

**María-José Canel · Vilma Luoma-aho**

# **Public Sector Communication**



**Closing Gaps Between  
Citizens and Public Organizations**



**WILEY** Blackwell



## **A comprehensive guide to future-proofing public sector communication and increasing citizen satisfaction**

How to communicate with the citizens of the future? Why does public sector communication often fail? *Public Sector Communication* combines practical examples from around the world with the latest theoretical insights to show how communication can help bridge gaps that exist between public sector organizations and the individual citizens they serve. The authors—two experts in the field with experience from the public sector—explain how public entities, be they cities, governments, foundations, agencies, authorities, municipalities, regulators, military, or government monopolies and state owned businesses can build their intangible assets to future-proof themselves in a volatile environment.

The book examines how the recent digitalization has increased citizen expectations and why one-way communication leaves public sector organizations fragile. To explain how to make public sector communication antifragile, the authors map contributions from a wide variety of fields combined with illustrative examples from around the world. The authors propose a research-based framework of different intangible assets that can directly improve communication in the public sector.

This important resource:

- Helps explain the sector-specific conditions and why communication is often challenging in the public sector
- Summarizes all relevant literature on the topic across disciplines and includes the most popular management ideals of the recent decades
- Explores how public sector organizations can increase citizen satisfaction with effective communication
- Presents new approaches to both the study and practice of communication in the public sector
- Provides international examples of successful public sector communication
- Offers realistic guides to building intangible assets in practice

Written for advanced undergraduate and graduate students, as well as public managers and leaders, *Public Sector Communication* offers an illustrative, research-based guide to improving communication and engaging citizens of today and the future.

**María-José Canel, Complutense University of Madrid, Madrid, Spain**

**Vilma Luoma-aho, University of Jyväskylä, Jyväskylä, Finland**



# **Public Sector Communication**

Closing Gaps Between Citizens and  
Public Organizations

*María-José Canel and Vilma Luoma-aho*

**WILEY** Blackwell

This edition first published 2019

© 2019 John Wiley & Sons, Inc.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by law. Advice on how to obtain permission to reuse material from this title is available at <http://www.wiley.com/go/permissions>.

The right of María-José Canel and Vilma Luoma-aho to be identified as the author(s) of this work has been asserted in accordance with law.

*Registered Office(s)*

John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, USA

*Editorial Office*

101 Station Landing, Medford, MA 02155, USA

For details of our global editorial offices, customer services, and more information about Wiley products visit us at [www.wiley.com](http://www.wiley.com).

Wiley also publishes its books in a variety of electronic formats and by print-on-demand. Some content that appears in standard print versions of this book may not be available in other formats.

*Limit of Liability/Disclaimer of Warranty*

While the publisher and authors have used their best efforts in preparing this work, they make no representations or warranties with respect to the accuracy or completeness of the contents of this work and specifically disclaim all warranties, including without limitation any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives, written sales materials or promotional statements for this work. The fact that an organization, website, or product is referred to in this work as a citation and/or potential source of further information does not mean that the publisher and authors endorse the information or services the organization, website, or product may provide or recommendations it may make. This work is sold with the understanding that the publisher is not engaged in rendering professional services. The advice and strategies contained herein may not be suitable for your situation. You should consult with a specialist where appropriate. Further, readers should be aware that websites listed in this work may have changed or disappeared between when this work was written and when it is read. Neither the publisher nor authors shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

*Library of Congress Cataloging-in-Publication Data: applied for*

9781119135616 [Hardback]

9781119135579 [Paperback]

Cover Design and Image: © Vilma & Leo Luoma-aho;

(back cover image) © OnstOn/iStockphoto

Set in 10/12 pt WarnockPro-Regular by Thomson Digital, Noida, India

Printed and bound in Singapore by C.O.S. Printers Pte Ltd

10 9 8 7 6 5 4 3 2 1

## Table of Contents

### Part I *I*

<b>1</b>	<b>What Is Changing in Public Sector Communication?</b>	<b>3</b>
1.1	The Change: Identifying the Gaps with Citizens	3
1.1.1	What Is Changing?	3
1.1.1.1	Change in Everyday Practice	3
1.1.1.2	Answering the Most Important Question	4
1.1.1.3	Changing Values?	5
1.1.2	Changes in Individuals: Citizens, Stakeholders, Customers, and Partners	5
1.1.2.1	Changes in Citizens' Demands and Expectations	6
1.1.2.2	Citizen Communication Practices	6
1.1.2.3	Citizen Diversity	6
1.1.2.4	Changing Citizen Roles	7
1.1.3	The Traditional Gaps that Citizens Perceive When Assessing the Public Sector	7
1.1.3.1	Citizens Are from Venus, Public Authorities Are from Mars?	7
1.1.3.2	Gap 1: Speed: Bureaucracy versus Postbureaucracy	8
1.1.3.3	Gap 2: Privacy: Public versus Private Communication	8
1.1.3.4	Gap 3: Viewpoints: Process versus Answers	8
1.1.3.5	Gap 4: Context: Single Events versus General Attitude	9
1.1.3.6	Gap 5: Perceptions: Perception versus Performance	9
1.1.3.7	Gap 6: Roles: Obligations versus Rights	10
1.1.3.8	Gap 7: Media Use: Controlled versus Real Time	10
1.2	Framework for the Book	11
1.2.1	What Has Been Done on Public Sector Communication?	11
1.2.1.1	Earliest Works	11
1.2.1.2	Little Development despite the Relevance of the Topic	11
1.2.1.3	Nomenclature	12
1.2.1.4	Mapping Contributions from Different Fields to the Study of Public Sector Communication	12
1.2.2	The Three Pillars of this Book	16
1.2.2.1	The Intangible Nature of Public Sector Management	16
1.2.2.2	Knowledge for Practice, Practice for Knowledge	17

