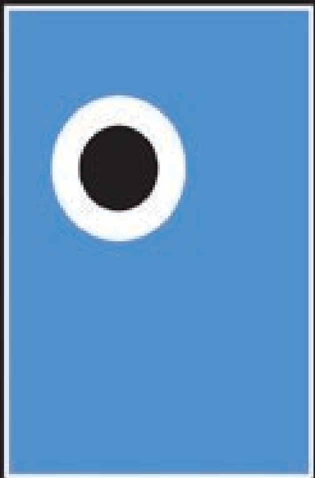
Agendas and Decisions



HOW STATE GOVERNMENT EXECUTIVES AND MIDDLE MANAGERS MAKE AND ADMINISTER POLICY

Dorothy F. Olshfski and
Robert B. Cunningham

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STATE UNIVERSITY OF NEW YORK PRESS

Published by
State University of New York Press, Albany

Printed in the United States of America

For information, contact State University of New York Press, Albany, NY
www.sunypress.edu

Production by Marilyn P. Semerad
Marketing by Anne M. Valentine

Library of Congress Cataloging-in-Publication Data

Olshfski, Dorothy F.
Agendas and decisions : how state government executives and middle managers make and administer policy / Dorothy Olshfski, Robert B. Cunningham.
p. cm.
Includes bibliographical references and index.
ISBN 978-0-7914-7323-8 (hardcover : alk. paper)
1. State governments—United States—States—Management. 2. Administrative agencies—United States—States—Management. 3. Executive departments—United States—States—Management. I. Cunningham, Robert, 1937– II. Title.

JK2446.5.O48 2008
352.3'30973—dc22

2007013151

10 9 8 7 6 5 4 3 2 1

Contents

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Preface

Practice expertise is the knowledge of how to do things, executing competent performance; theory expertise is verbalizing, generalizing about what we know (Sandelands 1990, 235). These domains are rarely conjoined. Donald Polkinghorne (1988) wrote *Narrative Knowing and the Human Sciences* because of "an unresolved personal conflict between my work as an academic researcher on the one hand and as a practicing psychotherapist on the other. . . . I have not found the findings of academic research of much help in my work as a clinician" (p. ix).

Like Polkinghorne and Sandelands, we seek to connect practice knowledge and theory knowledge about how state-level public executives and managers decide and implement policy. We have studied a management system where the governor believes in and practices the principles espoused by leadership theorists:

1. focus on one or two important substantive problems or initiatives
2. work with stakeholders to protect the organization and to obtain the resources necessary to address those problems or initiatives
3. hire good people and authorize them to act

Lamar Alexander, governor of Tennessee from 1979 to 1987, sent cabinet members to the Kennedy School, where they were drilled in these practices. His commissioner of personnel established the Tennessee Government Executive Institute (TGEI) to provide an analogous three-week program each summer for mid-level state managers.

We managed the program component of TGEI during its first five years. We attended every session for most of those years, and commencing in year two interviewed program participants, asking each to tell stories of their decisions.

In the casual conversations that permeate such off-site, residential program environments, we learned "from the inside" about governance. Our mid-level contacts in the various state agencies facilitated research access to the commissioners considered the "top ten" during Alexander's tenure as governor.

Based upon stories from interviews with middle managers and cabinet members, and framed by a decision model, we test management decision-making theories and propose hypotheses. Scholars can assess the utility of the hypotheses for theory knowledge; practitioners can extend their skill repertoire as they "watch" competent managers at work through the stories and then reflect on the stories. The reader interested in the persons or historical period or location can gain insight from the inside on governance during the Alexander years.

We hope that readers will not only learn from but also enjoy this story and that both practice knowledge and theory knowledge can emerge.

Acknowledgments

George Bass was director of training when the Tennessee Government Executive Institute (TGEI) began in 1983. The high regard with which he was held throughout state government for his personal character and professional competence attracted able middle managers to TGEI during its early years. George directed TGEI, the authors designed and managed the program. George navigated the white water of Tennessee state government for us, and we are grateful.

Participants in TGEI during its first ten years schooled us in the ways of middle management in state government by their stories, anecdotes, activities, and interrelationships. TGEI managers work hard, play gently, and have a sense of humor. If these people represent Tennessee middle managers, as we think they do, and if they resemble state managers throughout the United States, which we hope, then decisions devolved to state middle managers will be as competently, carefully, and conscientiously handled as a governance system will allow.

