

How Public Management Matters Survey 2007

Summary Report

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Introduction

The impact of management on organizational performance has become a defining issue for the theory and practice of public management, and has been a primary focus of local government modernization in recent years. Research suggests that managers shape performance at multiple levels, directing attention internally at operations, targeting various parts of the environment, and executing core tasks with varying levels of skill or adroitness. However, the rapidity with which public service improvement strategies have been put in place means that knowledge has not kept pace with practice. To address these critical theory, policy and practice issues the How Public Management Matters project aims to provide robust evidence on the ways that management improves the performance of public organizations.

The research objectives for the project will be achieved by undertaking detailed analysis of electronic surveys sent to managers in English local authorities. The first of these surveys was distributed to local government officers in late 2007. The primary management activities examined in the 2007 survey were strategy processes (or strategy making), strategy content (or the outcome of strategy making) and networking. Prior research suggests that appropriate strategies improve performance in the public sector, and that managerial networking can enhance public service outcomes. In this project, we seek to integrate these two key functions of management, thereby developing new theories and evidence on the determinants of local service performance. This report provides a brief descriptive summary of the key findings to emerge from the 2007 survey.

Survey

In addition to focusing on strategy processes (how decisions are made in authorities), strategy content (what authorities do), networking and performance, the survey also contained questions on partnerships and contracting, organizational structure, performance management and information technology, managerial quality, human resource policies, civic orientation, and the organizational environment. All of the survey questions took the form of a Likert scale, where 1 = strongly disagree and 7 = strongly agree.

The survey was in the field from October 2007 to January 2008. It was sent to 6975

respondents in all English local authorities. We received responses from 1085 respondents in 325 authorities; this gives a response rate of 85% from local authorities and 16% from individual officers.

Results

The discussion of the results is based on analysis of the overall mean scores for local authorities and then the mean scores for the different types of authority (see table 1 in Annex 1 for the full results). To test for statistically significant differences between types of authorities, we ran a difference of means test called ANOVA. The final column of table 1 indicates whether we found the presence of significant differences between each type of authority.

Strategy

The survey contained multiple items assessing the extent to which strategy processes were rationally planned (e.g. 'when the authority/service formulates strategy, it is planned in detail') or incrementally developed (e.g. 'strategy develops through an ongoing process of adjustment'). The survey results indicate that authorities are likely to exhibit both approaches to strategy-making. Indeed, distinctive strategy-making processes are adopted within all authorities (the mean score for the question 'there is no discernible strategy process in our authority/service' was 2.00). The ANOVA tests revealed that county councils were, on the whole, more likely to have incremental strategy processes than other types of authority.

Three types of strategy content were examined in the questionnaire. *Prospecting* is a strategy of proactive innovation (e.g. 'searching for new opportunities for service delivery is a major part of our approach to service delivery'); *defending* is associated with focusing upon core activities and improving efficiency (e.g. 'reducing the costs of service delivery is a major part of our approach to service delivery'); *reactors* are organizations that usually reply upon signals from the external environment on what type of strategy to adopt (e.g. 'our strategies are strongly shaped by external pressures'). The results indicate that authorities adopt a mixture of strategies, but that there were some differences between types of authority. District councils were less likely than all other types of authority to pursue a prospecting or defending strategy.

Networking

Respondents indicated the proportion of time they spent managing inside and outside the organization. The survey findings suggested that officers spend around two-thirds of their time managing inwards and around a quarter outwards. Managers in district and county councils were more likely to manage outwards and London boroughs the least likely, with the differences between Counties and London boroughs being statistically significant.