1.2.2.3	Considering Public Sector Communication from an International Perspective	17
1.2.3	Plan of the Book	17
	References	18
<b>2</b>	<b>What Is So Special about Public Sector Communication?</b>	<b>25</b>
2.1	What Is the Public Sector?	25
2.1.1	Initial Basic Definitions	25
2.1.2	Is This Public or Private?	26
2.1.3	Scholarly Approaches to Establishing Criteria of Publicness	27
2.1.4	The Rings of Publicness	28
2.1.5	The Publicness Fan	28
2.2	Defining Public Sector Communication	30
2.2.1	Mapping Scholarly Definitions	30
2.2.2	Some Insights from Practice	32
2.2.3	Our Definition of Public Sector Communication	33
2.3	Looking at Public Sector Communication from the Publicness Fan	33
2.3.1	Different Communication?	33
2.3.2	How Public Is This and Hence How Should Intangibles and Communication be Managed?	35
2.3.2.1	Funding and Profit	36
2.3.2.2	“Ownership” and “Employees”	37
2.3.2.3	Control and Accountability	38
2.3.2.4	Purpose and Values	39
	References	40
<b>3</b>	<b>Fragile Public Sector Organizations</b>	<b>45</b>
3.1	A Brief History of Public Sector Organizations’ Development	45
3.2	Global Trends in Public Sector Management: An Overview	46
3.3	Is There a Need for Intangible Assets?	47
3.3.1	From New Public Management to New Public Service	47
3.3.2	From Management to Public Value	48
3.4	The Fragility of Public Sector Organizations	50
3.4.1	Distrust	50
3.4.2	Services and Experiences	51
3.4.3	Bureaucracy	52
3.4.4	The Political Dimension	52
3.4.5	A Tactical Approach	53
3.5	Expectations as a Cause for Public Sector Fragility	54
3.5.1	How Citizen Expectations Are Changing	54
3.5.2	Expectations through Experiences	56
3.5.3	Unmet Expectations	56
	References	57
<b>4</b>	<b>Antifragile Communication: Closing the Gap through Intangible Assets</b>	<b>65</b>
4.1	Defining “Intangible Asset”	65
4.1.1	What Is an Intangible Asset About?	65



4.1.2	Pinning Down Intangibility	66
4.1.3	The Features of an Intangible Asset	67
4.2	Types of Intangibles	67
4.2.1	Accounting Categorizations	67
4.2.2	Relationships and Perceptions as the Basis for Intangible Assets that Aim to Build Competitive Advantage	69
4.3	Why Are Intangibles Different in the Public Sector?	70
4.3.1	What Is the Value of Intangibility in the Public Sector?	72
4.3.2	Building Intangible Assets: Is It Possible?	73
4.4	Different Intangible Assets in the Public Sector	74
4.5	Avoiding Fragility through Intangible Assets	74
4.5.1	Antifragile Communication: Taking the Citizen Point of View	75
4.5.2	The Steps toward Antifragility	76
4.6	Intangible Assets in this Book	77
4.6.1	Definition of Intangible Asset in the Public Sector	77
4.6.2	Different Intangible Assets and the Relationships between Them	78
	References	79

## Part II 83

<b>5</b>	<b>Satisfaction</b>	<b>85</b>
5.1	What Is Satisfaction?	85
5.2	Experiences and Satisfaction	86
5.3	Why Should Public Organizations Care About Citizen Satisfaction?	87
5.4	Communication and Satisfaction	88
5.5	Measuring Citizen Satisfaction	89
5.5.1	The Purpose of Measuring	89
5.5.2	Do Measurement Tools from the Private Sector Suit the Public Sector?	91
5.6	Summary of Citizen Satisfaction	92
5.7	Case Study on Citizen Satisfaction	93
5.8	Route Guide to Building Citizen Satisfaction	96
	References	97
<b>6</b>	<b>Organizational Culture</b>	<b>101</b>
6.1	Organizations' Invisible Cultures	101
6.2	Defining Organizational Culture	103
6.3	What Benefit Does Organizational Culture Bring?	104
6.4	Public Sector Organizational Culture	105
6.5	Subcultures	106
6.6	Communication and Public Sector Culture	107
6.6.1	Gaps that Public Sector Culture Can Fix	107
6.6.2	What to Measure in Practice?	110
6.7	Changing Organizational Culture	110
6.8	Criticism of Organizational Culture	112
6.9	Summary of Organizational Culture	112
6.10	Case Study on Organizational Culture	113

6.11	Route Guide to Changing Organizational Culture	116
	References	117
<b>7</b>	<b>Reputation</b>	<b>121</b>
7.1	What Is the Logic behind Organizational Reputation?	121
7.2	How the Digital Environment Shapes Reputation	122
7.3	Organizational Reputation Defined	124
7.4	The Benefits of a Good Reputation	125
7.5	Public Sector Organizations and Reputation	126
7.5.1	Reputation in a Context of Lower Competition	126
7.5.2	Neutral Reputation as Ideal for Public Sector Organizations	127
7.6	Measuring Public Sector Reputation	128
7.7	Two Examples of Measuring Reputation	131
7.8	Summary of Public Sector Reputation	133
7.9	Route Guide to Building Organizational Reputation	135
	References	136
<b>8</b>	<b>Legitimacy</b>	<b>139</b>
8.1	Conferring Legitimacy upon Public Sector Organizations: What Does It Mean?	139
8.2	The Legitimacy Judgment: What Confers Organizational Legitimacy in the Public Sector?	141
8.2.1	Achievements versus Procedures	141
8.2.2	Typologies of Legitimacy	141
8.2.3	Moral Legitimacy	142
8.3	Resources Generated by Legitimacy	143
8.4	Communication and Legitimacy Building	144
8.4.1	Being Acknowledged as Legitimate	145
8.4.2	Legitimacy Building as Sense Making	145
8.5	How Legitimacy Typologies Help Legitimacy Builders	146
8.6	Building Legitimacy	147
8.7	Critical Issues and Further Research	149
8.8	Summary of Legitimacy	151
8.9	Case Study on Legitimacy	151
8.10	Route Guide to Building Legitimacy	154
	References	155
<b>9</b>	<b>Intellectual Capital</b>	<b>159</b>
9.1	What Intellectual Capital Is About	159
9.1.1	Definition	159
9.1.2	What Has Been Done So Far on Intellectual Capital in the Public Sector?	160
9.2	Why is Intellectual Capital Needed?	161
9.3	What Resources Does Intellectual Capital Generate? Measuring Intellectual Capital	163
9.3.1	What Does Intellectual Capital Tell Us About? The Dimensions of IC	163
9.3.2	Measuring Intellectual Capital in the Public Sector	164
9.4	Communicating Intellectual Capital	166

