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Beyond New Public Governance: A Value-Based Global Framework for Performance Management, Governance, and Leadership

Guoxian Bao¹, Xuejun Wang¹,², Gary L. Larsen¹,², and Douglas F. Morgan¹,²

Abstract

This article proposes a value-based model for performance management, governance, and public service leadership development. There are three distinguishing features of this model. First, the model is the product of considerable research and curricular “field-testing” with academic partners in the United States, China, Vietnam, and Japan. Second, the model deliberately integrates an emphasis on values, leadership, management, and governance into an organic framework that addresses many of the criticisms that have been made of New Public Management. Third, the model incorporates differences in the values and structures of authority among political settings, thus making it applicable across a wide variety of regimes.

Keywords

performance management, value-centered approach, New Public Management, New Public Governance, public value, leadership

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Introduction

This article has been inspired by the surprising results of an intensive set of interviews the authors conducted with more than two dozen high-level officials in five local city and county jurisdictions in western China in June 2011. Almost to a person, these officials shared their frustration at trying to balance competing values that resulted from the different priorities that emanated from each of the various levels of government (Bao, Wang, Morgan, & Larsen, 2011). The directives from the central government placed priority on effectively meeting certain policy goals (i.e., number of housing units built, the rate of economic growth, the amount of infrastructure created, etc.). But the provincial levels of government were limited by the amount of resources available and consequently were interested in having local officials work more efficiently (building more housing at less cost, increasing growth rates with the least amount of investment, finding ways of improving the completion of construction projects on time and under budget, etc.). At the local level where the work was getting done, political and administrative leaders had nowhere to hide from concerned citizens who wanted to know how officialdom was going to manage the work they were doing to mitigate the adverse impact on their lives. Being responsive to these citizen concerns was legally required and was consuming an increasingly larger amount of resources. It was surprising for us to hear the same concerns being expressed by local Chinese government officials that are frequently echoed by local public officials in the United Kingdom (Brookes & Grint, 2010; Micheli & Neely, 2010), the United States (Morgan, Green, Shinn, & Robinson, 1996; Morgan & Kass, 1993), and probably in most other parts of the world. They are all asking, “How do we balance the competing political values of efficiency, effectiveness, and responsiveness?” Public officials are asking for a framework that helps them triage these and other competing values while honoring the structures of authority and regime values within which they operate. That is the challenge and promise of this article.

This article presents a value-based leadership, governance, and performance management framework that addresses many of the criticisms that have been made of New Public Management (NPM). It also provides a starting point for helping public officials address more purposefully, systematically, and reflectively the competing values that are at the center of their work. The framework is informed by nearly 20 years of work and more than a dozen initiatives that include research grants, curricular development and leadership training projects, conference papers, and research studies. These are summarized and available on our partnership website.¹ We argue that the
value-based framework we have developed as a result of our collective experience through these various efforts can be used to improve government performance and advance the development of a shared research and leadership development agenda that is useful across a wide variety of political systems.

This article is divided into three parts. In the first part, we undertake a selective review of the literature and research on performance management and governance. This review focuses on the major weaknesses that have been associated with the NPM movement and what the New Public Governance (NPG) movement has added to the debate. We identify the weaknesses in both of these movements and use them as the basis for presenting our model in Part II of this article. In Part III, we summarize the advantages of a value-based approach to public performance and explore the implications of our value-based work with international partners for future public service research, education, and leadership development.

**Part I: The NPM and NPG Movements—Unresolved Issues**

The NPM movement has dominated public administration scholarship and practice for at least the past 30 years. NPM strives to make the services provided by government more responsive and accountable to citizens by applying businesslike management techniques with a strong focus on competition, customer satisfaction, and measurement of performance. There is a general agreement among scholars that these efforts have produced a variety of worthwhile results that include more proactive problem solving on the part of managers (Ammons & Rivenbark, 2008), better systems integration (Hatry, 2010, 2002; Moynihan & Pandey, 2005; Wholey, 1999), and more encompassing measures of performance (Hatry, 2002, 2010). However, there are three major weaknesses of using private sector business principles to improve the performance of government.

First, there is no common denominator like “profit,” “market share,” or “return on investment” that can serve as a common comparator across the wide range of public programs and criteria that count for building trust and legitimacy of citizens in their political institutions. Efficiency, effectiveness, and responsiveness to citizens (customers) do not exhaust the legitimating possibilities. In western democratic countries, values like fairness, equity, protection of rights, and transparency play an important role in determining the legitimacy of political institutions, processes, and outcomes (Cooper, 2003; Hefetz & Warner, 2004; Kelly, 1998; Lynn, 1998; Moe & Gilmour, 1995; Moore, 1994, 1995; Rosenbloom, 2003). In eastern single-party countries like
China and Vietnam, the value of state legitimacy and attendant policy/party control play a dominant role in shaping performance-based approaches to management and governance (Caulfield, 2006; Chan & Chow, 2007; Gilley, in press; Walker & Wu, 2010). In theocracies, there are religious criteria that may “trump” or at least be in conflict with other performance values.

