

**EXPLAINING PUBLIC SERVICE PERFORMANCE:
DOES MANAGEMENT MATTER?**

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A central purpose of public management research is to theorise, measure and evaluate the determinants of public service performance. In particular, to what extent, how and under what circumstances does public management 'make a difference'? Such questions, however, have not featured prominently in the work of scholars in public administration, public management and public policy in the UK. The aims of this paper are to highlight this deficiency, evaluate existing evidence on the impact of public management variables, and argue for the theoretical and practical importance of research on the relationship between management and service performance .

In the first part of the paper, academic work on public organizations in the UK is described briefly. A focus on public organizations links the three closely connected fields of public administration, public management and public policy. In the second part of the paper, a typology of managerial strategies is set out, based on different types of actions that managers might take to influence organizational performance. Studies that empirically evaluate the impact of these management variables are then summarised and reviewed. Finally, conclusions are drawn on future research directions in the public management field.

I **MAPPING THE RESEARCH TERRAIN IN THE UK**

The discussion in this section is based on an overview of research activity and publications in the field of public administration, public management and public policy in the UK. It is partly impressionistic rather than wholly rigorous. The analysis and conclusions are based on close and regular reading for 25 years of the core UK journals in the field (*Local Government Studies, Policy and Politics, Public Administration, Public Money and Management, Public Policy and Administration*), relevant journals in related fields (e.g. *Government and Policy, Political Studies*), and major books.

The research published in such outlets can be mapped on two dimensions. First, the extent to which the work is concerned with management, defined broadly to include the decisions and actions of senior officials in organizations that are responsible for delivering public services. This definition emphasises strategic rather than 'operational management, and assumes that senior staff play the major roles in shaping and steering an organization (Hambrick and Mason, 1984). The differences between policy making and management, and between the roles of elected politicians and appointed officials, are inevitably fuzzy in practice. Nevertheless, the conceptual distinctions are clear enough for this discussion to proceed on the basis that 'management' and 'managers' are significantly different from 'policy making' and 'politicians'.

The second dimension of the research terrain refers to service performance. To what extent do researchers conceptualise and measure elements of performance such as the quantity and quality of outputs, efficiency, effectiveness and equity?

(Boyne, 2003). The emphasis here is on the consequences of service provision, and ultimately on the outcomes that are achieved, for example better health and wellbeing (net of other influences on such variables, including economic growth, the activities of private organizations, and changes in citizens' behaviour that are not attributable to government policies).

These two dimensions can be used to construct a simple 2x2 matrix that allows research to be placed in one of four quadrants (see figure I). Each dimension is clearly continuous rather than categorical, but the distinct quadrants are useful for expositional purposes. Research in the bottom right corner of the matrix (quadrant IV) is concerned with neither management nor service performance. Most of the work in public administration and public policy can be found here. Typical publications focus on the history and structure of institutions, and processes of policy formulation and implementation. Much of this work builds on a rich literature on the policy process and is theoretically interesting and rigorous (especially articles in journals such as *Policy and Politics* and *Public Administration*). However, management and performance are largely 'off the radar screen'.

Research in the bottom left corner of the matrix (quadrant III) is concerned with management but has little to say about performance. This includes work in areas such as financial management, network management human resource management, strategy processes and the careers and activities of individual public officials. Such themes are a minor strand in public administration and a major element of public management. Frequently, however, they are the dependent variables in theoretical and empirical studies. Questions about

their impact on service performance may sometimes be raised, but are answered speculatively at best. Indeed, much of the literature on public management reform seems simply to assume bad (or confused) governmental motives and negative service consequences (Boyne et al., 2003), and criticises government policies on this basis.

By contrast, research in the top right corner of the matrix (quadrant II) has a strong focus on service outputs and outcomes. This includes a large literature on performance indicators (e.g. in *Public Money and Management*) and efforts to evaluate policy impact (sometimes with sophisticated 'before and after' longitudinal analyses). Often, however, the purpose of such work is to evaluate the conceptual validity or empirical accuracy of measures of performance, rather than to use the available data (despite its limitations) to address questions about the determinants of performance. The consequence is that conclusions can be drawn about differences in the performance of public organizations, but not about the impact of management on these differences.