Respondents were asked about the extent to which they networked with a series of key stakeholders (elected members, local business leaders, managers in other councils,

voluntary sector organizations, MPs, trade union representatives, central government officials, regulatory agencies and other public agencies (1 = 'never meet with them' and 6 = 'daily')). Officers networked most with elected members, and managers in other councils and other public agencies. They networked least with MPs, trade union representatives and local business leaders. In the majority of cases, it was the officers who initiated the interaction, as most of the means were below 1.5 (1 = 'I initiated the interaction' and 2 = 'they initiated the interaction'). However, contact with higher levels of government was less likely to be initiated by officers; MPs nearly always initiated the contact (1.84) followed by regulatory agencies (1.61) and central government officials (1.57). Interestingly, though, there were very few statistically significant differences between the mean scores found in different types of authorities, indicating that patterns of networking behaviour appear to be similar across the different types of councils in England.

Structure

We posed a series of questions on the organisational structure (centralization, formalization and specialisation) of authorities (e.g. 'strategy for our authority/service is usually made by top managers', 'written policies and procedures are important in guiding the actions of employees in the authority/service', and 'staff in our authority/service have to fulfil multiple tasks to achieve their goals'). The survey results suggest that local authorities adopt a variety of organizational structures. However, London boroughs appear to be more centralized than other authorities, as their strategy is usually made by top management, with corrective action typically taken by top managers and low levels of control devolved to service managers. ANOVA tests confirmed that these differences were statistically significant.

Performance Management and Information technology

Performance management and information technology were extensively adopted across English local government with mean scores for all three questions covering this in the survey questionnaire above 5 on the 7 point scale. London boroughs scored highest on two of the three items and were significantly different to other types of authorities for 'we have a well developed framework of clear performance measurement and targets', and 'our management information systems enable senior managers to judge their progress towards meeting goals and targets'. These results suggest that London boroughs are more developed in these systems than some other types of authorities.

Managerial quality

Overall, there was no clear message on perceptions of managerial quality (e.g. 'our senior managers can implement virtually any strategy successfully') across all authorities, as the mean scores for the relevant items were above 4 (the mid point on the 7 point scale) but below 5. Further, a solitary statistically significant difference between district councils and unitary authorities on the quality of middle managers, implies that there is little systematic variation in the perceived quality of managers across types of local authority.

Human Resources

Training programmes were extensively used in all types of authorities, but especially so in district councils, with the mean for districts being significantly higher than that for unitary authorities. Many authorities felt they had difficulty recruiting and retaining good managers—this was a uniform finding across all types of English local government, as there were no differences between types of authority. Pay for performance was typically not used (mean of 2.45). However, London boroughs and County councils were more likely to use rewards and sanctions to motivate staff.

Partnerships and Contracting

Partnership working was commonly reported, and most likely to be with other public agencies and least with the private sector. Statistically significant differences between councils were uncovered between districts and other types—typically district councils were more likely to form partnerships with other public agencies and least likely to with the private sector and voluntary sector.

Levels of contracting-out and outsourcing were moderate in authorities, with scores for the questions on each item covering these activities in the survey close to the mid-point on the scale. Nonetheless, high levels of this type of activity were more likely to be found in London and Metropolitan boroughs.

Civic Orientation

Seven questions explored the civic orientation of councils (e.g. ‘citizen engagement is a high priority’). As might be expected, mean scores were quite high for these items, with authorities agreeing that they prioritised satisfying users and engaging with citizens. Metropolitan boroughs typically registered higher scores on these questions, with the differences between their mean score and that for other types of authority often being statistically significant.

Performance

Respondents were asked about the service quality, efficiency, effectiveness, and equity, and the level of consumer satisfaction, staff satisfaction, promotion of the social, economic and environmental wellbeing of local people and overall performance of their organization. All respondents provided positive assessments of these different dimensions of performance, with scores ranging from 5.13 for staff satisfaction to 5.66 for quality and 5.70 for overall performance. There were, however, two statistically significant differences between types of authority: county councils achieved the lowest level of consumer satisfaction, and district councils the highest level of staff satisfaction.