The second weakness of using private sector models for improving government performance is that the public sector in all countries around the world comprises increasingly fragmented structures of authority that confound the possibility and even desirability of moving in a straight line from goals and objectives to instrumentally linked performance measures. In fact, there has been a concerted movement, especially in East Asian countries, to foster growth and reduction of poverty by assigning “state powers, responsibilities and resources to sub-national authorities and to private and civil society agencies under various forms of contract, partnership or principal-agent relationship . . . To this scale of governance is pinned the hopes of better service delivery and private enterprise promotion” with new forms of participation and citizenship (Wescott, 2003, p. 20). Fragmentation of authority places a premium on “leading in a power-shared world” (Crosby & Bryson, 2005; Morgan, Green, Shinn, & Robinson, 2008, chap. 11) and is the focus of an emerging literature, called New Public Governance (Osborne, 2010), which we will discuss in greater detail below.

Finally, NPM tries to use administrative approaches to solve problems that are essentially political in nature (Kettl, 2000; Larsen, 2008). The private market model assumes that consumers are the keepers of their own particular utility functions. But in the public sector, utility is contested and decided politically. Consequently, one of the chief functions of government is to collect the values of the community and create integrated responses to these values across increasingly fragmented government systems where values are in conflict (Kelly, 1998; Lynn, 1998).

Concerns with the NPM have spawned a countermovement by both practitioners and academics to place substantive political values more at the center of the governance debate than has been the case with NPM’s narrow instrumental focus. For purposes of this study, we are labeling this countermovement “New Public Governance.” This movement emphasizes three characteristics of public governance that are important for building trust and legitimacy and which are ignored and/or undervalued by NPM.

First, NPG is value centered. It argues that the goal of government is to promote the larger common good, not just improved efficiency, effectiveness, or responsiveness in the implementation of a given program (Alford, 2002; Moore, 1994, 1995; Stoker, 2006).
A second characteristic of NPG is that it emphasizes the importance of creating government processes that facilitate the generation of implementable agreements among wide-ranging stakeholders who may disagree on what course of actions will produce the maximum public value (Larsen, 2008; Sanger, 2008; Yang & Holzer, 2006). This is because NPG views politics as the politically mediated expression of collectively determined preferences (Alford, 2002; Moore, 1995; O’Flynn, 2007) rather than simply an aggregation of individual preferences. The consequence of this difference can be significant. For example, the United Kingdom has taken major steps over the past decade to reform the delivery of its social, education, medical, and justice services to citizens at the local level. In doing so, public officials have chosen to treat government performance, not as a set of rationally planned objectives but as a process of political mediation among contending stakeholders who have very legitimate differences regarding the public values that need to be at the center of the process. These efforts have resulted in the creation of a wide variety of new policy instruments, negotiated agreements, and performance measures that would have been difficult, if not unthinkable under NPM (Brookes & Grint, 2010; Osborne, 2010, especially chap. 16, 19, and 22).

A final characteristic of the NPG movement is that it views the creation of the public good as a coproduction process involving the public, the private market, and the nonprofit sectors (Crosby & Bryson, 2005; Larsen, 2008; Morgan et al., 2008; Osborne, 2008; O’Toole, 2010). Under this model, the role of government is not simply to regulate, distribute, or redistribute public benefits but to serve as a catalytic agent to invest private and nonprofit stakeholders in shared ownership of the public good. This can take the simple form of community policing programs or a much more complicated form of networked governance such as watershed management over a very large geographic area involving multiple stakeholders, jurisdictions, and structures of authority.

The three characteristics of NPG discussed above emanate from an assumption that government performance needs to be viewed from the perspective of the organic wholeness of a political system in which the public, private, and nonprofit sectors work together to create the uniqueness of a given political community. This view emphasizes the synergistic influence of history, social institutions, and culture in creating a shared system of values, agreement on governance processes and structures, and the respective roles that the private and nonprofit sectors play in the creation of the common good. Over the past decade, there has been a resurgence of scholarship that uses “polity” or “regime” as the unit of analysis for understanding performance, political change, governance, and leadership development (Cook, 1996; Elkin & Soltan, 1993; Johnson, 2002; Lauria, 1997; Leo, 1998; Morgan et al., 2008; Ozawa,
Our argument in this article accepts this view as the starting point for developing a cross-cultural framework for improving government performance. One of the challenges of starting with “wholeness” as the basis for advancing the public performance agenda is how to “operationalize” the whole so that it can be divided up into manageable and measurable parts. The next section proposes an answer to this fundamental question.