Research in the top left corner of matrix (quadrant I) is distinguished not only by its focus on management and performance, but also by a concern to uncover the relationship between these variables. This is a very sparsely populated part of the research terrain in the UK. Only a handful of journal articles and books have explored this issue (see section III below). The position in the USA is sharply different – the last decade has seen a burgeoning and blossoming literature on management and performance in the *Journal of Public Administration Research and Theory* and *Public Administration Review*

Although researchers in the UK have produced some excellent studies of management, and many insights on organizational performance, they have produced little theoretical or empirical work on the connection between these variables.

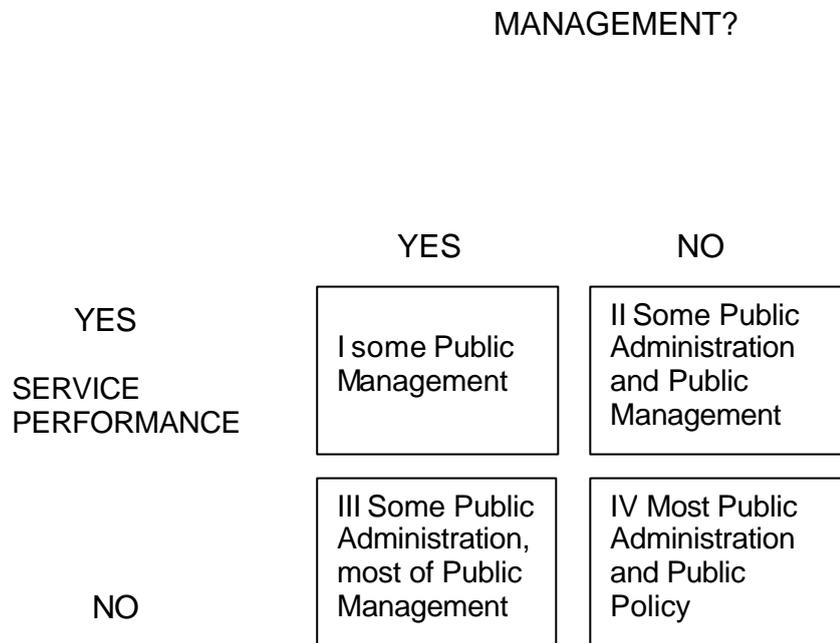
None of this matters very much if management has no impact on performance.

It is, therefore, important to examine whether existing evidence shows that management makes a difference. The next section of the paper develops a framework for exploring this issue. The framework which draws on the large generic management literature on organizational strategy and performance in the private sector, it is then used in part III of this paper to classify and evaluate studies of management and public service performance

II GENERIC PERSPECTIVES ON MANAGEMENT STRATEGIES

Three broad strategies are available to private managers who are seeking to improve the performance of their organizations: change the environment, change the organization and change the product. The following discussion assumes that managers have some room for manoeuvre within external and internal constraints (Child, 1997), but not that managers are the only or the most important influence on organizational performance.

FIGURE I MAPPING THE RESEARCH TERRAIN IN THE UK



(a) Change the Environment

This managerial strategy to improve organizational performance can take a number of forms in the private sector:

- quitting a difficult or unprofitable geographical market or product market - for example, car manufacturers frequently withdraw from a country or region where sales are poor, and delete models which have become unfashionable (Pettigrew and Whipp, 1992).
- entering a new geographical or product market. In the 1980s and 1990s, the British retailer Marks and Spencer bought Brown Brothers in the USA, and set up branches under its own name in Europe and the far east (it later quit these same markets when profits fell sharply in the late 1990s - see Mellahi et al., 2002). At the same time, it moved beyond its traditional product range of food and clothing into home furnishing and personal finance (Bevan, 2002). Another form of market entry is to shift the manufacture of existing products to a new location. A common feature of globalisation is that companies relocate production in search of cheaper labour.
- renegotiating relationships with suppliers, partners and regulators in an existing environment. The notion that large private firms operate in an atomised world of fierce competition has long been viewed as mythical (Galbraith, 1967). Instead, major companies find themselves in networks of 'power-dependence' relationships (Pfeiffer and Salancik, 1978). The boundaries of contemporary firms are blurred because they are "permeated by collaboration and alliances . . . and by outsourcing those

activities in which the organization has no distinct competitive advantage" (Palmer and Hardy, 2000, 13). An important component of strategy in the private sector is, therefore, to attempt to shift the balance of power between companies in a network, and to lobby governments to alter or bend the economic rules. The latter strategy may be especially effective where national or sub-national governments fear the employment consequences if private firms relocate.