Over the years, graduate assistants in the Graduate School of Public Administration at Rutgers-Newark and in the Political Science Department at UT-Knoxville have helped with this project. We have appreciated the opportunity to work with them and are grateful for their assistance. Thanks to Sydney Olshfski for the original cover design concept, later adapted and executed by freelance artist Ken Schrider.

Our families have been a source of loving support throughout the many years we worked on this project: Gary, Seth, Sydney, Paul, Milli, Nina, Ann, Bailey, Rachel, and Robert.

Thank you all.

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Introduction

AGENDAS AND DECISIONS is about state government leadership and management. The executive branch of state government does more than administer the laws of the state; the executive branch creates policy that impacts people's lives. Making policy and implementing policy are the everyday tasks of cabinet members and middle managers in state government. The administrator decision process resembles the legislator decision process, that is, hierarchy matters, structure matters, culture matters, experience matters, background and personality matter (Bosso 1994). Cabinet members and middle managers in the executive branch must deal with these constraints, and they must implement as well as decide. Using a simple decision model to frame managers' and executives' stories about situations they faced, this book describes, analyzes, and explains how middle managers and cabinet members made and carried out decisions during the Tennessee governorship of Lamar Alexander.

With the erosion of citizen trust in the national government, and with decisions by the Supreme Court strengthening the role of states, state governments have both the authority and the favor of citizens as they address the state's problems (Jennings 1998). For governors seeking to be seen as "strong," the management structure and practices followed by Lamar Alexander, governor from 1979 to 1987, provide a useful exemplar. During his eight years in office Alexander took initiative while enhancing the power and decision latitude of the executive. His public opinion ratings were exceptional; state managers were satisfied in their jobs; and outside experts praised Alexander's performance.[1]

A state governor's years in office are not automatically smooth or successful. In 2003, Gray Davis of California, having committed no malfeasance of office, was recalled and replaced by Arnold Schwarzenegger. Don Sundquist, Tennessee's governor from 1995 to 2003, in his second term endured acrimonious criticism from legislators and the public, and most Tennesseans were relieved when his term ended. Davis (a Democrat) and Sundquist (a Republican) were decent people, able politicians with long careers in public service, but they could not establish and sustain credible state-level leadership and management systems. Alexander was successful, and his management practices contributed to his success.

Alexander developed an effective working relationship with the legislature. A well-organized lobbying effort helped the governor pass his primary legislative initiative, education reform. Incremental tax increases paid for new programs. We believe that the foundational components of the Alexander administration were his leadership style and management system: communicating on a regular basis directly with citizens and delegating responsibility to the cabinet for all decisions other than the governor's primary legislative initiatives. Devolving responsibility represents an effective governance model. Governors Matheson of Utah (Cox 1991; Matheson 1986), Sargeant of Massachusetts (Weinberg 1976), and Lucy of Wisconsin (Adamany 1989) are reported to have adopted this style, but detailed descriptions of their management systems and impact on the state's managers have not been reported.

Many governors manage another way; they maintain a highly controlled management system, with little independent decision authority granted to their cabinet appointees. Desiring to establish a reputation for effectiveness and probity, control-oriented governors may worry that a cabinet member might embark on a personal agenda, or that some seemingly inconsequential remark or incident emanating from an agency could be seized upon by rivals hoping to gain political advantage. By centralizing authority in the governor's office and minimizing the decision latitude granted to cabinet members, costs, errors, and the risk of scandal are presumably reduced. In that control model, the governor and the appointed staff initiate policy changes, both legislative proposals requiring substantial negotiation between the executive and legislative branches and minor administrative changes that can be implemented unilaterally by the agency. The relevant cabinet member may be ignored by the governor on policy initiatives affecting the agency. In a centralized, control-mode governance system, the cabinet member has a large implementation role, but a limited policy-making role. Tight, centralized control was not Alexander's system.

Theorists of leadership and management have reached consensus that for organization effectiveness, decision making should be pushed to the lowest feasible level. The chief executive officer must take responsibility for the overall direction of the organization, deal with the external environment to protect the organization, secure resources to support executive initiatives, and motivate middle managers and frontline employees. Governor Lamar Alexander preached and practiced these principles. He gave his managers books on management, brought in management experts to conduct training sessions, and sent his managers to management seminars. For Alexander, good policy and good governance emerged from good management.