**Part II: A Value-Based Framework for Improving Public Service Performance Management, Governance, and Leadership**

In this section, we provide a framework that operationalizes our value-centered approach to government performance in ways that can be used for public administration research, leadership development, and education from one political system to another. The framework summarized in Figure 1 consists of the following four core elements: (a) contextual settings, (b) core political values, (c) authority structures and processes, and (d) organizational leadership and management competencies. In the sections that follow, we will elaborate on each of these four elements.

**Contextual Setting: Value Diversity and the Emergence of “Wicked Problems”**

One of the most important reasons for taking a value-centered approach to international public service education, research, and leadership development is the increasing importance that sensitivity to the contextual setting plays in determining the performance of governments and their leaders. Across the globe, we are witnessing the struggle of large and diverse political systems like China, the United States, and the European Union to align policy goals and implementation strategies with the values that are unique to the history, culture, and other relevant contextual factors of a specific geographic setting. All governments from the local to the international level continue to experiment with various models that will create better alignment between central policy goals and local values, whether it comes in the form of creating citizen/neighborhood associations, decentralizing government decision making, or creating semiautonomous governing entities and regions. All of these strategies represent variations on a public value-centered approach to governance and leadership that takes into account the uniqueness of the contextual setting.
In addition to the diversity of values that arise from the contextual setting, there is also the challenge of creating policy strategies that align with the particular characteristics of a problem that government is seeking to solve. For example, you cannot fight forest fires in the same way that you fight terrorism;
you cannot regulate prostitution in the same way you approach pollution or problems like “swine flu,” *E coli*, or “mad-cow disease.” High performance requires governments to adapt their policy and leadership strategies to the nature of the problems they are trying to solve. Drawing from our experience, ongoing research, and our review of the literature, we have created a typology of problems summarized in Table 1. Our typology draws upon the work of both Grint (2000) and Brookes (2008) but emphasizes the differences between difficult problems created by complexity and difficult problems caused by conflicting values.

**Table 1. Problem Types Based on the Dichotomy of Complexity and Value Conflicts.**

<table>
<thead>
<tr>
<th>Complexity</th>
<th>Value conflicts</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Quadrant 2: Complex problem</td>
</tr>
<tr>
<td></td>
<td>High complexity</td>
</tr>
<tr>
<td></td>
<td>Low value conflicts</td>
</tr>
<tr>
<td>Low</td>
<td>Quadrant 1: Straightforward problem</td>
</tr>
<tr>
<td></td>
<td>Low complexity</td>
</tr>
<tr>
<td></td>
<td>Low value conflicts</td>
</tr>
</tbody>
</table>

We have organized problems around a two dimensional scale. On the vertical axis, we have ordered problems by their degree of complexity: low or high. On the horizontal axis, we have ordered problems by the degree to which they are characterized by value conflicts: low or high. This results in four quadrants. In Quadrant 1, problems are characterized by both a low level of complexity and value conflict. Problems in Quadrant 2 are characterized by low levels of value conflicts but high levels of complexity. Problems in Quadrant 3 have the opposite set of characteristics: low levels of complexity but at least medium levels of value conflict. Quadrants 1 and 2 represent Classical Public Administration and NPM models. These models rely on the expertise of a specially trained cadre of professional career administrators to sort, order, plan, coordinate, develop, and implement solutions to problems, both simple and complex, under the direction of elected officials. These models do not anticipate that administrators will have lead responsibility for resolving value conflicts.

Problems in Quadrant 4 represent the most difficult challenge for governments and their leaders because they involve conflicts among competing values for which there is no easy and quick solution. For example, how do officials...
protect the environment without compromising economic growth? How do they respond to citizen concerns about new government initiatives without increasing the costs and compromising the efficiency of organizational operations? But these are exactly the kinds of trade-off problems that are becoming increasingly more common and for which public leaders have the least training, preparation, skills, and processes in place to successfully deal with them (Bao et al., 2011; Batie, 2008; Brookes, 2008; Grint, 2000). We have adopted the increasingly common practice of calling these value-centered trade-off problems “wicked.” They are considered wicked because there is no clear right answer as a result of the indeterminacy in the external environment, the unbounded nature of the multiple factors affecting an issue, the intransitivity of cause and effect, and the uncertain state of knowledge bearing on the problem (Brown, Harris, & Russell, 2010; Rittel & Webber, 1973). For these reasons, the problems in Quadrant 4 can be fairly characterized as wicked.

Problems in Quadrant 1 are often not exactly simple but can always be dealt with in a straightforward manner—acknowledging that such problems may take a lot of work to resolve. Problems in Quadrant 2 can be simply characterized as complex. Problems arising from Quadrant 3, even though there may be few moving parts, often prove to be difficult to resolve because there are deeply held value conflicts among participants. Because of this characteristic, we have labeled Quadrant 3 problems “difficult.”

