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## **Public Service Delivery in Hybrid Organisations** ***public management reform and horizontalisation as main challenges for public leaders***

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### **Abstract**

The public sector has been subject to some major movements the last 15 years. In public service delivery a trend called socialisation, leading to the displacement between public and private, is most crucial. A withdrawing government and privatization led to increased collaboration between public and private parties and made production, distribution and supply of services the responsibility of both public and private parties. Public administrators and managers are challenged to align their organisational with the changed practice. A renewed division of roles and tasks between government, society and market develops, and alignment of this new role with the organisation and embedding of the new tasks is needed. Especially in public service delivery, such as construction and IT, public organisations are increasingly depending on private parties to achieve their goals. In the context of public leadership this means that shaping the public role as well as shaping the public organisation is the current challenge. Yet, so far the field of research on public administration and public service delivery has failed to address these inter-organisational challenges of public clients in public service delivery. The paper presents the findings from a first explorative literature study into the meaning of public values in public administration looking from three perspectives; institutional logics, public organisation science and public value management. The aim of this paper is to improve the understanding of the new role of public organisations in public service delivery, the embeddedness of this new position in the organisation itself, and the meaning of this role and organisational change for public leadership. The topics from the different perspectives can be combined into two overarching domains that were found to both link public administration and public service delivery on inter-organisational level and give us implications for public leadership in the current public arena: public management reform and the flattening of public organisations. As this exploration of literature is part of a bigger research, we will end discussing the future research steps.

**Keywords:** Public leadership, Public Value Management (PVM), Public Organisation Science (POS), Institutional Logics (IL), Public Management Reform, Horizontalisation, Explorative Literature Scan

### **INTRODUCTION**

Over the last 15 years the public sector has been subject to some major movements between; politics and administration, public and private and national and international (de Graaf et al., 2013) with a trend of cutbacks and a withdrawing government as a result. In public service delivery, we consider the displacement between public and private as most crucial because of the relational changes influencing the nature of public service delivery. In an effort to produce better public services, public organisations worked on transforming their organisation (Boyne, 2003). In the last years we have seen an increased role of the market in public service delivery (Entwistle and Martin, 2005). For example, the construction industry, where infrastructure, real estate and spatial planning are visible outcomes of the delivery of public services, has been characterized by a series of profound changes: new ways of service delivery and new modes of collaboration. Public service improvement today is often concerned with the performance of multi-organisational networks (Boyne, 2003).

Underlying this, a trend called 'socialisation' (in Dutch 'vermaatschappelijking') changed the relationship between the public and the private (van der Steen et al., 2013), made production, distribution and supply of services the responsibility of both public and private parties. We witnessed a transition from top-down, privatization and citizen participation initiated by the government, towards bottom-up, active citizenship and social entrepreneurship (van der Steen et al., 2013). Because of this transition, in safeguarding and production of public values, the lower part of the triangle becomes essential (see figure 1), public values are more established bottom-up (van der Steen et al., 2013).

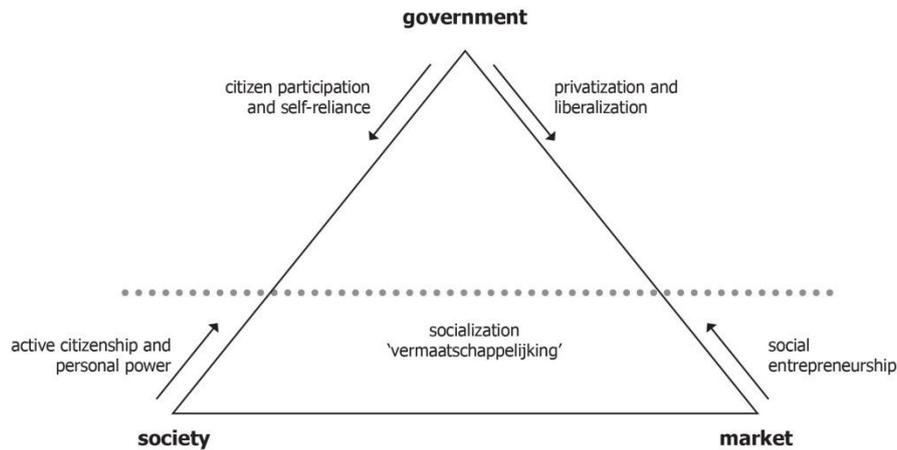


Figure 1. Changing relationships between government, market and society (van der Steen et al., 2013).

The need for the government to steer however remains. Hence, changed relationships between public parties and the market imply changes for the role of public parties. When referring to public parties we also include semi-public institutions such as housing associations. More and more public bodies become clients instead of (only) suppliers. Although changes in the role of public parties occur, public parties remain social-politically responsible. Public bodies have a special role in ensuring public value (Beck Jørgensen, 1999). Public bodies are expected to contribute to all kinds of fields, for example social innovation, safety, protection of weaker population and the built environment, they are expected to create public value in many different forms.

