and the placement of Departmental Secretaries on contracts of employment was another public sector reform imported directly from the private sector with no adaptation or tailoring. Most former Departmental Secretaries considered it to be an inappropriate import from the private sector as it presented a challenge to the provision of ‘frank and fearless’ advice to Ministers and government by Departmental Secretaries (15:8b). Instead, insecurity created by the possibility of termination of contract was believed by some to have led to a change in the quality of advice provided to government.



Whilst current Departmental Secretaries hold a different view, notably that their advice continues to be ‘frank and fearless’, they do not articulate any diminution of the provision of ‘frank and fearless’ advice as to do so would be to admit weakness. Recently, advice offered to Ministers by current Departmental Secretaries indicates that there is an apparent risk to their continuing employment where that advice is deemed controversial for the government (see Bettles 2013). One can see this in regard to the termination of contract by the Abbott Liberal National Government in 2013 of the former Departmental Secretary of Immigration and Citizenship, Andrew Metcalfe (who was not a participant in this research).

Several other ideas copied directly from the private sector included the outsourcing of public sector information technology (IT) and human resources (HR) functions to the private sector and the introduction of a centralised industrial relations mechanism via ‘whole of government’ enterprise bargaining arrangements. Both of these ideas have led to unintended negative consequences such as higher costs, lower standards and services, confusion and dysfunction for the public sector (19:2, 19:2c).

*But at other times, some of these ideas for very good reason aren't necessarily sensible within the public sector or indeed the private sector. The classic is, well one of the classics, was huge outside, outsourcing of your core IT and your core HR capability and in my view, those things were both disasters for the public sector (14:13a).*

These ideas were seen as an aberration with unintended outcomes and the outsourcing approach has since been repealed and dismantled.

Analysis of the evidence indicates that many contemporary management ideas, especially those associated with managerialism, can be forced upon the public sector

with little tailoring, translation or transformation. Instead they are bolted on and merged into the existing frameworks, almost out of desperation but are not implemented with rigour. In other cases, naiveté is evident, whereby public servants can be seduced into uncritical acceptance by those promoting such ideas, especially where the promoters have limited knowledge, experience and interest in management and the public sector. Some of the younger, lesser experienced Departmental Secretaries more recently appointed to their roles, show more enthusiasm for such ideas than older, more experienced, shrewd veterans. Only remnants of managerialism remain in the constitution of public sector management work and these are treated with contempt.

Collectively contemporary management ideas and the public sector reforms on which they were based have had a mixed (often negative) but marginal impact on the constitution of public sector management work. Such ideas were generally considered with caution and scepticism and few were adopted or even adapted to fit the sector. Even fewer have effected radical change on the constitution of public sector management work. Instead incremental changes only have taken place.

#### *Equilibrium and Incremental Change*

Regardless of their origin, whether generated by the government, the central agencies, or the public sector workforce, contemporary management ideas are not accepted 'wholesale' for implementation across the sector. Instead, only relevant components of contemporary management ideas are considered with marginal influence as a result of the desire not to disrupt the equilibrium of the public sector by making '*abrupt shifts to the left or [to the] right*' (17:22). It is also a reflection of the acceptance by

the government, the central agencies, and the Departmental Secretaries that the public sector is highly institutionalised and not susceptible to radical change.

*And management ideas are like that too. And so, the most obvious one ... [the public sector] should pick up the approaches of the private sector because they're much more efficient, they can probably do the job better than the people in the public service and so on and so forth. There's some truth in that and still is. In fact, there was a lot of truth in it. But within that, the public sector has to find its own way. The reason it has to find its own way is that it's a different beast to the private sector. You know, it really is a different beast because its whole motivation is not to make money. Its motivation is to act and behave in the best interest of the country. And/or to do what the government of the day tells it to do. And that should be deemed to be in the best interest of the country because these people are elected by the people to be their leaders (14:12).*

Although reforms and contemporary management ideas play only a limited role, this does not mean stasis. One former Departmental Secretary held a view that the APS has been reformed and transformed since its inception more than a century ago, most recently over the past thirty five years, with this transformation contributing much to Australia's economic prosperity and wellbeing. Such reforms have modified some features of the Departmental Secretaries' activities predominantly as a result of successive legislative changes to the public sector (see Commonwealth of Australia 2010). These reforms and transformations have been slow, cautious and measured as befits the public sector: they have been considered with an eye to assuring fair and equitable treatment of citizens; they have been based on formal processes and procedures as required by the rule of law; they have been implemented where they

were deemed to be appropriate and relevant within the context of promoting the national interest. The transformation has been bureaucratic in nature, incremental over time, not necessarily overtly communicated and represents constancy in the constitution of public sector management work and hence is imperceptible to outsiders. This perception of the public sector's acceptance and implementation of change, albeit incremental, is held by many Departmental Secretaries.