It is important to emphasize that Table 1 is intended to serve a heuristic function, not to suggest that problems faced by leaders can be discreetly and neatly put into a box. In fact, quite the opposite is the case. Frequently, problems simultaneously reflect characteristics of all four quadrants. One of the chief tasks of a leader is to interpret the “noise” surrounding a given problem and organize its dimensions into prioritized actionable paths forward. We use the word “paths” to emphasize that a given challenge may necessitate undertaking a mix of initiatives over time, some of which treat the problem narrowly with a short-term focus, while also taking a more long-term set of actions that confront the value trade-offs. The language of pathways also captures the tentative or contingent nature of any given course of action, which will likely require reconsideration in the light of new information and circumstances.

**Core Political Values**

Every political system stands for something, a set of values that it holds up as the aspirational standard for measuring its achievements. For example, the United States values liberty as the primary value, in contrast to China and Vietnam, which give official primacy to the value of the greater collective
good. In addition to the underlying core values of a political system, there are party and ideological values that interpret these core regime values and transform them into policy platforms, policy initiatives, and public programs, which take on meaning through regime structures and processes. As these programmatic activities unfold and take on reality through the work of public officials at various levels of the political system, the value and meaning of these earlier initiatives undergo further transformation. The final stage in the value making and transforming process occurs when citizens and stakeholders experience and/or participate in these programs.

Figure 1 depicts an orderly flow from abstract institutions that form and hold values to their concrete expression by governments and people. However, the real world is a more chaotic and uncertain place where there is frequently some degree of misalignment among each of the four elements in Figure 1 that taken together produce the public good. In addition to the ongoing challenge of aligning each of the elements in Figure 1, there is the additional challenge of balancing competing values. It is inevitable that the process of socially constructing values through time creates tensions, which leaders of the political system must take into account and balance. How these values get balanced at any given point in time depends not only on which values are given primacy over others but also on the structures and processes of political authority, the competencies of the leaders, and the way in which these factors are shaped by local conditions, challenges, and contexts.

Authority Structure and Processes

A third set of factors that affect government performance and legitimacy is the structures and processes of authority through which collective action can be initiated and sustained. Increasingly, governments do not have all of the authority structures and processes in place to solve the problems that plague citizens, communities, and public officials alike. For example, illegal immigration, pollution, economic prosperity, health care, adequate housing, employment, and so forth are affected by global factors that no one governing entity can singularly control and, even if it could, has the resources to act alone. This creates the need to work with other government jurisdictions, companies in the market economy, nonprofit organizations in civil society, and other sovereign nation states to obtain the agreement and resources needed to succeed in meeting the performance expectations of citizens (Brookes, 2008; Crosby & Bryson, 2005; Grint, 2000; Morgan et al., 2008; Sarason & Lorenty, 1997). In short, the authority and power to meet performance expectations and maintain legitimacy and trust has become more dispersed, thus requiring leaders to
create and operate successfully in horizontal structures of authority in addition to traditional hierarchical structures. The latter relies on hard power approaches (i.e., the military, the rule of law, bureaucratic systems, the civil service, political parties, and control of the flow of information to citizens), whereas the former depends more on the use of soft power (i.e., persuasion, cooperation, cooptation, influence, relationships, partnerships, and collaboration).

**Need for New Organizational Leadership and Management Competencies**

Legitimacy is not only shaped by the values and the political decision-making structures and processes of a given political system but also by the competencies of those who fill these positions and serve as the agents of the regime’s values. Legitimacy suffers when the leaders are not viewed as trustworthy stewards of the regime’s values or when the leadership representation of the regime is out of alignment with the underlying societal values. Elected, appointed, and career public officials play decisive roles in discerning and appropriately acting upon the multiple and competing regime and societal values that are always in play and doing so in ways that build trust and legitimacy.

As we argued in the previous section, public service leadership competencies have traditionally been judged in relationship to a given position within a hierarchical system of governing authority. But, increasingly, leadership competencies are being judged in terms of the ability of government to create authority that operates successfully in horizontally dispersed power settings and is responsive to the expectations of the citizens. Public officials must be good not only in doing traditional hierarchical management but also at creating and operating in loosely constructed networks and confederations that are held together by agreement rather than rules and the exercise of hard power (Brookes, 2008; Crosby, 2010; Morgan et al., 2008, chap. 11; Salamon, 2002).

One way of seeing the wide range of leadership competencies needed for high performance is to map what counts for successful problem solving under different problem settings. We have used our previous list of problems in Table 1 to identify some of the implications for successful leadership. Table 2 illustrates that leaders need to operate simultaneously in two worlds, one that is highly structured and rule centered and another that is highly unstructured and relationship centered. The skill-sets and competencies needed to be successful while operating simultaneously in these multiple settings have important implications for those of us in the academy who are responsible for public service leadership development, as well as for public officials who are faced with the challenges.
Table 2. Leadership Competencies for Successful Problem Solving.