Environment

Respondents answered ten questions about levels of deprivation, users’ needs, and stakeholder demands. Overall, deprivation was reported at 3.91, below the mid-point on the Likert scale—however, this masked differences between types of authorities, as the mean score for deprivation recorded for counties and districts was significantly below that for London and Metropolitan boroughs and Unitary authorities. Diversity of service need was typically recorded as high, but the difference of means tests indicated that the

main differences were between London and Metropolitan boroughs and County councils and districts and London and Metropolitan boroughs and Unitary authorities. This pattern of results was generally the case for the remaining items on the organizational environment and indicated that Metropolitan boroughs faced the most demanding environment and districts the least.

Conclusion

The descriptive analysis of the results from the 2007 survey indicate that innovation and boundary spanning activities are widespread amongst all authorities but there is a parallel concern with improving efficiency. There is extensive networking amongst officers, which is typically focused upon interactions with other public agencies, especially in county and district councils. London boroughs are likely to be more centralised than other types of local authority and use performance management and IT more intensively. Metropolitan boroughs perceive themselves to be facing particularly challenging socio-economic circumstances.

These preliminary survey findings will form the basis for further in-depth investigation of the relationships between different approaches to management—do prospecting organizations adopt higher levels of networking—and the independent and combined impact of these approaches on organizational performance. Findings on these important issues will be published in working papers and placed on the project website (www.cf.ac.uk/carbs/research/groups/clrgr/research/public/how_public.html), in due course.

Annex A
Table 1 How Public Management Matters Survey 2007

Survey item	All	L	M	C	D	U	SIG. DIFF
Strategy process							
When the authority/service formulates strategy, it is planned in detail	4.69	4.87	4.73	4.69	4.66	4.65	
When the authority/service formulates strategy, options are identified and evaluated before the best option is selected	5.31	5.37	5.32	5.28	5.33	5.23	
When we make strategy we produce policy options which are very similar to those we already have	3.68	3.69	3.63	3.25	3.80	3.48	C>LMD; D>U
Strategy develops through an ongoing process of adjustment	5.35	5.46	5.52	5.08	5.38	5.18	C>LMD; M>U
When we make strategy we produce broad goals and objectives	5.37	5.42	5.47	5.68	5.30	5.37	C>DU
Strategy develops through a process of bargaining and negotiation between groups or individuals within the organisation	4.37	4.46	4.43	4.67	4.31	4.28	C>D
There is no discernible strategy process in our authority/service	2.00	1.88	1.89	1.95	2.04	2.05	
Strategy content							
Searching for new opportunities for service delivery is a major part of our approach to service delivery	5.54	5.82	5.86	5.65	5.44	5.45	M>DU; L>D
The authority/service is at the forefront of innovative approaches	5.09	5.53	5.53	5.35	4.88	5.18	D<LMCU; U<LC
Focusing on core business areas is a major part of our approach to service delivery (e.g. our statutory responsibilities not our discretionary services)	4.87	5.33	5.16	5.29	4.69	4.85	D<LMC
Reducing the costs of service delivery is a major part of our approach to service delivery	5.94	6.14	6.03	6.24	5.85	5.92	LC>D
Our strategies are strongly shaped by external pressures	5.07	5.20	5.08	5.12	5.06	5.00	
The authority/service explores new opportunities only when under pressure from auditors and inspectors	2.31	2.46	2.20	2.04	2.37	2.25	
We seek to limit the influence of external events on service delivery	4.58	4.58	4.55	4.35	4.66	4.46	
We seek to limit the influence of external stakeholder demands on managers	3.42	3.68	3.34	3.11	3.46	3.33	L>CU; D>C
Networking							
% time managing the authority/service	69.40	71.32	73.50	65.80	68.70	70.40	M>CD
% time interacting with people from outside the authority	26.95	23.57	24.10	28.77	28.09	25.27	D>LM; C>L
Interaction with: elected members	4.75	4.69	4.42	4.76	4.90	4.45	D>MU; C>M
Who initiated contact: elected members	1.48	1.46	1.50	1.39	1.49	1.53	U>C
Interaction with: local business leaders	2.51	2.29	2.54	2.43	2.53	2.63	U>L
Who initiated contact: local business leaders	1.41	1.36	1.41	1.46	1.41	1.39	
Interaction with: managers in other councils	3.91	3.57	3.60	3.79	4.11	3.59	