In Alexander's devolved management system, the governor restricted his policy attention. On his primary initiative—education—the governor worked personally with staff, outside advisors, and Department of Education managers in crafting legislation and lobbying for its passage. The commissioner of education functioned as a middle manager, lobbying for and implementing the decisions made by a task force appointed by the governor. The other cabinet members had freedom of action regarding policy initiatives, subject to three constraints: (1) staying within budget, (2) avoiding negative press coverage, and (3) abstaining from actions that would instigate conflict between agencies. Alexander recruited some outstanding cabinet members and gave all cabinet members, except education, free rein. The governor's staff did not intrude into the agency's business unless one of the three constraints was violated, or unless the cabinet member requested assistance.

This book focuses not on Alexander the person but on executive and middle manager behaviors in Alexander's management system, specifically, decision and implementation actions at cabinet and subcabinet levels. Alexander subscribed to the simple advice for managers regularly articulated by mainstream scholars and management gurus for the past fifty years:

> Hire good people.
> Give them authority to make decisions.
> Get them the resources they need.
> Leave them alone.
> Support and protect them.
> If they make too many mistakes, remove them.

This is not the only effective management system, but it was effective for Alexander in Tennessee during his time as governor, and it constitutes a leadership/management model for a governor to consider.[2]

We viewed the operation of Alexander's management model from the inside, through the eyes of executives, middle-level managers, staffers, and close observers of the executive system. Cabinet members and middle managers tell of decisions they made and implemented, thereby offering pictures of state government in action. From their stories and from external evidence emerges a system of effective governance, and from that picture we test and propose theories of administrative decision making and implementation.

Tennessee government under Alexander was a high performing system (HPS). Peter Vaill (1998, 62) describes this research approach:

> The number of social scientists who are trying to understand excellence in human systems is very small. Pathology is more accessible, and, for some,

> more fun. The question of what it takes to govern and lead a high performing system, and the question of how we are going to develop more men and women who are equipped to do so await the increased attention that I believe HPSs deserve.

Peter Drucker (2004) argues that an organization's best managers should be assigned to "opportunities," not "problems." Drucker's directive is supportive of "appreciative inquiry," (Srivastva and Cooperrider et al. 1990), and it matches our orientation to the interviews and writing. Appreciative inquiry (AI) does not focus on "problems" and "conflicts." Instead, it draws attention to areas of common understanding and builds on these areas of agreement to develop mutual trust and action plans. The competent managers with whom we conversed practiced appreciative management, although neither they nor we had heard of the concept at the time of our interviews. Alexander's cabinet members held in high regard the performance of state employees. Quoting Commissioner Simons, "State employees are really treasures if you treat them properly; they value their jobs and they work hard, but they need to be nurtured." This positive attitude of commissioners toward their subordinates pervaded each interview. Middle managers, given praise, responded with the exceptional performance that motivation theory expects.

One objective of this book is to build theory, to illustrate and explain a state government system that invests substantial power, authority, and responsibility with the cabinet rather than with the governor's staff. The usual image of bureaucratic decision making is the rational model, with power located at the apex of the organization. We began this study with the rational decision-making model as our framework, with incrementalism as an option that could emerge from the inquiry process. We found that the managerial decision process lacks clarity and precision. In the upper reaches of Alexander's governance system, neither hierarchy and the rational decision model nor incrementalism dominated. Agenda setting is a key component determining the problem definition and decision outcome (Barry et al. 1997; Baumgartner and Jones 1993; Kingdon 1984), and implementation is not always relegated to the middle levels or front line. *Agendas and Decisions* offers ideas on how executives use evaluation, and introduces the concept of density to explain the speed (or lack thereof) for administrative decision making.

Another objective of this book is to link theory and practice in a way that is helpful for those who wish to improve their management skills, and to understand why the attitudes and behaviors associated with those skills are important. We theorize about practice through stories. *Storytelling* as a data source was unusual back in the 1980s, but over the past two decades, accompanying the rise of postmodernism, stories have bloomed as evidence to communicate meaning (Hummel 1991; King and Zanetti 2005). Multiple interpretations are inherent in stories. The heart of postmodernism is that the reader is in charge (Rosenau 1992). No longer is the primary task to understand the author's or speaker's intent; rather, the axial point is the reader's or listener's interpretation. Orthodoxy is out; heterodoxy is in; and meaning emerges in and from the mind and heart of the hearer. Stories are the primary data source for this study.