In times of cutbacks and a withdrawing government there is often an increase in tension between various (competing) values; morals and values become even more leading (de Graaf et al., 2013). In advanced democracies, such as the Netherlands, the public opinion is central. Today's 'public' understanding of inefficiency, ineffectiveness, frantic salaries and other benefits of staff high in rankings and attention to scandals (Entwistle and Martin, 2005), such as the recent construction fraud and financial abuses in the public sector, such as the SS-Rotterdam affair, has made Dutch public sector falter. These events led to a loss of confidence in the public sector, and increased control of the public sector, the public sector today is 'put under the microscope'.

In the current environment with increased dynamics and interdependencies, public administrators and managers seek for new ways to steer the process to safeguard public values and project outcomes, thus the actual delivery of public services. The focus shifts from 'creating' public values to safeguarding public values; from managing the project to managing the collaboration process (collaboration with market and society), as gets confirmed in figure 1. (van der Steen et al., 2013). The debate about whether or not public values are safe in private hands and how and to what extent private parties can be held accountable for achieving public values today is relevant in studying the field of public administration (Bruijn and Dicke, 2006). Outsourcing the delivery of public services - both process and outcome - but still remaining politically responsible, public bodies are challenged to find ways to engage market players (private parties) in achieving public values (Bruijn and Dicke, 2006).

Administrators and managers of public organisations today get faced with questions such as:

- To what extent is outsourcing and/or involvement of the market possible and desirable?
- Are there certain tasks/public service deliveries that can/cannot be outsourced? Are certain public services to sensitive or target groups to vulnerable to be able to held private parties accountable for achieving the public values needed for these services?
- What can be asked of market parties related to creating and safeguarding public values?
- To what extent can private parties be managed and held responsible when they are carrying the risks?

In this increasingly complex and ambiguous world, new challenges and pressures are placed on public organisations and their leaders (Sydow et al., 2004). A renewed division of roles and tasks between government, society and market develops and there is a need for 'a new repertoire' to shape these new relationships' (van der Steen et al., 2013). Public administrators and managers are challenged to adjust their organisational to the changed practice, the changes public arena. With the renewed division of roles and tasks between public and private parties the challenges of alignment of this new role with their public organisation and embedding of the new tasks occurs. Both shaping the public role and the public organisation becomes highly relevant.

To address these inter-organisational challenges of public clients in construction, we performed an explorative literature study from the perspective of three fields of organisational research: 1) Institutional Logics; examining belief systems that shape the cognition and behavior of actors, 2) Public Organisational Science; examining how individuals construct organisational structures, processes, and practices and 3) Public Value Management; on managers in public administration creating public value and how they deal with value conflicts. Each related to different institutional levels. The literature study was initiated to explore the meaning of public values for the daily

practice of public administrators and managers, in particular to address inter-organisational issues of public clients that potentially can contribute to shaping the new role of public (project based) organisation in creating and safeguarding public values in the changed practice of managing the collaboration with market and/or society and embedding this in the public organisation itself.

In this paper we highlight two overarching domains that we found to be helpful in linking the area of public administration and public service delivery to public leadership. Both domains are discussed separately, after which we will appoint what this implies for public leaders; both the public administrators and managers.

First, Public Management Reform; where we look into management paradigms, with certain views on overlying logics and corresponding values, the management of these (competing) values. And second, the Flattening of Public Organisations; where we look into the organisational complexity originating from combining different logics, the horizontalization of public organisations and the arising networks in public service delivery. Since we learned that making such a hard distinction between topics related to shaping the role or the organisation is sometimes impossible an intersection on good governance is inserted in between, discussing the use of multiple logics to be able to align the management of conflicting values with the situation and the specific value trade-off challenge. Then we will proceed with the implications of these insights for public leaders, discussing more theoretical aspects of network governance and accountability to more practical implications such as the different ways of assessing values and the appropriate leadership styles in the complex environment of public service delivery. We finish this paper with the lessons for public leaders that can be deployed in the search for the right 'shape' of their 'new role' and shaping the organisation accordingly. And we also discuss the follow-up research and introduce the construction industry as a promising empirical research field. But first we will further elaborate on the research- approach and context of this paper.

## RESEARCH APPROACH & CONTEXT

This paper is based on an ongoing research into internal organisational aspects that may be used to safeguard public value in different project based collaboration structures on the public-private continuum in construction. Here we use the findings from a first explorative literature study and link these findings to the public leadership literature.

### Existing body of literature

The public sector is rapidly changing, and so is the nature and significance of public leadership. So far, social scientists have failed to create a critical mass of scholarly work on public sector leadership (van der Steen et al., 2013). Also a multitude of studies has been executed in the area of public administration and public service delivery. However it remains unclear what the meaning of public values is for the daily practice of public administrators (De Graaf et al., 2014). In general we can say that there is a lack of empirical data. There is much theory but case descriptions remain limited. Therefore we are able to come up with a list of inter-organisational related aspects that play a role when discussing public values and public administration. However, there is not much evidence to what these separate aspects actually contribute to the shaping of a 'new/appropriate' role in public service delivery (public values creation and safeguarding values) of managers and administrators in public (project based) organisations such as clients in construction.