*... the public service has been very successful in totally transforming itself. ... the period of economic reform over the last thirty years or thirty five years has been accompanied by a parallel period of public sector reform going through various phases which have been integral to the economic reform which has transformed Australia in a positive way. ...the point is [that] there is any amount of evidence that although public servants like to play by the rules, because that's their job, treat citizens fairly and equally, because that's their job, try to do the right thing with an eye to the national interest, because that's the sort of people we recruit into the public service. Despite all of those things nonetheless the public services have changed radically to the benefit of Australia and nobody's actually managed to explain that to the people (25:10).*

As Departmental Secretaries commented, what is not often acknowledged is that the constitution of public sector management work requires more than simply a managerial economic focus, because at its core is a policy dimension, and that '*policy is more than what economists work on, although, economists think that economics equals policy*' (25:8a). They explained it was problematic to apply contemporary management ideas, within the public sector, as it is considered to be a '*different beast to the private sector*' (14:12) one oriented to the governmentally bureaucratic and

political (Allison 1971; Allison & Zelikow 1999) rather than being market oriented. Departmental Secretaries made the comment that while there is much to learn from the private sector, there were important differences which needed to be taken into consideration and significant tailoring of models needed to be made so as to take into consideration the unique circumstances of the public sector. They commented on how many mainstream Ministerial Departments had considered contemporary management ideas but, recognising their limitations for the public sector, implemented few (25:8c).

Departmental Secretaries acknowledged the 'great divide' between the private and public sectors and that contemporary management ideas which were generated and travelled from the private sector, were limited in their applicability to the public sector. For many, contemporary management ideas played little role, if any, in their work (10). Many contemporary management ideas from the private sector were deemed not easily transferable and in some cases not at all transferable to the public sector. There was acknowledgement that public sector reforms or the 'new managerialism' were an attempt to take ideas that worked in the private sector context and apply them in the public sector, especially in an endeavour to improve the efficiency and effectiveness of the public sector.

Managerialism's proponents did not take into consideration the different logics that exist across the private sector and the public sector, rendering many contemporary management ideas unusable. Hence public sector management work has been influenced only marginally by external ideas.

## Conclusion

Many of the contemporary management ideas which became manifest within public sector reforms did *not* alter the constitution of public sector management work in Australia, because they were deemed inappropriate, neither suited to nor fitting for the public actors, the political environments, and the duality of roles and responsibilities constituting public sector management work. Reformers, with an economic rationalist perspective, advocated the introduction of contemporary management ideas that were derived from the private sector. As Friedland and Alford (1991) proposed, a set of competing and challenging institutional logics exists, in this case between the private and public sectors, and many contemporary management ideas simply clashed with public sector logics.

Ideas associated with efficiency and effectiveness were advocated for the public sector and a lexicon including terms also derived from the private sector, such as strategic planning, personnel management, financial management, and accountability for results, were introduced (Allison 1984; Pollitt & Bouckaert 2011; Stewart & Ranson 1988). Indeed, many have argued, as does this research that such concepts and terms ‘do not map the territory [of public sector management] directly’ (ibid).

The quest to ‘reinvent’ government or ‘banish’ bureaucracy [as suggested by the two texts *Reinventing Government* (Osborne & Gaebler 1992) and *Banishing Bureaucracy* (Osborne & Plastrik 1997)] was in effect a presentation of ideas which were ‘devoid of a knowledge of public administration and its historical context’ (Coe 1997; Fox 1996; Goodsell 1992; Kobrak 1996; Nathan 1995; Russell & Waste 1998; Williams 2000; Wolfe 1997).

Although, many if not all the contemporary management ideas proposed by reformers were circulated, diffused, and translated (Czarniawska & Joerges 1996; Czarniawska & Sevon 1996; Sahlin-Andersson 1996; Sahlin-Andersson & Engwall 2002) during their travels across the Anglo-American polities, they were received in a differential manner (Powell et al. 2005, p. 233), with only a *few* resembling processes of institutional isomorphism, isopraxis and isonymism whereas others resembled institutional polymorphism, and polypraxis, and still others were completely discarded. Such decisions were made in large part by the Departmental Secretaries of the top four central agencies in the APS and by others who constitute public sector management work in Australia's Public Service, as well as by the government of the day.

The research found that it was senior public actors who determined what if any of contemporary management ideas would be accepted and in what form, and that such determination was related to the extent that contemporary management ideas would 'fit' and suit the existing constitution of public sector management work. Ideas were judiciously considered and what appears to have endured is the Departmental Secretaries' unique constitution of public sector management work. Fads, fashions and radical changes seem more absent than present, despite earlier prognostications to the contrary (Pusey 1991).

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