9.4.1	Does Communication Play a Role in the Acknowledgement of Intellectual Capital?	166
9.4.2	Intellectual Capital Management and Communication Management	167
9.5	Critical Issues, Unanswered Questions, and Future Research	168
9.6	Summary of Intellectual Capital	169
9.7	Case Study on Intellectual Capital	170
9.8	Route Guide to Building Intellectual Capital	174
	References	175
<b>10</b>	<b>Engagement</b>	<b>179</b>
10.1	What Citizen Engagement Is About	179
10.1.1	Looking at Engagement from the Citizen Side	179
10.1.2	Engagement from the Organization Side: The Role of Public Administrations in Engaging Citizens	180
10.2	Going Deeper into Public Sector Engagement	181
10.2.1	Governmental Efforts to Involve Citizens	182
10.2.2	Deepening Engagement: The Coproduction Perspective	182
10.3	Why Is Engagement Needed?	185
10.3.1	The Context for an Increasing Concern with and Practice of Citizen Engagement	185
10.3.2	What Specific Gaps Does Engagement Help to Bridge?	185
10.4	Outcomes of Engagement: Calibrating Its Value as an Intangible Asset	186
10.4.1	A General Positive Assessment of the Impact of Engagement	186
10.4.2	More Mixed Evidence that Cannot Be Disregarded	187
10.4.3	Engagement Effects for the Organization: The Managerial Side	188
10.4.4	Benefit for Both Sides: The Cobenefit of Coproduction	188
10.5	Building and Communicating Engagement	189
10.6	Summary of Engagement	190
10.7	Case Study on Public Sector Engagement	191
10.8	Route Guide to Building Engagement	196
	References	197
<b>11</b>	<b>Social Capital</b>	<b>201</b>
11.1	Theory of Social Capital	201
11.2	What Kind of Value Does Social Capital Produce?	203
11.3	What Kind of Gaps Does Social Capital Help to Bridge?	205
11.4	Communicating Social Capital	206
11.5	What Does This Mean for Public Sector Organizations' Communication Management?	207
11.6	Measuring Social Capital	209
11.7	Are All Networks Real?	210
11.8	Closing the Gap through Social Capital	211
11.9	Future Research on Social Capital	212
11.10	Summary of Social Capital	213
11.11	Case Study on Social Capital in the Public Sector	213
11.12	Route Guide to Building Social Capital	216
	References	216

<b>12</b>	<b>Trust</b>	<b>221</b>
12.1	Why Does Trust Matter? The Intangible and Tangible Value of Trust	221
12.2	What Is Trust?	223
12.2.1	What is Trust About?	223
12.2.2	Can There Be Trust in Public Sector Organizations?	224
12.3	Trust in the Public Sector	224
12.3.1	Political Trust, Public Trust, and Trust in Government	225
12.3.2	Trust in Public Administration	226
12.3.3	Going Beyond the Public Administration: Trust in the Public Sector	226
12.4	Sources of Trust: What Generates Trust in the Public Sector?	227
12.4.1	Demographics	228
12.4.2	Political Attitudes as Explainers of Trust	228
12.4.3	The Influence of Events Management	228
12.4.4	Performance as a Source of Trust	228
12.5	Other Intangible Assets as Causes of Trust	229
12.6	Trust and Communication: Building Trust	232
12.7	Critical Issues and Further Research	233
12.7.1	Is There a Trend of Decreasing Trust in Public Sector Organizations?	233
12.7.2	Debated Issues about Measuring Trust	235
12.8	Summary of Trust	236
	References	237
<b>13</b>	<b>Closing the Gaps</b>	<b>243</b>
13.1	How Can We Close the Gap between Citizens and Public Sector Organizations?	243
13.1.1	Closing Gap 1: Speed: Bureaucracy versus Postbureaucracy	246
13.1.2	Closing Gap 2: Privacy: Public versus Private Communication	246
13.1.3	Closing Gap 3: Viewpoints: Process versus Answers	246
13.1.4	Closing Gap 4: Context: Single Events versus General Attitude	247
13.1.5	Closing Gap 5: Perceptions: Perception versus Performance	247
13.1.6	Closing Gap 6: Roles: Obligations versus Rights	247
13.1.7	Closing Gap 7: Media Use: Controlled versus Real Time	248
13.2	Expectations Management to Build Intangibles that Bridge Gaps	248
13.2.1	Concluding Remarks	252
	References	253
	<b>Index</b>	<b>255</b>

## Part I



## 1

## What Is Changing in Public Sector Communication?

*Budgets are cut, lines get longer and citizens voice their dissatisfaction real time*  
(A civil servant describing the change)

Public sector organizations have traditionally been blamed for bureaucracy, slowness, inefficiency, and corruption. These apparent failings have resulted in poor relationships between the public sector and citizens. Furthermore, many efforts aimed at improving the public sector seem to fail due to reasons that include a lack of understanding of citizens' changing expectations and an absence of strategic and planned communication. In response to a context of global economic and financial crisis and of the rise of new and social media, this book focuses on how communication can help to bridge the gap that exists between public sector organizations and the individual citizens whom they serve.

Recognizing that public sector communication cannot operate outside a political environment, this volume focuses on the apolitical function of communication undertaken by different public sector organizations, including governments, public foundations, agencies, authorities, regulators, and entities involved in joint public–private sector operations such as state monopolies and businesses.

The first part of this introductory chapter describes the changing context in which the public sector operates today, and it pays special attention to the transformations, problems, and challenges that require new approaches to both the study and practice of communication. The second part sets out the framework for the book. After exploring different contributions from research disciplines and areas that we judge to be of use in the study of public sector communication, the book's underlying rationale and structure are presented.

### 1.1 The Change: Identifying the Gaps with Citizens

#### 1.1.1 What Is Changing?

##### 1.1.1.1 Change in Everyday Practice

On a global level, change appears to be the new normal for public sector organizations today. Although not every change is radical in nature or overturns all established processes,

incremental change has become a daily practice for public sector employees. Reforms as intentional changes on a smaller scale are typical (Pollit and Bouckaert, 2011) as the speed of societal change is understood to be accelerating, and public sector organizations are being reconceived and reorganized to serve citizens better. Public sector managers and employees are learning to deal not only with changes in citizens' needs but also with the continuous pressure being placed on them to develop, measure, and improve their services and organizations. The complex setting in which public sector organizations exist today requires public sector organizations to be connected, departments to be influential, and authorities to be ambitious in their work (Tench et al., 2017).

As recent decades of public sector reform have focused mostly on savings and efficiency (Kuipers et al., 2014), more value-based ideals to guide change have been called for (White, 2000; Andrews, 2012). If one takes into account the finding that almost 70% of change initiatives in organizations fail (Higgs and Rowland, 2005, p. 121), a top priority is to better understand the actual needs and values behind change processes. Doing so is especially vital for efficiency, which remains one of the central mantras of the public sector globally.

Much of the research on public sector change has focused on the need for and the organization and processes of change, but there remains a lack of contextual consideration and understanding of the microlevel processes of change for individuals (Kuipers et al., 2014). In their review of change management in public organizations, Kuipers et al. noted that most public sector change remains "top-down, planned change, i.e. changes that are 'made to' organizations rather than changes made by and within organizations" (Kuipers et al., 2014, p. 15). These practices appear to ignore the vital role of employees' and citizens' engagement in making change successful. In fact, engagement is understood as a "vehicle for co-production, co-creation and co-innovation of public goods" (Bourgon, 2009, p. 230).