Discussing the nature of public organisations in today's delivery of public services in construction, the flattening of organisational hierarchies entailing the weakening of firms' boundaries in favor of networks of collaborations is relevant. This collaborative nature changes relationships, task- and responsibility division. For public parties it is concluded that the 'vermaatschappelijking' of creating public values implies a major change in their task in the public value process; steering through managing the collaboration instead of direct managing of the project. Again this is acknowledged in literature. However the actual influence on the organisation remains unclear.

Value conflicts in governance take many forms and exist at different levels: individual (public actors), governmental (formal institutions), and policy formation (allocation of values) (de Graaf and Paanakker, 2014). Public officials are asking for a framework that helps them triage these and other competing values while honouring the structures of authority and regime values within which they operate (Bao et al., 2013). Thus, there is an evident need to address organisational issues of public construction clients in research and contribute to knowledge development in this area.

### Research Approach

The first explorative literature study used for this paper is initiated to explore the meaning of public values for the daily practice of public administrators in the construction industry, in particular to address organisational issues of public construction clients that potentially can contribute to shaping the new role of public project based organisation. Their leadership position requires them to create and safeguard public values in the changed practice of managing the collaboration with society and the industry. **The aim** of this paper is to improve the understanding of the new role of public organisations in public service delivery, explore the embeddedness of this new position in the organisation itself, and identify the meaning of this role and organisational change for public leadership.

We are able to use the explorative literature study to appoint the public sector of the importance of public service delivery, and the construction industry in particular. We used the literature on each of the three themes (institutional logics, public organisation science and public value management) as a perspective to look into what the corresponding theory could add to the discussion on the shaping of both the role and the organisation in the changed public sector environment. The selection of these themes arises from an earlier graphical network analysis of the existing literature exploring the field of public construction clients by Eisma and Volker (2014), which with they identified research gaps in the field. The network analysis of existing literatures showed a multidisciplinary compilation of a range of 18 groups of topics, spread over six major research themes on issues in the field of the public client. The broad range and mixture of societal, financial, economic and managerial aspects indicates that the field of public clients is multifaceted by nature. The groups also displayed promising links to other scientific fields such as social sciences, public administration, business administration and innovation sciences (Eisma and Volker, 2014). Therefore we selected the following literature perspectives:

- 1) *Institutional Logics***, which is about the contextual aspect of commissioning, it can be seen as an aspect which only gets expressed on the other, more operational, levels. It reflects the system and culture behind/on the background of an organisation (Besharov and Smith, 2014). Logics determine the belief systems, logics are woven into the fabric of regulatory structures, organisational forms, and social norms, and specify which issues to consider salient, which ends to pursue, which means to employ (Besharov and Smith, 2014, Smets et al., 2014). Discussing the link between public service delivery and public leadership we are interested in this perspective because institutional logics provide actors with common frames of reference or "cognitive maps" to "guide and give meaning to their activities". Institutional logics prescribe what constitutes legitimate behavior.
- 2) *Public Organisation Science***, combining research on public administration and organisation science. This perspective applies Organisation Science in the context of public administration, leading to the discussion about societal problems and critical challenges faced by organisations involved in public value creation (Tummers et al., 2012, Anderson, 1999). We are particularly interested in this perspective because it examines how individuals construct organisational structure, processes and practice. And how these shape social relation and create institutions that influence people. Public Organisation Science thus deals with topics related to the dynamics of organisations in a changing environment.
- 3) *Public Value Management***, an area within public administration studying the management of conflicting values. The authors of this line of research believe that public managers are the creators of public value; they focus on managers in public administration creating public value and their issues in knowing what these public values especially are and therefore how to manage public values (Casey, 2014, De Graaf et al., 2014, de Graaf and Paanakker, 2014). This is of interest to us because of the focus on execution and implementation; tools, strategies and mechanisms. This theme of Public Value Management (PVM) focuses on which considerations are made to ensure public value delivery. Thus the operation, the individual/team decision making on project level.

Important to understand before we will proceed is to express that it is important to take into account the existence different institutional levels - institutional level, policy-and program level and actor level - because of the different levels of authority in leadership and thereby differences in what they can achieve within an organisation or collaboration. We cannot precisely link each of the three themes to one of the institutional levels, however, in general one could say that looking from the higher to the lower levels in an organisation (from institutional level through policy-and program level to actor level), topics from Institutional Level, through Public Organisation Science to Public Value Management become more relevant. For this paper this interwoven nature of the aspects will not be further discussed, however this does indicate that different scales/levels of abstraction will alternate in the proceedings of this paper.

## **TWO DOMAINS OF INTER-ORGANISATIONAL ASPECTS OF PUBLIC CLIENTS**

As indicated before, this paper highlights two overarching domains from the explorative literature study that we found to be helpful in linking the area of public administration and public service delivery to public leadership. As we question the shaping of the role as well as the public organisation in the new public-private continuum in public service delivery, we make a distinction between (1) public management reform – discussing relational changes and thereby role changes – and (2) the flattening of the public organisation – discussing organisational change. As we cannot truly make such a hard distinction, an intersection on good governance connects the two domains.