(b) Change the Organization

If a private firm is already in its preferred market or cannot quit or change an unfavourable market, then an alternative strategy is to change itself in an attempt to achieve a better match between the organization and its environment. Indeed, the pursuit of 'strategic fit' is the central tenet of contingency theories of organizational performance (Donaldson, 1995).

Strategies of internal change can focus on one or more of the following variables:

- organizational structure. A large literature on the private sector suggests that structure influences performance and that different structures work best in different environments. Early versions of contingency theory argued that a mechanistic or bureaucratic structure (with high levels of centralization and formalization) is appropriate in a stable environment, but that an 'organic' or flexible structure is better suited to a turbulent

environment (Burns and Stalker, 1961). It follows that internal structures may need to be reformed in response to new external circumstances.

- organizational culture. The concept of organizational culture can be defined as the core values that are shared by members of an organization (Barney, 1986), including beliefs about organizational purposes and how they should be achieved (Weiner, 1988). The relationship between culture and organizational success has been widely debated in the management literature (Lim, 1995). The major disputes concern the dimensions of culture and their relationship with performance. Important insights into these issues are provided by Cameron and Freeman's (1991) examination of the relationship between organizational effectiveness in 334 institutions of higher education and three cultural variables. Their results suggest that different types of culture are associated with different dimensions of performance (e.g. clan cultures are positively related to staff morale, and adhocracy cultures are positively related to innovation). An implication is that an exclusive focus on one type of culture is likely to boost some aspects of performance at the expense of others (see also Marcoulides and Heck, 1993; Ogbonna and Harris, 2000; Petty et al., 1995).
- strategy processes. Academic literature on strategy in the private sector is dominated by questions concerning the relative effectiveness of different methods of strategy formulation and implementation. The early literature on strategy was based on rational models that emphasised the importance of 'hard' information, formal planning and systematic evaluation

(Mintzberg, 1994). These have been replaced by a proliferation of process models that switch the focus to informal, intuitive, incremental and ad-hoc methods of strategy development (Mintzberg et al., 1998). A hybrid model that is widely cited in the private management literature is Quinn's (1980) 'logical incrementalism' which combines broad formal objectives with a need to build and maintain a political consensus within organizations. Whether this is the best or worst of both worlds seems to depend partly on the organizational context. For example, the impact of formal planning on performance is generally positive (Boyd, 1991; Miller and Cardinal, 1994), but varies with the extent of environmental stability (Goll and Rasheed, 1997; Priem et al., 1995). Thus, as with structure and culture, the evidence points towards a contingent relationship between strategy processes and performance.

- Leadership. A change in leadership style and skills can occur in a variety of ways. First, existing leaders may take a new approach to their role. However, this is likely to be difficult, especially if the senior staff in an organization have occupied their positions for a long time (Miller, 1991). Second, a new top manager may be appointed, because the previous incumbent retired, resigned or was removed as a result of pressures from internal or external stakeholders. It has been argued that this type of change may be most likely to influence performance if an 'outsider' from a different industry is appointed. This is because isomorphic pressures in the same institutional field tend to produce leaders in different organizations who are very similar to each other (Finkelstein and Hambrick, 1996). Finally, the whole senior management team may be

replaced. Empirical studies of executive succession suggest that the performance effects of this strategic change are stronger than replacing only the chief executive (Dailey and Schwenk, 1998). Furthermore, the impact of leadership change is contingent on prior levels of performance, and is likely to be especially marked in organizations that have been 'under-achieving' for a substantial period (Miller, 1993).

(c) Change the Product.

This is, ostensibly, the least radical form of strategic change. Product differentiation by range, quality and price is widely practised in the private sector (Porter, 1985), and appears to be a successful 'entrepreneurial' strategy for turning around failing companies (Pearce and Robbins, 1994).

In principle, a strategy of product change can be followed in an existing market and implemented through current organizational arrangements, without modifying structure, culture, processes or leadership. However, successful product innovation is likely to be associated with specific organizational characteristics such as responsiveness to market pressures, flexible structures and a willingness to take risks (Miles and Snow, 1978). Furthermore, the launch of a new product may require different relationships with suppliers and customers, and is likely to trigger responses from rival firms. In this case, a strategy of 'change the product' will set off chain reactions in the environment and the organization, which in turn will need to be managed rather than accepted passively if performance is to be improved.