The fall of the positivist monolith has brought forth a range of ideas and approaches for studying organizations. Berger's and Luckmann's (1967) *The Social Construction of Reality*, which argues for a subjectivist approach to understanding, and the writings of Karl Weick, especially his book *Sensemaking in Organizations* (1995), offer useful perspectives for understanding and explaining a manager's thinking processes. Barbara Czarniawska (1999) proposes *narrative as theory*. In *Writing Management* she maintains that a story contains theory, making the argument that Chester Barnard (1968), in his classic *Functions of the Executive*, arrived at his theories through intuition-based speculation. Practitioners are not aware of the theories they are applying (Czarniawska 1999). The aim of practice is action, not reflection. *Agendas and Decisions* connects reflection to action by theorizing practice through stories.

Chapter 2 describes the decision-making process model of identifying the problem, assessing alternative ways to solve the problem, solving it, implementing the solution, and assessing the effectiveness of the solution. A few of the stories told by managers touched on each step of the model. More usually, the model did not adequately explain the decision process in the stories of the executives and middle managers we interviewed.

Chapters 3–6 analyze the stories according to the stages of the decision model. Chapter 3 describes problem identification. Problems reach the manager's agenda by one of three portals: position, politics, or perspective. First, the problem can be within one's *position* description. It is a solid waste problem, and you are the director of solid waste. Or, you are responsible for antiquities, and an Indian burial site is found within a highway right-of-way. The problem comes directly to you. Second, *politics* pushes a problem onto your desk. People complain to the governor that they face long lines getting their drivers' licenses, and the problem is routed from the governor's office to the commissioner of safety; or the governor promises to reduce duplication in various kinds of inspections, and you are charged with inspecting the state's grocery stores or restaurants. Third, "*perspective*" is an important aspect of problem identification underappreciated in the administrative literature. Perspective impacts the problem-identification phase by framing a situation based upon the manager's vision or idea for something that needs to be done. This aspect of problem identification, called "agenda setting" in the policymaking literature, has not received much attention in the administrative arena.

Problems identified must be resolved, and chapter 4 presents ways managers assess alternative solutions to the issues they choose or are forced to face. In low-density situations the process can be straightforward and transparent.

The manager may check with colleagues, peers in other states, or a professional association for suggestions. The manager explores options, selects the best available one, clears the solution with a superior if necessary, and acts. If there is disagreement or the manager lacks the power to act unilaterally, then the issue languishes or goes to a higher level for decision.

High-density issues or environments demand meetings. The composition of the attendees may change from one meeting to the next. Issues thought resolved are reopened based upon new participants or fresh information. Problem definition and preferred solution change over time until an alignment of stakeholders coalesces around a solution. That window of opportunity may close, requiring that the issue loop back through the decision process. In a dense environment, solutions are never secure until implementation has been completed.

Politics takes different guises according to managerial level. Cabinet members worry about party politics; they are concerned that an issue for which they are responsible may escalate and explode in the media, divide Republicans from Democrats, damage their ability to manage effectively, and impact the governor. Middle managers, on the other hand, if they face politics coming from outside their agency, it is a politics of interest groups—some groups seeking benefits or advantages over other groups. Political parties or political personalities do not instigate the conflicts that face middle managers. From what we could see, partisan political decisions play out at the cabinet and governor levels, not down in the middle of the bureaucracy. Executive activities differ from middle manager activities.

Some managerial studies have shown that in defining and solving problems, executive roles and behaviors differ from middle manager roles and behaviors (Johnson and Frohman 1989; Kraut et al. 1989). Differences between executives and middles show clearly in our study. In problem identification, middles have less opportunity to select the problems on which they work. In making decisions, middle managers more often than executives are caught in a web of relationships requiring acquiescence from peers before a decision can be made. Executives, based upon the power of position, have a wider range of tools, options, and choices as they decide which issues to address, the strategies for addressing them, and actions to be taken.

Chapter 5 describes executive and middle manager involvement at the implementation stage. Implementation is the principal job of middle managers. Middle managers administer policy, often spending endless hours in meetings attempting to persuade those assembled to reach a decision on implementing a policy. Implementation is their primary usual responsibility. Executives, on the other hand, are described as setting the agency's agenda, acquiring the resources to accomplish the agency's tasks, and organizing the workload for the entire unit (Glenn 1985; Kraut et al. 1989). However, commissioner tenure is short, so to make an impact, to have their policy prefer-