## Domain 1. PUBLIC MANAGEMENT REFORM

In this section we concentrate on the shaping of the role of public parties (in public service delivery), for the most part determined by the relationship between public parties and private parties, expressed by the public management reform. Since public bodies today deal with privatization and increased collaboration with the market, public and private get intermingled. Networks of different public and/or private parties have to deal with clashes and incompatibilities between community and market logics; they are faced with organisational complexity, they are forced to deal with competing values (Smets et al., 2014, Besharov and Smith, 2014, Van der Wal et al., 2011). Different management systems using different paradigms to approach public values conflicts are chosen by public bodies in different time periods (van der Steen et al., 2013). The management of competing values is referred to with good governance (de Graaf et al., 2013). In an increasing complex and collaborative environment the New Public Governance approach is often chosen to assess public values using both the community and market logics (van der Steen et al., 2013).

### Market Logics vs. Community Logics

The most general, recognizable, distinction that is made today is the one between market logics and community logics. Using market logics, the basis for strategy is profit maximization. On the other hand, using community logics, relations of affect, loyalty, common values and personal concern are pursued (Smets et al., 2014). Each logic influence which (kind of) values are to be found most important in governance; Market logics are dominated by *performance* values (Organisational – business like values) of effectiveness and efficiency (Smets et al., 2014) (de Graaf and Paanakker, 2014). Where Community logics are dominated by *procedural* values (public services/public responsibility - bureaucratic values) that indicate the quality of the process using integrity, and associated values such as transparency, equality, lawfulness, and honesty (Smets et al., 2014) (de Graaf and Paanakker, 2014). These are values that constitute the core of public governance's legitimacy.

In reality these logics coexist (Smets et al., 2014). In each time period a certain logic predominates as an influence of politics (van der Steen et al., 2013). Public organisations are particularly influenced by these movements, since they can be seen as the executive party of leading politics (Entwistle and Martin, 2005). Politics decide on the underlying core values that are being pursued, and governmental bodies, such as public parties, translate them into policy platforms, policy initiatives and public programs. To do so they adopt a certain management paradigm which is giving them guidance in how to approach public values, more specifically, how to approach a certain value trade-off challenge (Coule and Patmore, 2013). Management contexts get (partly) defined by the local political context (Stoker, 2006).

### A paradigm shift

The dominance of a certain logic in a particular time period is thus presented by management paradigms in governance. The occurrence of different management over time can be related to the earlier mentioned trend of socialisation. Figure 2 summarizes the trend of socialisation relating the public-private relations to the governmental organisations and the steering concepts, the management paradigms.

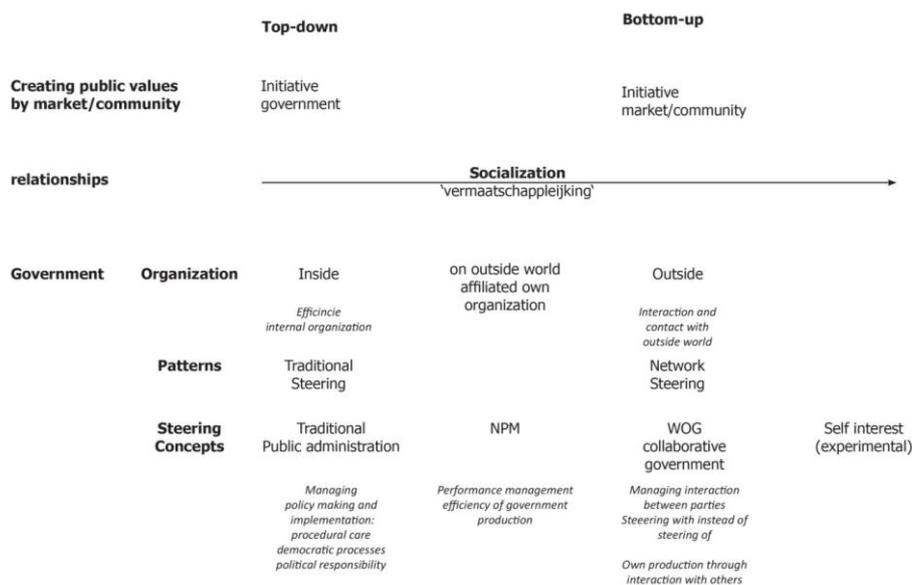


Figure 2. Government control in the context of socialisation of public value production based on Van der Steen (2013)

The movement towards the emphasize on the lower part of the triangle seen in figure 1. It is associated with the shift from a traditional public administration paradigm, through new public management , where one more and more relies on the efficiencies of the private market to create public values, towards a more collaborative government represented by the Public Value Management or New Public Governance paradigm, where market and community logics, thus performance and procedural values, are combined and values are created by networks of public and private parties (Coule and Patmore, 2013, Casey, 2014, van der Steen et al., 2013). This can be recognized in the work of Van Wart (Van Wart, 2013),. Van Wart (2013) presents the traditional distinction between the hierarchical model - '*emphasized technical performance and hierarchical reporting, due process, and employee-friendly organisations*' - and the public choice model (also known as New Public Management or Reinventing Government) - '*emphasized customer and client orientation, competitive and comparable forms of accountability, and greater employee empowerment coupled with managerial flexibility*' (Gore, 1993). And in addition, a third management paradigm, which is network based (Kettl, 2006), that grows attention is introduced. It emphasizes collaborative processes leading to shared outcomes among agencies and sectors, and greater democratic accountability to ensure responsiveness and inclusiveness. The shifts in the public-private continuum lead to changed relationships between public parties and the market. As you can see in figure 2 the role of governmental (public) parties changes from managing the project to managing the collaboration process, where tension between potentially conflicting bureaucratic values and businesslike values take various shapes and exist on different levels in governance (Van der Wal et al., 2011, de Graaf and Paanakker, 2014).