#### 1.1.1.2 Answering the Most Important Question

In line with the central idea of this book, it is generally agreed that there is an increasing need for public managers "to know how to interact with the public" (Thomas, 2013, p. 786). Reasons for public sector change that have been voiced recently include citizens' needs evolving as a result of private sector standards of service (Thijs and Staes, 2008). There has been an overall change from what Mary P. Follett describes as holding power *over* citizens to what she views as holding power *with* citizens (Thomas, 2013). This new focus on relationships is urgently needed because recent decades of focusing on productivity have made public sector organizations increasingly dependent on the scientific management paradigm. Public sector organizations will remain fragile as long as the illusion persists that their operating environment is predictable, that change can be controlled, and that *ex post* adaptations are sufficient (Bourgon, 2009, 2011).

As citizens have begun to receive services and goods almost instantly elsewhere, their expectations of public sector organizations have also risen. These expectations are also empowered by new technological developments and the rise of mass self-communication (Castells, 2009), through which individual citizens are equipped to voice their opinions and experiences in real time to mass audiences without the traditional journalism processes of fact checking, editing, or gatekeeping.

Whether change takes the form of wholesale transformations to structures or governments or merely involves reorganizing or introducing new procedures or tools,



the once-stable environment of public sector organizations appears to remain only in myths put forward in public sector literature. Communication plays a key role in times of change, as public sector employees and citizens alike want an answer to the most important question that arises when change occurs: What will happen to me? The only way to ensure successful change is to answer this question, which requires the ability to communicate effectively with citizens.

Recent research suggests that there is no single event alone that is the cause of changes in the public sector. Instead, changes occur on all the societal, governmental, organizational, and individual levels simultaneously. In fact, most of the external drivers for change are complexly intertwined within larger contextual developments that affect not just a few but many organizations at once (Kuipers et al., 2014).

#### 1.1.1.3 Changing Values?

When it comes to change in the public sector, several factors are considered important by both researchers and practitioners. First, while the context of change matters, so too does the content of what is changing. Second, it is agreed that the process through which change occurs is highly significant, as is the leadership of the change process. Perhaps too much emphasis is often placed on the outcomes of change, even though these may change over the course of the process (in a manner similar to the ways in which budgets have to be revised), and they might sometimes be difficult to grasp directly.

Change and organizational functions are guided by societal values, as values reflect what citizens want. Along with the introduction of new principles borrowed from management literature, the traditional values of public sector organizations are slowly changing (Pollit and Bouckaert, 2011). “Equity” is being replaced by “efficiency of services,” as legitimacy – the license to exist – is now more dependent on the effectiveness of services (Kuipers et al., 2014). Moreover, there is an increasing emphasis on the utility and value that citizens receive from services, and even “fairness” as a value is being replaced by “transparency.” Furthermore, the traditional value of “reliability” is partly being replaced by “frugality” as financial factors gain increasing importance. Only the core values of “safety” and “due process,” the key elements for trust within democratic societies, seem to be holding their ground (Rothstein, 2001).

We will next look at public sector change from two complementary levels that in practice often overlap: (i) changes in individual citizens and their communication patterns and habits (including those of public sector employees) and (ii) changes in public sector organizations and their management and organization.

#### 1.1.2 Changes in Individuals: Citizens, Stakeholders, Customers, and Partners

There is a common agreement that public sector organizations should be “more responsive to society’s needs and demands” (Thijs and Staes, 2008, p. 8). At the same time, however, the public that they serve is more complex than ever (Thomas, 2013). There are numerous reasons for changes in the nature of citizenship, but previous studies seem to confirm the significance of four areas of rapid change in this domain that have affected public sector organizations: citizens’ demands and expectations, citizens’ communication practices, citizens’ diversity, and new citizen roles. The following subsections elaborate on each of these areas of change.

#### 1.1.2.1 Changes in Citizens' Demands and Expectations

As public sector organizations develop, “the place and the role of the citizen/customer have become of very high importance in these changes and reforms” (Thijs and Staes, 2008, p. 1). Despite the fundamental public value of serving, citizens' and public servants' experiences and expectations are often overlooked in public sector development (Pekkarinen et al., 2011), and change management continues to be a hot topic of public sector development. In fact, in previous literature on public sector change, the micro-view of individuals has been overshadowed by the overwhelming attention paid to change outcomes and processes (Kuipers et al., 2014).

Citizen expectations arise as a result of combining citizens' personal experiences with what the public sector communicates. As service design becomes more popular in the business sector (Whicher and Cawood, 2013), citizens are starting to expect a similar level of service delivery from public sector organizations. Previous research suggests that citizen expectations are formed based on a combination of previous experiences, personal needs, word of mouth, and the implicit and explicit communication emanating from the public service (Thijs and Staes, 2008). Citizen satisfaction differs from customer satisfaction in the respect that whereas customer satisfaction focuses purely on service quality, citizen satisfaction must also assess individual services on a relative basis. It poses the question: With the funding available, which services should be prioritized?

#### 1.1.2.2 Citizen Communication Practices

As traditional mass communication has been partly replaced by social networks (Castells, 2009), the logic of citizen engagement has changed. Public organizations are now challenged to reach individual citizens within their cultural bubbles (Sloterdijk, 2011). These bubbles let in only the communication that citizens actively choose for themselves. And instead of comprising traditional mass media content, they often consist of streams and feeds that citizens select from an array of potential messages. Moreover, as citizens are able to communicate their needs and experiences online in real time and to massive audiences, stories and reports of individual experiences are gaining in importance.

New sociological research suggests that the contemporary existence of citizens within these individual bubbles is an isolated one, and that together these bubbles do not make up a network (which is too geometric and point oriented) or a society (which is too restricted in its container form), but rather a plurality of spheres – a kind of “social foam” (Sloterdijk, 2011). In this foam, citizens are simultaneously interconnected and isolated, and several different conditions and atmospheres shape their behavior and expectations.

With these changes in the nature of society and citizens, there is an urgent need to shift from a “culture of controls” to a citizen-centered engagement (Bourgon, 2011).