Survey item	All	L	M	C	D	U	SIG. DIFF
Who initiated contact: managers in other councils	1.36	1.37	1.49	1.29	1.36	1.35	
Interaction with: voluntary sector organisations	2.98	3.03	3.06	2.96	2.96	2.98	M>CDU
Who initiated contact: voluntary sector organisations	1.41	1.39	1.47	1.39	1.40	1.42	
Interaction with: service user representatives	3.35	3.24	3.28	3.40	3.40	3.26	
Who initiated contact: service user representatives	1.37	1.39	1.34	1.33	1.38	1.39	
Interaction with: MPs	2.46	2.64	2.43	2.59	2.43	2.38	
Who initiated contact: MPs	1.84	1.85	1.82	1.74	1.85	1.86	DU>C
Interaction with: trade union representatives	2.49	2.54	2.92	2.54	2.39	2.47	M>LCDU
Who initiated contact: trade union representatives	1.38	1.34	1.30	1.42	1.39	1.43	
Interaction with: central government officials	2.61	2.80	2.61	2.80	2.53	2.66	LC>D
Who initiated contact: central government officials	1.57	1.56	1.53	1.51	1.58	1.59	
Interaction with: regulatory agencies	2.63	2.70	2.64	2.68	2.60	2.69	
Who initiated contact: regulatory agencies	1.61	1.70	1.62	1.66	1.58	1.65	L>D
Interaction with: other public agencies	3.09	3.16	3.16	3.27	3.03	3.09	C>D
Who initiated contact: other public agencies	1.42	1.47	1.44	1.32	1.44	1.35	C>D
Performance							
Quality	5.66	5.75	5.70	5.50	5.70	5.49	
Efficiency	5.42	5.52	5.46	5.39	5.43	5.31	
Effectiveness	5.63	5.70	5.72	5.53	5.63	5.55	
Equity	5.30	5.38	5.37	4.99	5.35	5.17	MD>C
Consumer satisfaction	5.47	5.22	5.50	5.17	5.60	5.24	D>LCU
Staff satisfaction	5.13	5.12	5.19	5.09	5.17	4.93	
Promoting the social, economic and environmental well being of local people	5.33	5.35	5.53	5.23	5.30	5.37	
Overall performance	5.70	5.70	5.72	5.64	5.74	5.57	
Partnership and contracting							
The authority/service works in partnership with other local or public authorities	6.09	5.94	5.89	6.07	6.20	5.87	D>LMU
The authority/service works in partnership with the private sector	5.16	5.35	5.43	5.41	5.00	5.32	MCU>D
The authority/service works in partnership with the voluntary sector	5.32	5.61	5.55	5.43	5.20	5.39	LM>D
We pursue a policy of contracting out/outsourcing (e.g. service delivered by another agency under contract)	3.78	4.57	4.18	4.08	3.51	3.90	LMCU>D; L>U
We pursue a policy of externalisation (e.g. passing/selling a service to another agency, such as council housing stock transfer)	4.10	4.42	4.47	3.86	4.04	4.03	M>CD