### **Management systems as an approach to public value creation**

You could say that management paradigms do direct public service delivery in a way. They direct the response to public value challenges, (conflicts of) for example efficiency, accountability, equity in various ways (Stoker, 2006). The management paradigm gets incorporated into management systems, a concrete approach towards public value creation (Casey, 2014). The administrative system gets translated into a management systems, representing a management paradigm. Casey (2014) distinguishes the three management systems. First, the patronage systems, where the traditional public management paradigm is leading, and where there is administrative centrality and rules and regulations are used to ensure the creation of public values. Second, the elite-dominated systems, where management is directed by New Public Management, where governance network characterized by administrative centrality in the authorization of public values and the creation of public value relies more extensively on indirect tools that harness the efficiencies of private markets, emphasizing the use of performance metrics to manage the creation of public value and information to steer the authorization. And last, the inclusive systems where management is directed by Public Value Management, where Administrative centrality in governance network is emphasized in both authorization and creation, and the emphasis is on indirect policy tools to create public value, coupled with coercive policy tools to maintain centrality in public value creation.

### **Intersection - GOOD GOVERNANCE**

Before we pursue with the second domain, flattening of public organisations, we will first discuss the phenomena of good governance. Good Governance is about the management of competing values, a task actors in networks are faced with on a daily basis, and becomes part of their role. The way actors act on these value trade-offs depends of the management paradigm embedded in the organisation. Since public bodies today deal with privatization and increased collaboration with the market, public and private get intermingled. The networks, of different public and private parties, where the public management paradigm is central, have to deal with clashes and incompatibilities between community and market logics; they are faced with organisational complexity.

As soon as public actors do not treat values as commensurable they find themselves in a value conflict. The pursuit of an identified important value in governance is inevitably. However, this limits pursuing other values (De Graaf et al., 2014). Thus in the public values process, especially in collaborations between public and or private organisations, value conflicts are central. The management of competing values, thus managing institutional complexity, is referred to with good governance (De Graaf et al., 2014, de Graaf et al., 2013, de Graaf and Paanakker, 2014).With the shift from managing the project to managing the collaboration, where tension between potentially conflicting bureaucratic values and businesslike values take various shapes and exist on different levels in governance (Van der Wal et al., 2011, de Graaf and Paanakker, 2014). Public administrators and managers are challenged to balance these competing values while honouring the structures of authority and regime values within which they operate (Bao et al., 2013).

#### *NPG*

What we have seen is that in socialisation a radical shift from traditional public management towards another extreme of leaving public value creation to private parties. In the current time period the emphasis is on a middle course. Where privatization and collaboration with the market became more relevant in the delivery of public services, the concerns with the New Public Management paradigm led to '*a countermovement by both*

*practitioners and academics to place substantive political values more at the center of the governance debate'* (Bao et al., 2013). This movement is known as the New Public Governance and is value centred, views the *views the creation of the public good as a coproduction process involving the public, the private market, and the non-profit sectors* (Bao et al., 2013). Where community-based organisations gain power (self-organisation), the public value management discourse becomes more leading. The value centred approach of the management paradigm Public Value Management or New Public Governance provides a means of combining strategy and performance management to move beyond efficiency and efficacy to production of public value.

## **Domain 2. FLATTENING OF PUBLIC ORGANISATIONS**

In this section we concentrate on the shaping of the organisation of public parties (in public service delivery), the influence of the changes in the relationships between public and private parties towards a more collaborative process of public service delivery, the creation of public values. The changed role of the public bodies influences the appropriate form of the public organisations itself. In a collaborative environment the way public organisations relate to other parties determines which form the organisation will take on, and eventually how and to what extent they are capable of embedding their new role in the organisation and thus their internal processes.

### **Horizontalisation**

A withdrawing government leads to horizontalisation: flattening of organisational hierarchies. The flattening of organisational hierarchies entails the weakening of firms' boundaries in favor of networks of collaborations, and the restructuring of competition between firms within and across industries (Whitley, 2006).

We can witness horizontalisation at different governance levels: macro level; relationships between the governmental authorities and society, the meso level; relationships between public organisations and organisations inside and outside government, and on micro level; relationship between the individual public servant and other inside and outside government (Michels and Meijer, 2008). Thus we can say that horizontalisation takes place both internally, which implies changes within government itself, and externally, implying changes in the relations between government and the environment.