<table>
<thead>
<tr>
<th>Problem type</th>
<th>Straightforward</th>
<th>Complex</th>
<th>Difficult</th>
<th>Wicked</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>System orientation</strong></td>
<td>Monocentric internal focus</td>
<td>Polycentric internal focus</td>
<td>Minicentric external focus</td>
<td>Polycentric external focus</td>
</tr>
<tr>
<td><strong>Value orientation</strong></td>
<td>Agnostic values</td>
<td>Explicit values</td>
<td>Limited explicit value conflicts</td>
<td>Unlimited explicit value conflicts</td>
</tr>
<tr>
<td><strong>Leadership actions</strong></td>
<td>Output management</td>
<td>Coordination</td>
<td>Interest-based conflict resolution</td>
<td>Diplomacy</td>
</tr>
<tr>
<td><strong>Focus of leadership actions</strong></td>
<td>Management within an organization</td>
<td>Coordination among organizations</td>
<td>Forging collective horizontal leadership</td>
<td>Forging collective vertical and horizontal leadership</td>
</tr>
<tr>
<td><strong>Results of leadership</strong></td>
<td>Efficiency</td>
<td>Effectiveness</td>
<td>Agreement on actions</td>
<td>Agreement on the nature of the problem and its solution</td>
</tr>
<tr>
<td><strong>Performance unit of analysis</strong></td>
<td>Outputs, transactions</td>
<td>Outcomes</td>
<td>Conflict resolution</td>
<td>Consensus building</td>
</tr>
<tr>
<td><strong>Leadership archetype</strong></td>
<td>Tactical and operational management</td>
<td>Strategic management</td>
<td>Strategic leadership</td>
<td>Transformational leadership</td>
</tr>
<tr>
<td><strong>Philosophy of public administration</strong></td>
<td>Classic public administration</td>
<td>New Public Management</td>
<td>New Public Governance</td>
<td>Value-based governance</td>
</tr>
</tbody>
</table>

Part III: The Advantages of a Value-Centered Approach to Public Administration Education, Training, and Research—A Return to a Foundational View of Public Administration

Some argue that a value-centered approach to government performance and leadership offers a new paradigm and a different narrative of reform. Its strength lies in its redefinitions of how to meet the challenges of efficiency, accountability, and equity and in its ability to point to a motivational force that does not rely on rules or incentives to drive public service reform. It rests on a fuller and rounder vision of humanity than does either traditional public administration or new public management. (Stoker, 2006, p. 56)

We agree that a “value-centered” approach is significant. In fact, we argue that it is a return to an older view that is commonly associated with the founding of
nation states. One way of seeing this is to map the evolution of public administration through its various stages of development.

In Table 3, we summarize the evolution of the study and practice of public administration through at least five stages of development. We call the first stage preclassic because it precedes the conscious creation of public administration as a formal field of study and captures what leaders are expected to do when undertaking nation/state building. Studies of the role of public administration during these successful founding periods document the importance of administrators using their discretion to assist the political leaders in building the trust and legitimacy of the political order. This was the genius of both Genghis and Kublai Kahn who together united China and laid the foundations for the modern world (Weatherford, 2004), of Ataturk who founded the Turkish Republic (Bay, 2011; Mango, 2000), and of the American Founders (Green, 2002; Morgan et al., 2008; White, 1948). All of these founders viewed the work of administrators as foundational to government performance. They consciously recruited their administrative cadre for their competence in building systems, for their sensitivity to the needs and values of local citizens, for their ability to increase the reputation and trust in the larger political system, and for their ability to create and maintain a shared sense of common values and purpose. In short, the work of administrators was not seen as being simply instrumental but as being an integral part of shaping the meaning, value, and legitimacy of the political order itself. After reviewing the various stages of development in Table 3, we will conclude with the argument that value-based public governance is a return to this preclassic concern for building trust and legitimacy.

Column 3 of Table 3, what we call classic public administration, represents the emergence of public administration as a distinct field of study. It has its origins in the progressive era of the late 1800s and early to mid-1900s (Morgan et al., 2008). Salamon (2002) observes that classical public administration theory “posited a new type of institution . . . that would overcome the three major problems long associated with government bureaucracy—that is, excessive administrative discretion, special-interest capture, and inefficiency” (p. 9). From the beginning, public administration has concerned itself with the business of (a) restricting government agencies to administration of policy rather than making it, (b) staffing of agencies based on competence rather than influence, and (c) management principles aimed at efficient dispatch of duties.