The success of product change depends partly, therefore, on the characteristics of the organization and its environment. As with the other strategies discussed in this section, the performance effects are likely to be moderated by internal and external circumstances. The overwhelming message of generic theory and empirical research is that the impact of management strategies on organizational success is contingent rather than universal (Donaldson, 1996).

IIIV PUBLIC MANAGEMENT AND ORGANIZATIONAL PERFORMANCE

Empirical evidence on management and performance was obtained from 'large n' statistical studies of organizational outputs and outcomes in the public sector. This type of evidence was chosen for two main reasons. First, because the aim here is to establish whether the managerial strategies that have been identified are effective across a range of public organizations rather than isolated cases. Secondly, because it is important to identify whether 'management matters' when other influences are held constant, which is more easily achieved through statistical models than case studies (Boyne, 2002). Nevertheless, some qualitative evidence on the impact of a strategy of change the organization is available (Rainey and Steinbauer, 1999), and this is also drawn upon. The empirical studies were identified from a previous review of the determinants of public service performance (Boyne, 2003a), supplemented by a search of web of science (www.wos.mimas.ac.uk) for 2002 and 2003. The search was limited to journal articles in order to impose a 'quality criterion' on the evidence, on the assumption that research which has been subject to blind peer review is more likely to meet minimum standards of theoretical and methodological rigour.

Before turning to a discussion of the empirical studies of the impact of public management, it is important to consider briefly the mean of 'public service performance'. This is inherently political and contestable (Boyne, 2003b). The performance of public service providers is judged by multiple constituencies (e.g. consumers, taxpayers, staff, and politicians). Furthermore, each of these constituencies may use different criteria to judge the standard of public services and may apply different weights to the same criterion (Rainey, 2003). It follows that there is no fixed and universally applicable set of criteria for evaluating whether performance is high or low. Nevertheless, public services have tangible elements (e.g. quantity, speed of delivery, effectiveness) that are likely to be valued by all constituencies, even if the valuations differ between groups or over time. Thus performance does not consist simply of the subjective and irreconcilable impressions of different stakeholders.

(a) Change the Environment

The impact of environmental constraints on service performance has been tested widely. Many studies have found that it is easier to achieve organizational success in a favourable environment. For example, pupils' test results are significantly better in localities where parents are predominantly middle class (Bidwell and Kasarda, 1975; Grosskopf et al., 2001). However, little research has been undertaken on the content and consequences of attempts by public officials to *manage* their environment.

Two studies have examined the performance effects of managerial relationships with other organizations in an existing environment. Whetten (1978) examined the extent of cooperation between 67 manpower agencies in New York State. This was measured through staff perceptions in each agency of the level of cooperation amongst *all* of the agencies. A more relevant measure would have been an assessment by staff of the cooperative efforts and achievements of their own agency. The weak proxy for a strategy of external cooperation used by Whetten (1978) may explain why this variable turns out to have no significant relationship with the quantity of service outputs.

Over 20 years later, Meier and O'Toole (2001) analysed the impact of managerial networking by the superintendents of 507 Texas school districts. Meier and O'Toole (2001, 281) operationalise the concept of "network management as a strategy choice" through the frequency of contact between each superintendent and school board members, local business leaders, other school superintendents, state legislators, and the Texas Education Agency. This is clearly a better measure of managing the external environment than that used by Whetten (1978). The network is defined to include not only other service providers but also pressure groups and regulators, and the assessment of network management is specific to each unit of analysis. The statistical results of this study suggest that school districts are likely to achieve better exam results if their superintendents interact more frequently with external stakeholders. This appears to support

the generic management view that influencing an existing environment is one route to organizational success.

The performance effects of the other two strategies of environmental change - quitting a difficult market and entering a new market - have not been tested by public management researchers. These strategies are clearly more difficult to adopt in the public than the private sector. Public organizations have legal obligations to ensure the provision of some services, so it may be impossible to exit a market. Indeed, this strategic action may be morally as well as politically indefensible - a public hospital could not justify quitting the health care market just because its patients are difficult to treat. Similarly, public service providers may be debarred from entering new markets (for example, local authorities in the UK face legal constraints that prevent most forms of geographical diversification into neighbouring jurisdictions). Nevertheless, it is possible to identify public sector strategies that resemble market exit and entry (Boyne and Walker, 2004), so the effects of such actions on organizational success need to be investigated.