As stated before the management paradigm reflects ideas about relationships between public and private sector, and the public value management paradigm is currently leading in the public arena. Since public bodies today deal with privatization and increased collaboration with the market, public and private get intermingled. The flattening of organisational hierarchies entails the weakening of firms' boundaries in favor of networks of collaborations, and the restructuring of competition between firms within and across industries (Whitley, 2006)

### **Organisational complexity – hybridity**

These networks, so called hybrid organisations, combine logics in their effort to generate innovative solutions to complex problems. The ability to manage organisational complexity is called ambidexterity and is reflected on policy and program level, since it this ability is based on various organisational conditions (Jarzabkowski et al., 2013). It reflects how organisations are able to develop internal capabilities that enable them to handle conflicting demands The degree of compatibility between logics and existing organisational practices. Achieving organisational ambidexterity is closely related to the structure, organisational context (culture) and leadership (Jarzabkowski et al., 2013).

There are different types of logic multiplicity, leading to different ideal types of organisations. The degree to which multiple logics are each treated as equally valid and relevant to organisational functioning is called the degree of centrality. The extent to which the instantiations of logics imply consistent and reinforcing organisational action is referred to with degree of compatibility. Together these dimensions provide and integrative framework for understanding heterogeneity in how multiple logics manifest in organisations When these dimensions are combined, four ideal types of organisational can be identified: contested, estranged, aligned, and dominant (Besharov and Smith, 2014).

One important consequence of combining logics is organisational instability and change. Two mechanisms of transformational work (change) can be distinguished: discursive, involving redefining, reconfiguring, problematizing, and manipulating the social and symbolic boundaries of institutions (Jay, 2013).

## **IMPLICATIONS FOR PUBLIC LEADERS**

In the previous part of the paper we have elaborated on the different topics that scientific literature offers us in linking the area of public administration and public service delivery. We would however also make a connection to public leadership. So the question is what implications this knowledge on public management reform, good governance and flattening the organisation brings for public leaders. Giving the changes in the public-private continuum and execution of public service delivery, public leaders are challenged to adopt certain skills and styles to be excel in the new situation of the public-private arena.

## **Accountability**

In times where decreasing public budgets lead to privatization and increased collaboration with the market, networks for public service delivery, discussions on accountability and reliability become more prominent (Michels and Meijer, 2008). Public service leadership competencies have traditionally been judged in relationship to a given position within a hierarchical system of governing authority (Van Wart, 2013). The nature of leadership for administrators is more complicated by demands for rigorous democratic accountability to elected politicians, to citizens, to the taxpaying public, and others than is the private sector (Andersen, 2010).

With the increased collaboration with the market and the horizontalisation of public organisations (placing them in interdependent networks between public and private parties) this traditional judgement is no longer suitable. 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 (Bao et al., 2013). They are supposed to be able to apply traditional hierarchical management as well as deal with informal agreements that hold networks together (Bao et al., 2013).

*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. (Bao et al., 2013)*

This implies changes for being accountable. Horizontalisation implies a shift from a more vertical ideal-typical model of government to a more horizontal model. The traditional, vertical, hierarchical mechanism of accountability no longer adequately fit the current social and administrative developments. In addition more horizontal mechanisms of accountability should be deployed. Both mechanisms can together form a 'hybrid accountability arrangement (Michels and Meijer, 2008). Public accountability can be safeguarded, but only if a number of requirements have been met. In the first place, the horizontal accountability arrangements must fit the type of horizontalisation of government structures in question. Moreover, horizontal forms of accountability, just as vertical accountability must meet the requirements of the democratic constitutional state, that is, transparent responsibilities, well defined interested parties, a good information supply, debate opportunities and sanctioning options (Michels and Meijer, 2008).

## **Assessing public values**

The development of new steering concepts is part of the dynamics around accountability; from a focus on policy to execution and from formulating goals to a measurable delivery of those goals; from steering by government, through coproduction to self-organisation. It is not so much the ability to own a new repertoire, but the trick is to identify which form is best for which situation (van der Steen et al., 2013, Kernaghan, 2000). Since public bodies are accountable to society, there is a need to somehow make decisions transparent. Thus public-value trade-offs need to be imitable.

In order to achieve transparency public administrators and managers of public organisations can apply different strategies and mechanisms. They can use a certain type of classification in order to give insight into values that are not considered equally important. Different constellation of values can be made based in interpretations of relationships among the different values, using the 3 dimensions of proximity, hierarchy, causality (Jørgensen and Bozeman, 2007). This can result in different constellations, a well-known break down between procedural and performance values, or for example between ethical values, democratic values and professional values (de Graaf and Paanacker, 2014).

But with only a classification the trade-off is not made. Different coping stratifies can be used as value trade-off strategies. Thatcher and Rein (Thacher and Rein, 2004) distinguishes 6 strategies; firewall, bias, casuistry, cycling, hybridization, instrumentalism. Next to these there are some general safeguarding strategies, better reflecting the degree of interdependency of the different public- and private parties, thus also in a way the management discourse. 3 strategies, or approaches to public values are the hierarchical approach, imposing public values, for example, by regulation, the network approach dominated by interacting about public values, and the market approach where competing on public values is the core (Bruijn and Dicke, 2006).

