

process requirements of public hearings, as well as numerous accountability reporting provisions. (As a case in point, this reviewer's career got a boost from a HUD grant to improve local government fiscal capacity through better accounting standards.)

The approaching new millennium has given rise to a wave of retrospectives about the twentieth century. *Class, Tax, & Power* has made more complete our understanding of the historical roots of current municipal budgeting practices. For scholars, history is worth knowing for its own sake. For practitioners and reformers, knowledge of history will hopefully save them from mistakes of the past. Irene Rubin has rendered a useful professional service to both of these groups.

## REFERENCES

- Clark, T.N., and L.C. Ferguson. 1983. *City Money*. New York: Columbia University Press.
- Fisher, L. 1975. *Presidential Spending Power*. Princeton, NJ: Princeton University Press.
- Fuchs, E.R. 1992. *Mayors and Money*. Chicago: University of Chicago Press.
- Haider, D. 1974. *When Governments Come to Washington*. New York: Free Press.
- Makin, J.H., and N.J. Ornstein. 1994. *Debt and Taxes*. New York: Time Books.
- Peterson, Paul, 1981. *City Limits*. Chicago: University of Chicago Press.
- Sbragia, A.M. (Ed.). 1983. *The Municipal Money Chase*. Boulder, CO: Westview Press.
- Sbragia, A.M. 1996. *Debt Wish*. Pittsburgh, PA: University of Pittsburgh Press.
- Stein, H. 1996. *The Fiscal Revolution in America: Policy in Pursuit of Reality*, (2<sup>nd</sup> rev. ed.). Washington, D.C.: The AEI Press.
- Webber, C., and A. Wildavsky. 1986. *A History of Taxation and Expenditure in the Western World*. New York: Simon & Schuster.
- Wildavsky, A. 1964. *The Politics of the Budgeting Process*, Boston, MA: Little, Brown.
- Wildavsky, A., and N. Caiden. 1997. *The New Politics of the Budgetary Process*, (3<sup>rd</sup> ed.). New York: Addison-Wesley.

---

## **Creating Public Value: Strategic Management in Government (Cambridge, MA: Harvard University Press)**

by Mark Moore

Reviewed by Ashley Symes

In *Creating Public Value: Strategic Management in Government*, Mark Moore argues that public managers are explorers who seek to discover, define, and produce public value. As innovators rather than mere implementers, public managers must dispense with the presumption that politics and administration are

separate spheres. Instead, like their private-sector counterparts who create economic value, public managers must orient their role within an integrated strategic framework, the particular elements of which are political, policy, and administrative management (pp. 17–23).

Moore addresses his appeal primarily to public managers, elected or appointed, at the head of executive agencies in the United States (p. 3). However, both the substance and the underpinning of his strategic public management framework—celebration of the managerial function and the blurring of the politics/administration divide—extend their relevance to the mainstream of New Public Management (NPM) thought. This location notwithstanding, Moore chooses to evade some of NPM's central debates. He is silent about performance management and quells discussion of service management early on (chap. 2) by declaring it a misconstruction of public policy goals.

Moore's treatment of the customer service orientation in public management represents one stance in an internal NPM dispute about service management. This review proposes a modified understanding of operational service management guide to reconcile opposed points of view, while retaining the integrity of Moore's framework. As a preliminary, it contextualizes the service management debate within NPM.

Pollitt (1993) and Ferlie et al. (1996) describe a trajectory in underlying NPM themes. Pollitt defines the movement as being from an initial neo-Taylorian focus on bureaucratic accountability to the political executive, to an emphasis on service quality in the interests of the public accountability of government programs. Ferlie et al. trace a similar evolution, commencing with the "efficiency drive", through "decentralisation and downsizing", into "in search of excellence" human relations management approaches in public organisations, and arriving most recently at the "public service orientation" phase. The last, which provides the environment for this discussion, is characterised by a focus on improving service quality efforts within the ambit of distinctive public sector missions.