In sum, public management research has generated very little knowledge on the impact of strategies of environmental change on organizational performance. Meier and O'Toole's (2001) study provides an isolated hint that managers can influence performance through their relationships with external bodies. The public administration literature has emphasised the importance of the political context of public service provision, and much effort has been expended in studying the efforts of public organizations to influence each

other (e.g. attempts by local authorities to influence central government). It is ironic, then, that mere fragments of evidence are available on the impact of all of this political activity on public service performance.

(b) Change the Organization

This form of managerial strategy to improve public service performance has been examined in fourteen empirical studies, so the knowledge base is substantially greater than that for 'change the environment'. All of the main organizational variables discussed above have been tested: structure, culture, strategy processes and leadership. Evidence on the performance effects of each of these variables is now considered in turn.

(i) Structure

Formalisation

The extent to which public organisations have highly formal or bureaucratic structures, and the potential consequences of such structures, has been widely debated (Goodsell, 1994). Surprisingly, then, only four empirical studies have tested whether formalisation makes a difference to service standards. Whetten's (1978) analysis of manpower agencies in New York State again represents the first attempt to address this issue in a large n study. The measure of formalisation is based on staff perceptions of the extent of organizational reliance on written records. This variable is positively related to the quantity of agency outputs, which suggests that formalisation enhances performance. A similar measure of formalisation is used in Glisson and Martin's (1980) study of the efficiency of 30 social services and health

agencies in one U.S. city. The formal structure of these agencies is tested in a path analysis model of performance. The variable has a mixture of positive and negative effects through different paths, and appears to have an insignificant total effect.

Lan and Rainey (1992) include seventeen local, state and federal government agencies in a comparison of the effectiveness of public and private organizations in the U.S. Their measure of formalisation is the degree of emphasis on rules and procedures (examples of the survey statements are 'employees here are frequently checked for rule violations' and 'going through proper channels is stressed'). These survey measures of formalisation are more sophisticated than in previous studies, but the results show no significant relationship with staff perceptions of the effectiveness of their organizations. Finally, Wolf (1993) examines whether formalization is related to service outcomes in forty four U.S. federal agencies. Formalisation is assessed by the extent that written rules and procedures influence organizational behaviour. Again, this variable is not related significantly to organizational outcomes.

Only one of the four studies summarised here finds that formalisation matters. This is unlikely to be attributable to differences in the measures of formalisation - all of the studies focus appropriately on the extent of written rules and procedures. However, it would be unwise to conclude from this small body of evidence that the formalisation of organizational structures has no influence on performance. This is because all of these studies ignore the

important lesson of generic management research that structural effects are contingent on environmental circumstances. The evidence on the effects of formalisation in the public sector is based on universalistic models that hold other variables constant, rather than testing whether this aspect of structure interacts with the external or internal characteristics of organizations. In particular, it remains to be determined whether formalisation in the public sector works better in stable or unstable environments.

Centralization

The costs and benefits of centralisation have attracted attention from public management scholars over many years (Pollitt et al., 1998). However, the empirical effects of centralisation on performance have been tested in only three empirical studies (all of which also examine formalisation, as discussed above). Whetten's (1978) study is again the initial foray into this territory. The measure of centralisation is the extent to which staff in his sample of manpower agencies participate in policy formulation and personnel decisions on hiring and promotion. Staff participation is positively related to the quantity of service outputs, which suggests that centralisation is associated with lower performance. Glisson and Martin (1980) also test the impact of staff participation on organizational outcomes, but find that this measure of centralisation is positively related to the efficiency of social service and health organizations. Wolf (1993, 179) operationalises centralisation as "the extent to which operators and field agents were granted discretion in how they implemented agency programs". This variable is negatively related to the

effectiveness of US federal agencies, which implies that centralisation is better than decentralisation.

The pattern of evidence on the performance effects of centralisation is clearly fragmentary and contradictory. The measures of centralisation are broadly appropriate: they largely focus on the informal rather than the formal distribution of power in organizations. Nevertheless, no clear signal emerges on whether public managers would be better advised to centralise or decentralise their organizations. Again, however, the major defect in the empirical models is the failure to take account of contingency effects. Thus variations in the results of the studies might simply reflect differences in the external contexts of the organizations that were analysed.

(ii) Culture

Policies aimed at cultural change in the public sector have been a major element of the new public management in the last decade (Hughes, 1998). These policies have been subject to widespread criticism by public management researchers who have argued that cultural change is inappropriate or impossible (Pratchett and Wingfield, 1996). By contrast, few attempts have been made to test empirically the proposition that variations in organizational culture are linked with variations in performance.