Survey item	All	L	M	C	D	U	SIG. DIFF
Organizational structure							
Strategy for our authority/service is usually made by top management	5.06	5.55	5.21	5.42	4.91	5.03	L>DU; C>D
When our results deviate from our plans, the decisions to take corrective action usually come from top management	4.62	4.97	4.91	4.96	4.52	4.30	UD<LMC
Control is devolved to service managers	5.26	4.90	4.95	5.54	5.35	5.20	C>LMN; D>LM
Staff usually participate in decisions that affect them	5.20	5.16	5.13	5.22	5.26	5.01	D>U
Written policies and procedures are important in guiding the actions of employees in the authority/service	5.66	5.79	5.80	5.82	5.59	5.64	
Employees in the authority/service are able to make decisions without checking with superiors	4.74	4.33	4.59	4.81	4.80	4.82	L<CDU
Staff in our authority/service have to fulfil multiple tasks to achieve their goals	5.91	6.00	5.93	5.85	5.92	5.88	
Staff in our service are active members of professional organisations	4.83	4.79	4.83	5.27	4.80	4.70	C>LMDU
Performance management and information technology							
We have a well developed framework of clear performance measurement and targets	5.91	6.19	6.02	6.00	5.84	5.86	L>D
Our management information systems enable senior managers to judge their progress towards meeting goals and targets	5.52	5.70	5.61	5.62	5.52	5.26	L>U
Our management information systems enable service managers to judge their progress towards meeting goals and targets	5.31	5.36	5.37	5.38	5.36	5.01	D>U
Managerial quality							
Our senior managers can implement virtually any strategy successfully	4.89	4.93	4.94	4.85	4.91	4.75	
Our middle managers can implement virtually any strategy successfully	4.55	4.57	4.59	4.35	4.62	4.37	D>U
Our front-line staff can implement virtually any strategy successfully	4.45	4.49	4.44	4.47	4.45	4.43	
Human resources policy							
Staff in our authority/service are actively engaged in programmes of training and development	5.96	5.96	5.99	5.95	6.01	5.70	D>U
We use rewards and sanctions to motivate staff (e.g. performance-related pay)	2.45	3.29	2.47	3.16	2.32	1.97	LC>MDU
We have difficulty recruiting and retaining good managers	4.11	4.10	4.08	3.97	4.12	4.19	
Civic orientation							
Satisfying service users is a high priority	6.30	6.25	6.44	6.21	6.32	6.17	M>CU
The authority/service provides support for local community groups and organisations	5.40	5.36	5.63	5.21	5.43	5.27	M>C
Building community capacity is a high priority	4.84	5.05	5.21	4.60	4.78	4.80	M>CDU; L>C
Citizen engagement is a high priority	5.66	5.77	5.84	5.36	5.69	5.54	LMD>C
The authority/service encourages public participation	5.37	5.43	5.42	5.20	5.38	5.39	
Community cohesion is a high priority	5.17	5.55	5.74	4.97	5.02	5.24	M>CDU; L>CD
The authority/service promotes social inclusion	5.47	5.57	5.91	5.62	5.34	5.54	M>DU; C>D

Survey item	All	L	M	C	D	U	SIG. DIFF
Organizational environment							
The deprivation level of our service users is high	3.91	4.69	5.07	3.17	3.56	4.51	LMU>CD
The needs of our service users are very diverse	5.43	6.02	5.99	5.64	5.22	5.33	LMC>D; LM>U
The needs of our service users are changing rapidly	4.86	5.34	5.48	5.25	4.60	4.92	LMCU>D; LM>U
The needs of our service users are unpredictable	3.74	3.91	4.01	3.79	3.65	3.74	M>D
We are able to influence our service users' needs	4.38	4.44	4.63	4.24	4.37	4.31	M>C
External stakeholders are supportive of the authority/service	5.11	5.26	5.47	5.18	4.99	5.21	M>D
The demands of our stakeholders are very diverse	5.27	5.40	5.45	5.35	5.21	5.24	
The demands of our stakeholders are changing rapidly	5.11	5.12	5.35	5.19	5.06	5.06	M>D
The demands of our stakeholders are unpredictable	4.31	4.21	4.47	4.22	4.38	4.04	MD>U
We are able to influence our stakeholders' demands	3.96	4.51	4.22	4.36	3.76	3.94	LMC>D; LC>U