#### 1.1.2.3 Citizen Diversity

Citizens today are not a homogenous group by any measure. Diversity understood merely through ethnicity and location is becoming outdated; citizen “superdiversity” is becoming the norm (Vertovec, 2007). Superdiversity refers to the wide scale of variance available in today's multigroup relationships (Vertovec, 2007). On the level of organizations and institutions, decisions are globally interconnected, and so single policies and actions may have new and unexpected multicultural impacts (Luoma-aho and Paloviita, 2010). A shift from citizen categorization to temporal and dynamic citizen roles and

identities is currently under way. In practice, when public sector organizations address citizens, they can no longer categorize them according to ethnicity; they must instead consider a range of factors that is based on citizen identities, locations, histories, trajectories, and expectations.

Moreover, as superdiverse citizens mix together into the new social foam, unintended misunderstandings that further challenge the work of public sector organizations may occur. As a result of diversity, the importance of the messenger and the priming of messages in a culturally suitable way become highlighted.

#### **1.1.2.4 Changing Citizen Roles**

Along with the introduction of NPM (new public management), new roles for citizens have emerged. The use of the word “citizen” is becoming controversial, as many individuals living within national borders do not have citizenship. In this book, we use that word loosely to refer to those individuals within the jurisdiction of the public sector organizations we discuss. In addition to the traditional view of citizens as taxpayers and contributors and as individuals with rights and responsibilities, new roles that shape the way in which public sector organizations can address citizens are also emerging. One central role attributed to citizens today is that of “beneficiaries.” This role emphasizes the right to certain services or goods. Similar to this role of beneficiary is that of customer or client. These roles emphasize choice, and they highlight citizens’ ability to choose between different public services. For citizens, this means changing expectations, as the assumption is that comparisons and options are available. These newer citizen roles emphasize exchange and demands for quality: if a certain sum of money is paid (whether through taxes or fees), the quality of the service should be higher (Thijs and Staes, 2008). Moreover, as public services continue to be developed and service design becomes more common, citizens also become producers and cocreators in the context of public sector services. As a result, more emphasis is placed on the nature of engagement between citizen and organization (Bowden, Jana, and Naumann, 2016). Each role carries with it certain citizen expectations regarding interaction with public sector organizations.

### **1.1.3 The Traditional Gaps that Citizens Perceive When Assessing the Public Sector**

#### **1.1.3.1 Citizens Are from Venus, Public Authorities Are from Mars?**

Although all parties involved in public sector services agree that the final product of public sector organizations is a successful society consisting of satisfied citizens, several communication hurdles must be overcome if this aim is to be achieved. Whereas authorities construct their communication and key messages based on their aims and correct procedures, citizens assess communication from authorities based on whether it meets their needs and answers their questions. Whereas organizations look at the bigger picture, citizens often take an individual view. In addition, the political nature of public sector organizations and their leadership sometimes complicates communication.

The assessment of public sector performance differs from the assessment of private sector goods and services. In the public sector, assessments need to include, in addition to the operational objective of “doing things right,” the more existential and often-political question of “doing the right things” (Thijs and Staes, 2008, p. 9).

Communication between authorities and citizens online is not without challenges. Lack of common viewpoints and the legal constraints that guide all authorities' communication online have been noted as challenges to interaction (Tirkkonen and Luoma-aho, 2014). This book is focused on bringing citizens and public sector organizations closer together by closing the following gaps that are emerging in the new communication environment.

#### **1.1.3.2 Gap 1: Speed: Bureaucracy versus Postbureaucracy**

Public sector organizations are still for the most part guided by the scientific management paradigm's principles of efficiency and structure, and accordingly procedure often overtakes flexibility. This causes what citizens perceive as slowness – for example, when a simple request goes through a long bureaucratic route. Such a path produces a gap in the expectations of citizens who are living in a postbureaucratic environment in which traditional modes of managerial authority are obsolete owing to “a range of pressures commonly associated with globalization and technological advance” (Johnson et al., 2009, p. 37). In short, citizens are able to receive fast services elsewhere online, and as a result they are beginning to expect similar service from a sector that in their view they fund through their taxes. Citizens find it difficult to understand why they can sign up to a new credit card immediately online and have it delivered to their house the next day but may when renewing their driver's license have to make a personal visit to the department issuing the document, wait several weeks to receive the new license, and sometimes even submit additional paperwork or take medical tests.

#### **1.1.3.3 Gap 2: Privacy: Public versus Private Communication**

As we will discuss in Chapter 2 of this book, the borderline between what is considered public and what is considered private has continued to blur as connectivity has increased. This phenomenon is being accentuated by the trend of public sector employees bringing their own devices to work, the extension of work into leisure time, and the increasingly diverse range of actors comprising the body of public sector workers. There are no longer purely private messages intended for employees only; any message can potentially become public. This is highlighted during crises (Frandsen and Johansen, 2010, p. 432), when communication straddles the traditional distinctions of “what is public (i.e., the public sphere of the media), semipublic (networks), or private (inside the organization).” The traditional division of public sector communication as targeted for either internal personnel or external stakeholders now seems naïve, as potentially private messages may end up in public forums through both intended and unintended information leaks, hacks, and sharing on social media. The question of privacy also relates to which channels and media can be officially used by authorities, and which channels would be most likely to reach individual citizens in their communication bubbles. When Australian immigration officers make a decision to refuse to grant asylum for an individual, the individual can publicly disagree and argue his or her case on social media, whereas the authorities are required to keep the process private and are hence unable to release, for example, the records that would explain their decision.

#### **1.1.3.4 Gap 3: Viewpoints: Process versus Answers**

Authorities and citizens take different viewpoints when dealing with issues that require solutions. As authorities are often experts in their field, they use exact definitions and

concepts that are accurate but seldom easily understood. In contrast, citizens are still often effectively lay people when it comes to administrative processes, and what they look for are answers that fit their individual challenges or questions. They may find it difficult to identify an answer to their query within a detailed procedural description that makes use of technically correct descriptions, and as a result they may resort to alternative outlets where clear questions are given clear answers – for example, online discussion forums (Tirkkonen and Luoma-aho, 2011, 2014). Their need to feel that they have a clear answer overpowers the need for technical precision, and ultimately the clear answer that citizens end up with from unofficial sources may contain false information and create a false sense of having had the question answered. An illustrative example of this is the global discussion about vaccinations for children. When the authorities stick to vague recommendations based on statistical probabilities of being affected by a disease, citizens search for strong opinions to confirm their own thinking via online discussion forums, where “people like me” share their views and experiences. As will be shown, intangible assets help to elaborate narratives that bridge these different viewpoints.