Column 4 of Table 3, called New Public Management, has been the dominant paradigm for the last three decades. As documented in Part I, it has accomplished multiple goals, including increasing government efficiency,
<table>
<thead>
<tr>
<th>Distinguishing characteristics</th>
<th>Preclassic nation building</th>
<th>Classical public administration</th>
<th>New Public Management</th>
<th>New Public Governance</th>
<th>Value-based performance governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theoretical basis</td>
<td>Regime theory</td>
<td>Political science, public policy, organizational theory</td>
<td>Rational/public choice theory, management science</td>
<td>Institutional, network, theory of agency</td>
<td>Political economy, regime theory, complex interdependence</td>
</tr>
<tr>
<td>Concept of state</td>
<td>Unitary</td>
<td>Unitary</td>
<td>Regulatory and privatized Organizational performance</td>
<td>Plural and pluralist Public value coproduced with partners in networks</td>
<td>Regime-dependent Value-based performance</td>
</tr>
<tr>
<td>Management focus</td>
<td>Nation</td>
<td>Organizational hierarchy</td>
<td>Coordination</td>
<td>Interest-based conflict resolution</td>
<td>Diplomacy</td>
</tr>
<tr>
<td>Leadership actions</td>
<td>Nation building and statecraft</td>
<td>Output management</td>
<td>Coordination among organizations</td>
<td>Forging collective horizontal leadership</td>
<td>Collective vertical and horizontal leadership</td>
</tr>
<tr>
<td>Leadership scope</td>
<td>A people and their destiny</td>
<td>Management within an organization</td>
<td>Coordination among organizations</td>
<td>Agreement on actions</td>
<td>Agreement on the nature of the problem and solution</td>
</tr>
<tr>
<td>Leadership results</td>
<td>Institutions and processes of state</td>
<td>Hierarchical and professional control: efficiency and effectiveness</td>
<td>Customer satisfaction, efficiency, effectiveness</td>
<td>Customer satisfaction, efficiency, effectiveness</td>
<td>Customer satisfaction, efficiency, effectiveness</td>
</tr>
<tr>
<td>Value orientation</td>
<td>Variable</td>
<td>Agnostic values</td>
<td>Explicit values</td>
<td>Limited explicit value conflicts</td>
<td>Unlimited explicit value conflicts</td>
</tr>
<tr>
<td>Value arbitration</td>
<td>Institutions and processes of state</td>
<td>Hierarchy</td>
<td>The market and classical or neoclassical contracts</td>
<td>Networks and relational contracts</td>
<td>Renewed institutions and processes of the state</td>
</tr>
<tr>
<td>System orientation</td>
<td>Monocentric</td>
<td>Monocentric internal focus</td>
<td>Polycentric internal focus</td>
<td>Minicentric external focus Conflict resolution</td>
<td>Polycentric external focus Consensus building, trust, and legitimacy</td>
</tr>
<tr>
<td>Performance unit of analysis</td>
<td>Legitimacy</td>
<td>Outputs transactions</td>
<td>Outcomes</td>
<td>Outputs</td>
<td>Outcomes</td>
</tr>
<tr>
<td>Leadership archetype</td>
<td>Visionary</td>
<td>Tactical and operational management</td>
<td>Strategic management</td>
<td>Strategic leadership</td>
<td>Strategic leadership</td>
</tr>
</tbody>
</table>

Source: Adapted and expanded from Osborne, 2010, p. 10.
improving service access and delivery to citizens, and downsizing government while expanding the private and nonprofit sectors (Brookes, 2008). But its business-centered approach has created deficiencies, which columns 5 and 6 in Table 3 have intended to correct.

The deficiency represented by column 5, labeled New Public Governance, is the preoccupation of NPM with vertical structures of authority to the neglect of the horizontal structures and civil society, which are more common in mixed economies with federal models of governance and fragmented power among the legislative, executive, and judicial governing functions. Column 5 represents a shift in focus from what it takes to make things work in vertical structures of authority to what it takes to make things work in horizontal structures. Salamon (2002) observes that this shift has five important consequences: (a) the creation of new policy tools and instruments, (b) an interest in networks in addition to hierarchies, (c) new partnerships arrangements among public, private, and nonprofit organizations, (d) an emphasis on the skills of negotiation and persuasion, and (e) the importance of enabling skills in addition to traditional management skills.

Column 6 of Table 3 represents the current stage of development with an emphasis on value-based performance. Though the definition of public value is ambiguous and the approaches for understanding what it means vary, there is growing agreement that it offers a new paradigm with several important advantages (Jørgensen & Bozeman, 2007; O’Flynn, 2007; Smith, 2004; Stoker, 2006).

First, a value-centered approach facilitates the integration of strategic leadership with the more tactical and operational day-to-day concerns of performance management and measurement. Performance management systems that are not tied to or at least consistent with current strategy run the risk of maintaining and/or improving immediate performance on previously established criteria of success but increasingly miss the mark in terms of where the organization should be heading in the long run (Poister, 2010). A value-centered approach provides a means of combining strategy and performance management together to move beyond efficiency and efficacy to the production of public value.