## **Network Governance**

Because of the increased collaboration in public service delivery, network governance is most interesting in the context of this research. Network governance is about the new ways to collaborate as the interdependencies of a range of individuals and organisations intensifies (Stoker, 2006). Network governance consist of informal social systems, rather than bureaucratic structures and formal contractual relationships (Jones et al., 1997). One can distinguish different forms of network governance, differentiating from each other regarding two dimensions (brokered or not and participant governed or externally governed): participant governance, collective self-governance and NAO Model (Provan and Kenis, 2008).

A consequence of combining logics, the nature of networks, is organisational instability and change (Jay, 2013). Public leaders have to respond to the dynamic nature of networks. Speaking of network evolution, there is an evolution of the form of governance instead of a change in the network relations (Provan and Kenis, 2008). A shared governance model seems to be most flexible and adaptable.

## Leadership styles

Looking at the role of public organisations in public service delivery, we understand that finding the right balance of the different logics and thereby different (public) values in different collaboration structures (different relationships between public and private – different discourses) is core of the task of public administrators and managers. Outsourcing the delivery of public services - both process and outcome - but still remaining politically responsible, public bodies in are challenged to find ways to engage market players (private parties) in achieving public values (Bruijn & Dicke, 2006).

In this context we would like to address the distinction Vogel and Masal made in their literature review on public leadership (Vogel and Masal, 2015). Vogel and Masal executed a reviewed the literature on public leadership using a bibliometric method revealing the history and current state of research as well as indicate which trends are likely to emerge in the future. A co-citation analysis and bibliographic coupling followed by a network-, factor- and correspondence analysis lead to a map of research on public leadership. In this map four generic approaches to public leadership are identified, representing different research fields: *functionalist approach, behavioural approach, biographical approach, reformist approach* (Vogel and Masal, 2015). What is interesting to notice in this research is that the types of leaders/leadership is depending on the different approaches, which you could say represent different ways of looking at leadership competences. Looking at the collaborative, accountable and dynamic nature of the role of public bodies in the current public service delivery context, we would like to appoint three types of which we believe the competences would be useful/contribute for public bodies in the process of shaping their 'new' role: collaborative, ethical, and transformational leadership.

### Collaborative public leadership

The first type of leadership we would like to address is the transformational leadership (Vogel and Masal, 2015). This type of leadership is positioned in the reformist approach, where the preoccupation is with public management reform. This type of leadership gets treated in New Public Management Literature. Most articles are concerned with the shift from government in hierarchies to governance in networks. It is argued that that leadership is affected by, and affects, cross-sectoral collaboration in various ways. By collaboration, because *'because networked modes of producing public goods and services redefine leadership roles both in politics and in administration'* (Vogel and Masal, 2015). The additional task of delegating authority is difficult to combine with their more traditional roles as negotiator or contractor. Public leaders are challenged to focus on the network as a whole instead of its separate parts; they need to balance its unity and diversity in order to successfully collaborate.

### Ethical Leadership

Second, ethical leadership, often mentioned in combination with the term 'publicness' in public administration literature. According to Dahl and Lindblom (1953) public organisations can be seen as primarily executors and enforcers of democratic law and policy, serving the public interest and providing public services that generally are not sold on economic markets (Heres and Lasthuizen, 2012)

Publicness of an organisation affects the extent to which the organisation is susceptible to citizen pressure and scrutiny, with public organisations facing uniquely high public expectations for fairness, openness, accountability and transparency (Jefferies et al., 2014). Publicness can have important implications for leadership. Difference between private, public and hybrid organisations. *'Moreover, whereas public and hybrid sector managers considered explicit and frequent communication about ethics to be a key component of ethical leadership, most of the private sector managers preferred communication strategies in which ethics was more implicitly embedded in discussions of, for instance, 'the business model' or 'customer relationships'*. This is further defined by Heres (Whitley, 2006). She states that ethical leadership is not only about the leaders but also about the followers, and that the efficiency of leadership, also depends on the implicit expectations of the followers

### Transformational public leadership

And last but not least, we would like to address the transformational leadership as part of the behaviour approach. This approach to addressing public leadership entails most traditional leadership literature; Where the behaviour tradition of management is central. In this approach the authors examine the specific demands of public leaders, the requirement to develop abilities of coping with, and adapting to, profound long term environmental changes such as social movements and shrinking budgets. The concept of transformational leadership addresses that the response to dramatic disasters requires *'decisive leadership, while continuous learning, environmental scanning and organisational change are of less significance'* (Kapucu and Van Wart, 2008) (Vogel and Masal, 2015)

## CONCLUSION

This paper aims to both improve the understanding and provide implications for public leaders, in shaping the new public role and the public organisation in the process of public service delivery, creating and safeguarding public values, in the current complex collaborative public-private arena where managing the collaboration process 'replaces' managing the project. The field of research on public administration and public service delivery has failed so far to address the inter-organisational aspects that play a role. The explorative research study underlying this paper explores the meaning of public values for the daily practice of public administrators from three

perspectives, institutional logics, public organisation science and public value management. It shows two overarching domains that help us to link the inter-organisational aspects to public leadership: public management reform and the flattening of public organisations, connected by good governance.