#### **1.1.3.5 Gap 4: Context: Single Events versus General Attitude**

For authorities dealing with citizens’ needs and emerging issues, individual crises are put into the context of otherwise-successful public administration, and so citizens’ problems or complaints are therefore treated as one-off events. However, from the citizen’s perspective, there is an impression of recurrent failures. In fact, because negative reports are viewed as more credible than positive ones (Chen and Lurie, 2013), citizens are hard wired to remember public sector failures and arrange them into a narrative of ongoing problems. This contributes to a widespread negative attitude toward the public sector in general. Studies suggest that despite a negative attitude to the public sector at large, citizens may simultaneously value and appreciate individual public services provided to them (Thijs and Staes, 2008). The challenge of communicating with regard to a single event and explaining its context becomes difficult if there is a general attitude of hostility or negativity. Whereas authorities saw the floods caused by Hurricane Katrina in the United States as a single disaster, for citizens they were merely one more example of a failure by the public services to help when needed. Citizens saw the hurricane in the context of other disasters and added it to their list of other incidents such as forest fires and other hurricanes.

#### **1.1.3.6 Gap 5: Perceptions: Perception versus Performance**

The whole public sector, including authorities and employees, is subject to a sector-wide reputation that has been established over time and that is hence quite stable (Luoma-aho, 2008). The public sector is often linked with negative traits, including bureaucracy, slowness, unreliability, and inefficiency (Wæraas and Byrkjeflot, 2012), despite quite successful renewals and practices. In fact, the public sector’s actual performance is something individual citizens can seldom evaluate for themselves, and the more complex the service process, the more difficult its evaluation becomes (Thijs, 2011). This is frustrating for public sector employees, who often feel their efforts yield no results. Furthermore, public sector organizations rightly often focus on more pressing issues in their communication than their own development and successes, and this choice of focus exacerbates the gap. Research shows that even major improvements and renewals

may leave organizational reputation untouched (Luoma-aho and Makikangas, 2014), as perceptions overtake even the best attempts at improving. When neighbors tell stories of, for example, long lines for water purification services at a local plant after a flood that may have polluted the local water supply, the fact that every single affected household may have been successfully assisted within a reasonable time frame may not resonate as a victory. Personal experiences, emotions, and perceptions rule over performance reports.

#### 1.1.3.7 Gap 6: Roles: Obligations versus Rights

Citizens can focus on their own rights, whereas authorities need to consider the full impact of individual choices for society at large. Procedures originally intended for citizen protection seem to have created a gap between citizens and public sector organizations. For example, frustration may arise when a citizen moves to a new city and the public health officials there are unable to see his or her medical records produced by medical practitioners in the previous city of residence. Although citizens do in principle understand the importance of protecting data and adhering to procedures, when it comes to simple requests and answers they sometimes feel frustrated by the slowness of the process (Thijs and Staes, 2008). Any perceived experiences of unfair treatment or not getting what is rightfully theirs have the potential to escalate into bigger crises owing to the fact that citizens are now empowered to voice their misfortunes via media platforms such as YouTube videos. In such an environment, public sector organizations are automatically cast in the role of Goliath – the big, evil system – with the individual citizen playing the role of a small, brave David. A recent example of this is an angry Nordic parent who filmed and posted on YouTube the process of a child protection services worker coming to take his child into custody. Without any context and background information, it appears as though his rights were violated, when in fact he was severely neglecting his welfare obligations to the child. He had a right to tell his story publicly; the authorities had the obligation to not tell their story in public.

#### 1.1.3.8 Gap 7: Media Use: Controlled versus Real Time

Changes to the arena in which communication takes place have raised an important question: Is there a single arena that is controlled and set by the authorities, or do citizens choose their own communication arena? Many public sector organizations still function in a world in which media is exclusively of the owned (for example, agency websites), earned (for example, news articles covering agency decisions), and paid varieties (for example, social advertising and campaigns). Here, the focus is on providing information through one-way websites and press releases and on the nurturing of traditional print or broadcast media relations. These channels are controllable and allow a message to be broadcast uninterruptedly, but they do not always match citizens' media use and consumption habits, or their actual information needs. However, in the citizen's world, alongside owned media (such as websites and physical formats), earned media (such as messages via press releases and pitching to journalists), and paid media (such as advertising and public service broadcasts), there are also in fact several other forms of media. These include searched media (such as questions to which citizens seek answers via search engines), shared media (content that citizens share with one another), hacked media (such as hijacked hashtags for campaigns that do not resonate with citizens' experiences), and – the most recently developed form – mined media (such as data that have been collected from several sources with a view to answering complex

questions). To give a practical example of this gap, boat-owning citizens who hold a permit to moor their vessels may find it difficult to understand why the city authorities do not approach them via Facebook or email when their transaction has not been processed and their permit runs the risk of expiring, but instead post a paper warning on the vessel itself. The practices of public sector communication suggested in this book seek to interact with citizens where they prefer to be.

Although these gaps may not comprehensively address all the challenges that citizens perceive in relation to public administration or those which public administrators perceive in relation to communication with citizens, they appear to be among the most dominant challenges on a global level. They are the gaps that we attempt to address in this book through adopting a citizen-centered approach to public sector communication.

## 1.2 Framework for the Book

To set the framework for the book, we next explore existing knowledge on public sector communication and the different fields contributing to its development.

### 1.2.1 What Has Been Done on Public Sector Communication?

#### 1.2.1.1 Earliest Works

The earliest sources that we could find regarding public sector communication go back to a book chapter by McCamy published in 1939 (McCamy, 1939). Framing his chapter on the notion of public relations (its title is “Public Relations in Public Administration”), he focuses on the external communications undertaken by public administrations. Years later, in 1957, based on the assumption that administration is essentially a form of decision making that can be viewed in terms of communication phenomena, Dorsey (Dorsey Jr., 1957) provided a model to analyze administrative communication. But here the word “administration” is broadly understood as the processes of decision making, and its use is not necessarily confined to political contexts and settings. A similar approach was adopted by Redfield (*Communication in Management: The Theory and Practice of Administrative Communication*) in 1953 (Redfield, 1958) and by Thayer (*Administrative Communication*) in 1961 (Thayer, 1961). The first work to be more fully focused on public sector communication was the volume published in 1965 by Highsaw and Bowen (1965), which is entitled *Communication in Public Administration*.

#### 1.2.1.2 Little Development despite the Relevance of the Topic

On the whole, research on public sector communication is still limited in terms of quantity. Despite the key role that communication plays in the provision of public services and goods, it has not yet been fully analyzed, and more research is needed to address the challenge that public sector organizations face globally to reach citizens, engage them in administrative processes, and maintain their trust (Grunig, 1992; Garnett, Marlowe, and Pandey, 2008; Glenny, 2008; Bourgon, 2009; Lee, Fairhurst, and Wesley, 2009; Lee, 2010; Gelders and Ihlen, 2010a; Strömbäck and Kioussis, 2011; Wæraas and Byrkjeflot, 2012; Sanders and Canel, 2013; Valentini, 2013; Luoma-aho and Makikangas, 2014; Bowden et al., 2016).