A small set of studies has examined whether a *performance culture* makes any difference to organizational success. Anderson et al. (1991) analyse differences across U.S. states in the standardised test scores of school pupils.

The statistical model includes a binary variable that measures the presence or absence of performance-based incentive pay for teachers. Their results suggest that performance-related pay is associated with lower educational outcomes. They attribute this finding to causality problems associated with a cross-sectional data set: “because we would expect those states with the lowest educational quality levels to take the lead in instituting these programs, the causal relations in the data may run from low average test scores to the adoption of performance-based pay” (Anderson et al., 1991, 39).

A similar proxy for a performance culture is used in Ruggiero et al's (1995) study of variations in cost-effectiveness across 630 school districts in New York State. They find that performance is lower in districts where teachers have tenure, which implies that job security leads to poorer results. Zigarelli (1996) takes a more direct approach to the measurement of a performance culture. He uses responses to survey statements by teachers in 1,000 U.S. schools to assess the presence of a ‘culture of achievement’. The statements include ‘teachers press students to achieve’ and ‘students are expected to do their homework’. The results show that this variable has a positive and significant impact on pupils’ test scores, even when 39 other explanatory variables are held constant. A recent study of the impact of a performance culture is West et al.'s (2002) analysis of patient outcomes in 36 English hospitals. One of the explanatory variables in their statistical model is the ‘sophistication and extensiveness of staff appraisal systems’ which has a significant negative effect on patient mortality. This result, along with the findings of Ruggiero et al. (1995) and Zigarelli (1996), suggests that a

performance culture is associated with better service outcomes in the public sector.

An alternative approach to the analysis of organizational culture is taken by a small group of studies that assess the impact of public employees' *job satisfaction* on service performance. Weisman and Nathanson (1985) examine the determinants of clients' views of the quality of services provided by 78 family planning clinics in Maryland. Their measure of job satisfaction is based on nurses' responses to survey questions (concerning, for example, relationships with co-workers and superiors). The results show a positive relationship between staff satisfaction and client satisfaction. Lan and Rainey (1992) also include a measure of job satisfaction in their comparison of the relative effectiveness of public and private organizations. They use a single-item survey statement to operationalise this concept ('in general, I like my job here'), which turns out to be unrelated to organizational performance. Ostroff (1992) tests the impact of teachers' job satisfaction on nine aspects of the performance of 298 secondary schools in the US and Canada (including exam results, attendance, discipline and pupil satisfaction). Nine survey statements are used to capture teachers' job satisfaction (covering relationships with other teachers, supervisors, and parents). The job satisfaction variable has a positive impact on seven of the nine measures of school performance.

The balance of the evidence from studies of culture suggests that the attitudes and values of public employees make a difference to organizational success, a view which is also supported by qualitative research (Holzer and

Callaghan, 1998; Popovich, 1998). Thus, this element of the managerial strategy of 'change the organization' appears to have potential benefits for public service performance. However, with the exception of the study by Ostoff (1992), the research approach has been to fire one element of culture at one dimension of performance. It is entirely possible, for example, that a 'pro achievement' culture in schools is associated with better exam results in general but less equity between pupils (perhaps because 'difficult' pupils are neglected). Thus it is important for future research on this managerial strategy to encompass a wider range of public service performance criteria, and to evaluate whether different types of cultural change are associated with different outcomes.

(iii) Strategy Processes

One of the oldest and most enduring debates in the public policy field concerns the relative merits of incrementalism and rational planning as approaches to the development of organizational strategies (Lindblom, 1959; Dror, 1973). Although hundreds of academic publications have been produced on this issue, remarkably little attention has been paid to testing the performance effects of different strategy processes in public organizations. A recent study by Boyne and Gould-Williams (2003) takes a preliminary step towards filling this glaring gap in public management research. They analyse whether the extent of planning is associated with staff perceptions of the performance of 67 local authority service departments in Wales. The results show that planning has a small but significant positive relationship with perceptions of organizational success, which supports the view that more

formal analysis in strategy processes leads to better outcomes. However, this study takes no account of variations in the environmental conditions faced by service managers. Thus it is unclear whether the impact of planning is moderated by the level of external turbulence. Generic management theory implies that the small positive aggregate effect of planning may be masking strong effects in some contexts and weak effects in others.