A second advantage of a value-centered approach is that it highlights the importance of relationship management skills in building trust and confidence in government and their officials. Unlike traditional performance management where simple goals and a system of hierarchy suffice, a value-centered approach requires public managers to put the values of the polity, a project, or an initiative at the center, while negotiating horizontally and vertically within and outside of government with vested stakeholders to be successful.
This process provides the opportunity to construct a shared definition of performance among multiple stakeholders.

A third advantage of a value-based approach to performance management and leadership is that it highlights the importance of public processes as the primary instrument through which public value is both expressed and created. Under traditional performance management, planning, decision making, and design of implementation are always made by government itself according to its current political mandate, resource availability, and financial conditions. However, to achieve value-based performance, public officials have to decide what kind of public processes are appropriate to solicit the value concerns that are related to a given policy, project, program, and situation at hand. Knowing what process instruments to use and their potential advantages and disadvantages becomes an important part of the repertoire of leadership competencies that are needed to be successful.

A fourth advantage of a value-based approach to performance is that it expands the capacity for individual and organizational learning. Single-minded pursuit of efficiency and effectiveness without paying attention to their relative importance in the larger panoply of public values comes at the expense of individual and organizational learning. In traditional performance management practices, learning was mostly accomplished through performance models such as benchmarking and best value, in which best practices and standards were provided. This kind of learning mimics what others have done but does little to encourage innovative thinking. A value-centered approach where multiple values are in contention requires participants to be imaginative in creating solutions that are unique to the value set in play at each moment in time. This kind of environment encourages constant self-reflection on the best course of action and the performance criteria for measuring success (Argyris & Schon, 1978; Schon, 1983).

A fifth advantage of a value-based approach to performance is that it reinforces what research shows is necessary for building and maintaining strong organizational cultures (Schein, 1985, 1993). Creating a value-based performance culture in the organization is important for providing consistent service over time. Reliance on rules and “hard power” is both costly and sporadic in its reach, as evidenced by NPM. Under NPM, performance evaluation was often perceived as a threat to the role, the values, and even the integrity of public service professionals who were required by law to provide certain kinds and levels of service. The results of NPM evaluation were frequently perceived as “finding fault” and/or endangering the financial support of a given program. Blame and punishment in many ways is the antithesis to evaluation, problem solving, and performance improvement management. A
value-based approach provides the opportunity for participants to build agreement around shared value. Even when there are irreconcilable value differences, they can be viewed as an integral part of the public service mission of the organization and thus more easily be transformed into organizational norms that build trust among organizational members in ways that reduce the perception by outsiders that the organization is at war with itself.

A sixth advantage to a value-based focus is that it is particularly useful, if not necessary, in settings where there is a stalemate among opposing ideological, religious, ethnic, or other factions or where public officials have become corrupt, self-serving, and lost their way as to the core public values in the name of which they serve. In such circumstances, traditional interest-based and pluralist assumptions of the importance of negotiating and compromise do not work well. Instead, a value-based approach is needed to identify and create a shared set of common values within which an interest-based system can operate (Kemmis, 1990). Values are necessary for the creation of moral integrity of the whole, whether we are dealing with individuals or political systems. In the absence of this shared integrity, participants in the governing process are likely to resort to confrontation and the use of force to deal with their dissatisfactions. Although the United States is frequently celebrated for the absence of a value-based politics, it is important to remember that this pluralist and interest-based system rests on a shared set of assumptions about the primacy of the value of individual liberty. When there is no such shared value-based foundation upon which action can proceed, it has to be created. Our model is especially intended to address these sets of circumstances, rather than replace effectively functioning pluralist systems that rely on negotiation and compromise to reach agreement as their modus operandi.

Finally, a value-based approach to public service performance provides a rich opportunity to build a shared international research, education, and public service leadership agenda around a common set of questions. A performance agenda that focuses only on efficiency and effectiveness draws participants inward rather than outward to the contextual setting that gives meaning to efficiency and effectiveness. A value-centered approach, however, draws the attention of participants outward to focus on the way in which differences in values shape the meaning of both efficiency and effectiveness and their relative importance in the larger panoply of values. This is one of the most interesting features of working with international partners.

In the appendix, we provide a summary of the major questions that have emerged from our value-centered approach to public administration in working with international partners in China, the United States, Japan, and Vietnam. These questions elaborate the agenda for our future work together.
We also believe these questions provide the basis for building a much larger international consortium of educational institutions around the world that would be devoted to a value-based approach to public service education, research, and leadership development.

We conclude this article with the observation that the transitional development of public administration through its various stages has come full circle back to the kinds of challenges and fundamental issues that faced the founding generation of every nation as they engaged in the task of nation building. A value-based approach to government performance draws our attention to the “wholeness” of the task of building and maintaining governmental legitimacy and trust in governing officials. It is a reminder that public officials—both political and administrative—citizens, businesses, nongovernmental organizations, and academia all have an important and privileged role in helping our respective governing systems rise to this challenge, whether it is the nation-state or our local systems of governance. Only through a value-centered approach orchestrated by government through its public officials can trust, legitimacy, and sustainable development be achieved. Systems of bargaining, negotiation, and compromise can take place only when there is a shared set of values held in common by participants in the process. The many constant and spontaneous uprisings around the globe are a bleak reminder of what happens when public officials fail to take seriously their stewardship responsibilities to place public values at the center of governance.