Looking into public management reform, we can learn about the public role change and what this implies for public administrators and managers, the (kind of) leaders (this paper focusses on) of public organisations. The role change is embedded in political trends. The privatization and increased collaboration with the market leads to complex public-private networks, also referred to with hybridity. This leads to coexistence of different logics, and thereby management paradigms in networks. This also implies the challenge of managing competing values. The value centred approach of the management paradigm Public Value Management or New Public Governance provides a means of combining strategy and performance management to move beyond efficiency and efficacy to production of public value. Looking at the role of public organisations in public service delivery, we understand that finding the right balance of the different logics and thereby different (public) values in different collaboration structures (different relationships between public and private) is core of the task of public administrators and managers. However, since public parties remain politically responsible, good governance can only be achieved by being transparent in the value trade-offs of the networks. There are many different strategies and mechanisms that may be chosen in assessing public values, classified in different kinds of constellations, as well as coping strategies and safeguarding mechanisms. Looking at the collaborative, accountable and dynamic nature of the role of public bodies in the current public service delivery context, public leaders can benefit from adopting competences of different types of leaders. Collaborative public leaders apply different governance strategies to successfully balance the unity and diversity of a network. Public ethical leaders provide the right conditions for being transparent by frequent communication about ethics. And transformational public leaders address the importance of decisive leaders in (long) term environmental changes.

Public leaders can only be expected to be successful in this role change when the organisation is supporting/endorsing. From literature on flattening of public organisations we learned more about the embeddedness of the role change in public organisations and what this means for public administrators and managers. A withdrawing government leads to horizontalisation. The flattening of organisational hierarchies entails the weakening of firms' boundaries in favor of networks of collaborations. These networks, so called hybrid organisations, combine logics in their effort to generate innovative solutions to complex problems. Their ability to manage organisational complexity, the way to approach, depends on the type of organisation because this determines the degree of conflict that institutional logics cause in an organisation. Public administrators and managers therefore need to be concerned with network governance; both internally and externally. With the increased collaboration with the market and the horizontalisation of public organisations the traditional judgement of leadership competences is taken over by judgement on the ability of government to create authority that operates successfully in horizontally dispersed power settings and is responsive to the expectations of the citizens. This implies changes for being accountable; public leaders can only safeguard their public accountability using both traditional, vertical, mechanisms and horizontal forms of accountability. Hence, these must fit with the type of horizontalisation of government structures.

## **FUTURE RESEARCH**

This paper is part of a bigger ongoing research into internal organisational aspects that may be employed to safeguard public value in different project based collaboration structures on the public-private continuum in construction. Creating and safeguarding public values in the changed practice of managing the collaboration with market and society thus created new challenges for public leaders and their organisations. Although the current body of literature treats various inter-organisational related aspects that play a role when discussing public values and public administration, there is not much evidence of what these aspects actually contribute to the shaping of the new public role and the shaping of the organisation to achieve good public service delivery in hybrid networks.

We believe that in order to operationalize the meaning of public values, the public role changes and changes in public organisations as part of a public-private network, the construction industry can offer an interesting (empirical) research field. Infrastructure, real estate and spatial planning are visible outcomes of the delivery of public services, and therefore often topic of societal discussion. Over the last couple of years the construction industry has been characterized by a series of profound changes: new ways of service delivery and new modes of collaboration. In addition, public service delivery often takes place by so called project-based organisations. Project-based organisations refer to a variety of organisational forms that involve the creation of temporary systems for the performance of project tasks (Sydow et al., 2004). 'Project-based' organisations can either be entire firms (as in construction, consultancy and professional services) or multi-firm consortiums or networks (Sydow et al., 2004). The company as a legal and financial entity becomes project specific, and is often dissolved upon successful completion of project goals (Whitley, 2006). Because the project is a temporary organisational form is inherently flexible and reconfigurable in contrast with the anti-innovation bias of large integrated, hierarchical organisations (Hobday, 2000).

This explorative literature study gave us insight in topics related to the public sector in general, many articles were found to not specifically focus on the construction industry. It told us about the missing link between the (public) administration literature and organisation science literature and the literature on the project –based construction industry. In further research we would like to answer questions like 'How do current changes in relationships influence the construction industry, especially looking at new modes of public service delivery and new modes of collaboration?', 'Which inter-organisational characteristics/aspects influence public service delivery of public commissioning bodies, on different institutional levels?', 'Which tools, mechanisms, strategies can be employed by administrators and managers in order to safeguard public values as a client?' and 'Which barriers do administrators and managers experience when applying the different tools, mechanisms, strategies, under different circumstances in the construction industry?'

In order to do so we need to provide administrators and managers of (semi) public project based organisations with an overview of inter- organisational facets/aspects on different organisational levels, they can deploy to safeguard public values in different (collaboration) structures between public and private parties. It should also give them guidance for application in different situations, conditions (i.a. collaboration structure and it's characteristics) and environments (fields/disciplines). With our focus on mapping and professionalize role of public client in building process we are particularly interested in the different roles ((semi)public organisations can take) in the delivery of (public) services in the construction industry and the underlying elements that play a part in this changing field.

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