### 1.2.1.3 Nomenclature

The expression “public sector communication” has to date seldom been used, and until 1992, no book had dealt specifically with the topic by that name (Graber, 1992). Very few scholars or works use this expression to refer precisely to what we describe in this book. Nevertheless, various authors have discussed aspects of what we would define as “public sector communication.” In Table 1.1, we have compiled different expressions used by scholars to refer directly or indirectly to communication emanating from the public sector. We have sorted them into three main levels: government, public administration, and public sector.

Overall, the longest list of works falls under the term “government communication.” Under the level of “government,” few studies refer to government information management or to government public relations, and there is also only one term (“government reputation”) that deals specifically with intangible assets.

The term “public administration” is very scarcely used to refer to the topic that we discuss in this book, and there has not yet been a book whose title incorporates the term “public administration communication.” There are some studies on communication and public administration (most of which are from the mid-twentieth century). However, “administrative communication,” which was coined by Garnett (see for instance Garnett and Kouzmin, 1997 and Garnett, 1997), is a well-established term, and it has been used in the most systematic and extensive studies on communication beyond the unit of government. Interestingly, there has been no study explicitly on “public relations in public administration” since McCamy’s initial volume.

Finally, the broader label of “public sector” has been used in conjunction with “reputation” (Luoma-aho, 2008; Luoma-aho and Canel, 2016), “branding” (Wæraas, 2008, p. 205), “public relations” (Valentini, 2013), “communication management” (Gelders et al., 2007), and “mediatization” (Lee, 1999; Schillemans, 2012; Thorbjørnsrud et al., 2014; Fredriksson, Schillemans, and Pallas, 2015). The term “public sector communication” has only been used by Graber (1992), Pandey and Garnett (2006), Glenny (2008), and Canel and Luoma-aho (2015).

### 1.2.1.4 Mapping Contributions from Different Fields to the Study of Public Sector Communication

We will now provide a brief review of the scholarly contributions to public sector communication from the fields of government communication, public relations, corporate communication, and public administration studies.

As already mentioned, the major scholarship at the level of government that is related to public sector communication uses the label “government communication.” The most up-to-date and systematic analysis of government communication is the volume edited by Sanders and Canel (2013). This work, which draws comparisons between different countries, identifies common trends, issues, and challenges of government communication worldwide, and it concludes that government communication depends on the surrounding society. In a later piece of cross-disciplinary comparative research, Canel and Sanders conclude that while political communication research has quite rightly highlighted the political purposes of government communication, concepts offered by other research disciplines complement this view by suggesting avenues of study directed at what they see as the *civic* purposes of government communication: “Building long-term relationships, mutual understanding and citizen engagement become part of what



**Table 1.1** Nomenclature used by authors who focus on topics related to public sector communication.

Government					
Government information management/provision	Government communication	Government public relations	Political public relations	Government policy communication	Government reputation
Édes, 2000 Gelders, 2005	Heise, 1985 Garnett, 1992, 1997 Gregory, 2006 Vos, 2006 Fairbanks, Plowman, and Rawlins, 2007 Glenn, 2008 Vos and Westerhoudt, 2008 Howlett, 2009 Gelders and Ihlen, 2010a, 2010b Liu et al., 2012 Canel and Sanders, 2012, 2015 Heinze, Schneider, and Ferié, 2013 Ponce, 2013 Sanders and Canel, 2013 Laursen and Valentini, 2014	Grunig and Jaatinen, 1999 Lee, 2001, 2007, 2009a Motschall and Cao, 2002 Sanders, 2011 Hong et al., 2012	Froehlich and Rüdiger, 2006 Strömbäck and Kioussis, 2011	Gelders and Ihlen, 2010a Gelders and Ihlen, 2010b	Da Silva and Batista, 2007
		Government news management Pfetsch, 2008			
Public administration and management					
Communication and public administration	Public agency communication	Public relations in public administration	Administrative communication	Public institutions communication	
Dorsey Jr., 1957 Highsaw and Bowen, 1965 Bacharach and Aiken, 1977 Garnett, Marlowe, and Pandey, 2008 Canel, 2014	Avery et al., 2009 Avery, Lariscy, and Sohn, 2009	McCamy, 1939 Lee, 1999, 2002, 2009b	Thayer, 1961 Garnett and Kouzmin, 1997 Garnett, 1997, 2009	Canel, 2007	
Public sector					
Public sector reputation	Public sector branding	Public sector public relations	Mediatization of the public sector	Communication management in the public sector	Public sector communication
Luoma-aho, 2008 Luoma-aho and Canel, 2016 Wæraas and Maor, 2015	Wæraas, 2008	Valentini, 2013	Schillemans, 2012 Fredriksson et al., 2015 Thorbjørnsrud, Figenschou, and Ihlen, 2014	Gelders et al., 2007 Gelders, Bouckaert, and van Ruler, 2007	Graber, 1992 Pandey and Garnett, 2006 Glenn, 2008 Canel and Luoma-aho, 2015

is understood to be government communication and understanding how they are helped and hindered then becomes part of the research agenda” (2014, p. 101).

This cross-disciplinary approach has been used to put forward and explore the notion of professionalism in the context of government communication, an undertaking that has revealed diverse understandings according to country and theory perspectives (Sanders et al., 2011; Sanders and Canel, 2013; Canel and Sanders, 2014). This line of research reveals that a systemic approach to political communication (which emphasizes systems and power) should incorporate a public relations approach (which throws the spotlight on practice, values, and occupational legitimacy) in examining professionalism as an institutional process and as a dynamic “community of practice.” One major conclusion in this regard is that the professionalization of government communication involves an increase in both strategic and civic capacities (Canel and Sanders, 2014), a finding that introduces new (albeit contested) ways of looking at communication undertaken by governments and that is helpful for addressing critical issues in public sector communication.