(iv) Leadership

A burgeoning literature on the content and theoretical consequences of leadership in public organizations has emerged in recent years (Javidan and Wardman, 2003; Van Wart, 2003), and the importance of leadership is often emphasised by qualitative researchers (Denhardt, 1993; Doig and Hargreave, 1987; Hale, 1996). This has not, as yet, stimulated many empirical tests of the performance effects of different leadership styles and skills.

Wolf (1993) includes a measure of chief executives' leadership skills (as indicated by descriptions in documentary sources) in his study of the performance of federal agencies. The coefficient for this explanatory variable "lends support to the maxim that leadership matters" (Wolf, 1993, 173). Four measures of the influence of school principals are included in Zigarelli's (1996) analysis of educational outcomes. These measures relate to principals' influence over school policy, budgeting, personnel and teaching. Only the measure of influence over personnel is positively related to pupil achievement. This may be because Zigarelli's measures refer to leadership

influence rather than skills. Clearly, influential principals may have positive or negative effects, depending on the extent of their skills. Correspondingly, Wolf's (1993) measure of leadership skills might have had stronger effects if it had been combined with a measure of leadership influence.

Meier and O'Toole (2002) measure leadership quality as the difference between the actual salary of school superintendents in Texas school districts and the salary predicted by a statistical model. A higher salary than expected on the basis of the model is taken to represent above average leadership quality. This variable has a positive impact on pupil test scores. They conclude that "this research offers the fullest rigorous test to date of the proposition that management quality contributes positively to performance. The results are clear and convincing" (Meier and O'Toole, 2002, 640). At the very least, the evidence suggests that school superintendents who are able to persuade their employers to pay higher salaries are also able to persuade their staff and/or pupils to perform better. In a related study of school districts in Texas, O'Toole and Meier (2003) include a measure of leadership stability in a model of pupil test scores. Stability is measured as the number of years that a superintendent has been employed by the school district in any capacity. When a range of other variables is held constant, including managerial networking and quality, leadership stability is associated with better educational outcomes. In other words, a higher rate of executive succession leads to poorer results in these organizations.

The general pattern in the evidence from these studies is that leadership makes a difference to public service performance. However, lessons on leadership effects from generic management theory and research have not been utilised in these analyses of public organizations. For example, the focus has been on individuals rather than teams, the difference between 'insider' and 'outsider' appointments has not been explored, and the interactive effects of leadership change and prior performance have not been tested.

(c) Change the Product

Evidence from large n studies of the performance effects of this management strategy in the public sector can be summarised briefly and easily. Only Wolf (1993) has examined this issue. He measures the 'adaptability' of federal agencies, as indicated by the extent of innovation and the development of new missions. The results show that adaptability is associated with better outcomes, which suggests that change the product (or the service) may be a route to organizational success in the public sector. This finding also appears to support the emphasis on innovation in the new public management reform programme (Borins, 2001). However, the extent to which the success of this management strategy is contingent on a variety of internal and external circumstances remains to be tested.

CONCLUSION

The link between management and public service performance is a hugely important area of academic inquiry. This issue is at the very heart of the disciplines of public administration, public management and public policy. For researchers, what is the theoretical and empirical relationship between the phenomena that they study and the success or failure of public organizations? For policy makers and practitioners, what is the likelihood that a public management reform will have the desired effects on service provision? In short, does public management matter?

Evidence on the impact of management strategies of change the environment, change the organization and change the product is thin and, in some respects, rudimentary. Important theoretical and methodological insights from the generic management literature are yet to be exploited in studies of public service performance. Nevertheless, the results of the statistical studies reviewed in this paper point strongly towards a significant impact of management on dimensions of public services such as quality, effectiveness and consumer satisfaction.

Although these studies are interesting explorations of the 'management – performance jungle', the territory remains largely uncharted. If solid and comprehensive academic knowledge is to be produced, far more 'quadrant I' research is required. The best prospect for this in the short term is for 'quadrant II' researchers who study performance to ask the 'why' question (i.e. to investigate the determinants of performance variations) and for 'quadrant III' researchers to ask the 'so what?' question (i.e. to investigate the impact of variations in management

strategies). These movements in the pattern of academic inquiry have the potential to make novel and substantial contributions to the disciplines of public administration, public management and public policy. And, just as importantly, more quadrant I research may help scholars in these applied fields to strengthen the relevance of their work to government policies and management practice.

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