Appendix

A Proposed International and Cross-Cultural Framework for Value-Centered Public Administration Education, Research, Governance, and Leadership

Public Values

1. What is the source of public values?
2. How do the sources of public values vary from one political system to another?
3. What public values are held in common across political systems?
4. What are the processes by which government and its leaders capture and use public values in ways that are relevant to their work?
5. What are the feedback mechanisms that enable government and its leaders to know that they are being successful in their “public value”-centered approach to governance and leadership?
6. What evaluation approaches can be used to determine the effectiveness of public value-centered mechanisms that government uses?
7. How can public values best be incorporated into performance measures for public administrators?
8. Does an orientation toward public values result in improved public welfare?
9. What benefit do public administrators perceive in an orientation toward public values in leadership and management? How does this benefit compare to those perceived by elected officials.
10. What are some effective mechanisms and strategies for identifying and successfully dealing with the multiplicity of values that need to be taken into account when undertaking a given policy initiative and moving forward in its implementation?

**Contextual Responsiveness and Accountability**

1. What are some effective leadership and management models that enable flexibility in policy implementation?
2. How does the need for contextual responsiveness vary with the kind of problem that government is seeking to solve?
3. How and to what extent do the kinds of contextual factors affect the need for flexibility in policy implementation?
4. What are some effective mechanisms to assist policy makers in deciding how much flexibility to incorporate into policy initiatives and implementation?
5. What kinds of performance measures are useful for determining the success and effectiveness of “contextual responsiveness”?

**Aligning Public Values With the Character of Public Problems**

1. Is an orientation to public values equally efficacious for all kinds of public problems?
2. What kinds of performance measures are most appropriate for the various kinds of public problems that government is trying to address?
3. How can performance measures for different kinds of problems be aggregated and used by public agencies whose missions and work require a wide mixture of problem solving strategies?
4. What are effective strategies for developing performance measures for problems that undergo transitional change or when the perception of decision makers and affected parties is in disagreement?
Authority Structures and Processes

1. How does a public value approach to governance and leadership operate differently at the central, provincial/state, and local levels of government?
2. How should performance measures change with the level of government?
3. How does a public values orientation to governance and leadership affect the boundaries between the roles of elected or appointed political officials and public administrators?
4. What is the nature of conflicts that may arise between political officials and public administrators around an orientation to public values?
5. What are the implications of “power-shared” problem solving for the various levels of the bureaucratic and political hierarchy?
6. What are successful strategies for ameliorating value conflicts between administrators and elected officials?
7. What strategies can be used to assist administrators and elected officials embrace a public value approach to governance and leadership?

Leadership Competencies for a Value-Based Approach to Governance and Leadership

1. What competencies are needed by leaders who are required to simultaneously operate within vertical and horizontal structures of authority?
2. What are successful techniques and strategies for success in a power-shared world?
3. What leadership competencies are needed for each of the different kinds of problems that government seeks to solve?
4. What leadership competencies are needed for “power-shared” approaches to problem solving? How do these competencies differ for elected officials and career administrators?
5. What are the most effective strategies for assessing the kinds of competencies that public administrators and elected officials need to be successful in their work?
6. What are the most successful strategies for providing public officials with the competencies they need to be successful?
7. What kinds of performance measures can be developed to assess whether public officials possess and successfully use the competencies needed to be successful?
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Notes

1. See http://www.lanzhou-hatfield.pdx.edu/prwp-0
2. The term New Public Governance first appeared in print in 1998 (Toonen, 1998). The term has consistently been used to describe new governing structures and processes that include intergovernmental processes and partnerships across the public, private, and nonprofit sectors and policy instruments to promote the common good (Larsen, 2008; Osborne, 2008, 2010; Sullivan & Skelcher, 2002).
3. This section draws heavily from the three-way partnership initiated in 2003-2004 between the Hatfield School of Government, The Ho Chi Minh National Academy of Politics and Public Administration, and the School of Management at Lanzhou University. See Note 1 for a list of papers that have been produced by these partnerships and which serve as the spawning ground for this article.
4. We have used the information in Tables 1, 2, and 3 to develop a new leadership development curriculum called EMERGE. It is designed to better prepare leaders to operate simultaneously within vertical and horizontal structures of authority and to operate successfully in a “wicked problem” environment (see Ingle, Dihn, & Dang, 2011; Ingle & Myint, 2011; Magis & Duc, 2011, in Note 1).

References


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