The fields of public relations and corporate communication have provided studies that deserve inclusion here. Hong et al. (2012) focus on the segmentation of the general public for the purpose of conducting government public relations; Gelders and Ihlen (2010b) provide a “gap analysis” framework to analyze possible gaps between governments and citizens in communicating public policies; and Liu and Horsley (2007) propose a model for analyzing the relationship between governments and publics that has subsequently been applied to compare government and corporate communication practices (Horsley, Liu, and Levenshus, 2010; Liu, Horsley, and Yang 2012). Canel and Sanders (2014) point out that in an attempt to identify and establish professional standards, public relations research tends to stress the effective practice of communication, seeking out precise and tangible measures of internal efficiency and external effectiveness. For example, Gregory (2006) provides a competencies framework for government communicators that is designed to improve performance and the functional consistency of communication across a given government; Pandey and Garnett (2006) have tested a model for measuring public sector communication performance; Luoma-aho (2007) has developed a barometer for public sector stakeholder experiences and reputation; and Vos (2006) has designed a model to measure the efficiency of government communication and, together with Westerhoudt, has applied it to the Netherlands to establish the current state of the practice of government communication (Vos and Westerhoudt, 2008). Krey (2000), Hong (2013), and Lee (2007), meanwhile, have elaborated on the tools to improve the practice of government public relations.

In the field of public administration studies, the most prolific author who takes a communication-oriented approach to the public sector is James L. Garnett. In 1992, he published *Communicating for Results in Government: A Strategic Approach for Public Managers*, a highly systematic work that features many useful insights into both prescriptive and descriptive accounts of communication emanating from US public agencies (Garnett, 1992). Together with Kouzmin, Garnett edited the *Handbook of Administrative Communication* (Garnett and Kouzmin, 1997), the first and to date only work of its kind. It is a thorough, multidisciplinary, and inspiring handbook that encompasses organizational and public management theory and practice in its exploration of the field of public management communication research, and it examines specific communication issues in specialized arenas.

Building on a previous volume entitled *Public Sector Communication* (Garnett, 1992), *The Power of Communication: Managing Information in Public Organizations* (Graber, 2003) is one of the few systematic and comprehensive analyses of communication in the public sector. It focuses on information management in US government agencies by analyzing the nature of information flows and communication problems. This work combines both scholarly perspectives (grounded principally in approaches to organizational behavior and decision making from the fields of sociology, communication, and political science) and practical aspects of communication in public agencies to analyze the structure of communications networks within public agencies from a system-communication-flow perspective, in order to explain how research findings can help government officials meet the challenges that they face.

To the extent that public sector organizations and public services are principally led by politicians within an increasingly mediated environment, political communication research helps to address different political constraints on public sector communication. Some scholars try to establish boundaries between political/propaganda communication and the more apolitical/nonpartisan communication undertaken by civil servants when providing public services (Glenny, 2008; Gelders and Ihlen, 2010a). Looking at the communication undertaken by civil servants in Australia, Glenny (2008) distinguishes communication activities that serve the purpose of governing of the nation from those which promote a political party and/or politician in order to win electoral support. A related issue is that of how citizens ought to be included in public sector communication. In relation to this question, an analysis by Heinze, Schneider, and Ferie (2013) of the use of direct communication instruments by German governments, in which they note that most research centers on the exchange between mass media and government without systematically including citizens, also contains a call for a form of communication that helps to foster a greater proximity to citizens.

In our view, such a call has to be complemented by Waymer's warning that one must take into account the fact that there are segments of the public, and particularly segments of the government's audience, who have no desire for a relationship. Based on this observation, Waymer argues for a broader understanding of what democratic public relations comprise (Waymer, 2013). It is a suggestion that we believe should be taken into account with regard to public sector communication research in order to refine the interactions that civil servants should aim to bring about in relation to the publics that they serve. The audience that this present book takes into consideration includes not just those who are able to engage in perfectly rational deliberation but rather encompasses all public sector stakeholders and end users of public services, regardless of whether or not they are willing to be involved in public discussion. In this regard, contributions such as that of Simmons (2014) or the book coedited by Falconi et al. (2014) on how to manage stakeholder relationships provide information on best practices for public sector organizations in implementing a continued, integrated, multichannel, and multistakeholder reporting activity in order to foster a culture of listening.

A final theme that we consider to be of key importance for the field of communication research is organizations' management of intangibility – that is, the immaterial aspects that enable an organization to function, such as its reputation. The building up, management, and measurement of intangible assets, as well as the role that communication plays in them, are issues that appear to offer new perspectives for public sector

communication research. One of the core arguments of this book is that they open up new opportunities to close gaps between public organizations and citizens.

## 1.2.2 The Three Pillars of this Book

In this book, we propose that communication is at the core of democracy and public sector operations, and we see communication as playing a crucial role in bridging gaps and in addressing the challenges and problems described above. The framework for this book is based on the three major aspects that make up our approach to public sector communication: the need to manage public sector intangibles, the need to combine theory with practice, and the need to see public sector organizations from an international perspective.

### 1.2.2.1 The Intangible Nature of Public Sector Management

This book argues that only by understanding the intangible assets apparent in relationships between citizens and public sector organizations can we begin to close existing gaps between the two sides of the relationship. In our view, intangible assets hold the key to measuring future success for the public sector.

Nowadays, the productivity of organizations and institutions is increasingly built on intangible assets (Sztompka, 2000). Intangible capital can be understood as immaterial aspects that enable the organization to function. In addition to human capital, these include, among others, social capital, acquired knowledge and relationships, quality, trust, and reputation.

While in the private sector there is an increasing awareness and active discourse about the economic role of intangible assets and their consequences (Lev and Daum, 2004), the public sector remains slightly apprehensive about measuring them (Cinca, Molinaro, and Queiroz, 2003; Da Silva and Batista, 2007), and it was only recently that public sector organizations started to think about intangibles.

But this gap is a paradoxical one, since intangibility is even more important in public organizations than it is in profit-making ones (Cinca et al., 2003; Queiroz et al., 2005). Whereas quantifiable objectives are key within the private sector, dominated as it is by profitability and the generation of value for shareholders, public administrations work predominantly with nonmonetary aims and intangible resources. Rather than capital, machines, and raw materials, the public sector principally uses knowledge and human resources. And the outcomes of the public sector – public services – are closely linked to intangibility.

During the last 10 years, an emerging trend in governments from different countries has been to establish units to allocate functions related to intangibility management. For instance, some countries such as Kenya have introduced citizen engagement into their constitution. In the United States, there is an Office of Public Engagement, which was created by the Obama administration (<https://www.whitehouse.gov/engage/office>). The federal government of Canada has a similar office (<http://www.opec.gov.nl.ca/office/contact.html>), and an office for the intangible asset of corporate responsibility has been established by the government of the United Kingdom (<https://www.gov.uk/government/consultations/corporate-responsibility>).

To summarize previous research, it seems that the most developed intangible assets in the public sector are intellectual and social capital, followed by trust and reputation. Ours is the first book that provides a systematic account of the development of different