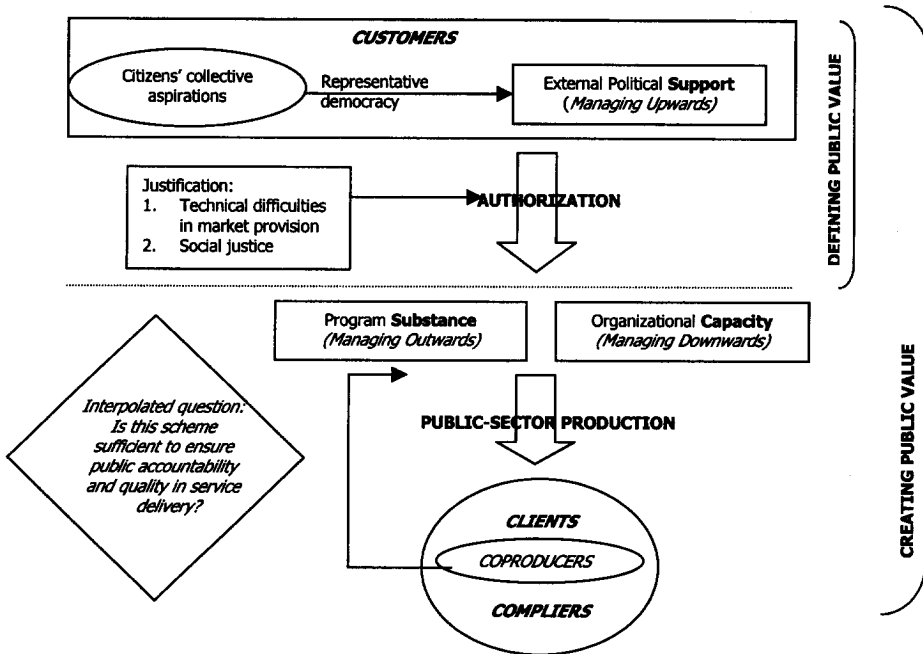
From the beginning, one of the justifications underlying NPM doctrine has been the necessity to make public sector production more responsive to the needs and wants of citizens. The growing emphasis on service quality has brought with it the idea that public organizations should position themselves towards citizens as customers, in the same way that profit-maximizing firms relate to consumers. Yet such a customer service orientation is highly contestable, especially at a time when reassertion of the uniqueness of public sector tasks implies correlative scepticism about the applicability of market principles in this sphere. Thus, the public service orientation phase of NPM appears beset by internal contradictions, with the danger that these may give rise less to creative tension than to misconceived public programmes. One analysis of *The Citizen's Charter* in the U.K., for example, finds that, "its exclusive emphasis on consumer rights . . . risks

creating the very problems of inefficiency, distorted incentives and service failure that it sought to remove” (Bellamy and Greenaway 1996: 491).

One way out of the dilemma is to reject the customer service orientation outright. This is Moore’s solution. Although Moore’s strategic public management framework derives its focus on the creation of public value from an analogy with strategic business management’s focus on creation of economic value, he is clear that the two domains are not identical. Rather, Moore exploits the analogy to show the limitations of equivalence and to structure a particularized domain for public management. Thus, a business management focus on commercial products does not justify a public management focus on public services: the appropriate analogue, according to Moore, is public programs as a whole. Similarly, the analogue for commercial customers is not individual citizens, but political authorities who articulate collective citizen choice through the mechanism of representative government, and fund programs and confer legitimacy through their endorsement (chap. 2). A crucial element of the public manager’s task is political management: the building of support by political authorities so conceived as the customers of public programs. Moore therefore comes down squarely in favor of strategy grounded in distinctive public sector environments and public policy goals, rather than an individual customer focus. Yet such adroit resolution by omission remains troubling because Moore seems to have dispensed with public accountability, as opposed to political accountability, at the same stroke. In the contemporary consumer culture, citizens’ expectations of mindful treatment at the hands of bureaucracy are genuine, rather than a convenient fiction of NPM doctrine.

The failure to account for street-level responsiveness is a gap in Moore’s strategic public management framework, which otherwise serves as a comprehensive and relevant reference for public managers. The proposition of this discussion is that such a gap could be filled by incorporating the customer service orientation as an elaboration of the analogy between business and public management *at operational level*. The customer service orientation itself requires embedding in a strategic perspective, such as the one offered by Moore, to justify its application in a public sector context. It is argued that the customer service orientation—even if public sector “customers” are not equivalent to those in the marketplace—can be an important element in creating public value. Furthermore, a framework insisting on the specificity of public sector missions clarifies the scope of the customer service orientation in public management.

It is necessary to retrace our steps to consider why the analogy between private and public sector customers does not hold. It is also vital that we examine Moore’s argument, which proceeds from this breakdown. The customer service orientation in the private sector is derived from the imperative that commercial firms provide products or services to meet market needs. To survive competition and retain customer loyalty, the firm must gear its operations towards satisfying customer



**Figure 1.** Citizens, Customers, and Clients in Moore’s *Creating Public Value*.

expectations and preferences. In the public sector, by contrast, many organizations—in tax collection or policing, for example—exist not to meet individual customer needs, but rather to administer an obligation upon citizens imposed by broader civic responsibilities. The public sector customer is unable to exercise voice or exit in the same way as a commercial customer. Voice may be possible only through elections on a package of programs; exit may be impossible (as in the case of taxpayers) or simply not viable (private education over public education may not be an option). Thus, in the public sector, the principle of consumer sovereignty does not apply and the citizen as customer is not the ultimate determiner of service quality.

Given these inconsistencies, Moore makes the claim that, “we should evaluate the efforts of public sector managers not in the economic marketplace of individual consumers but in the political marketplace of citizens and the collective decisions of representative democratic institutions” (p. 31).

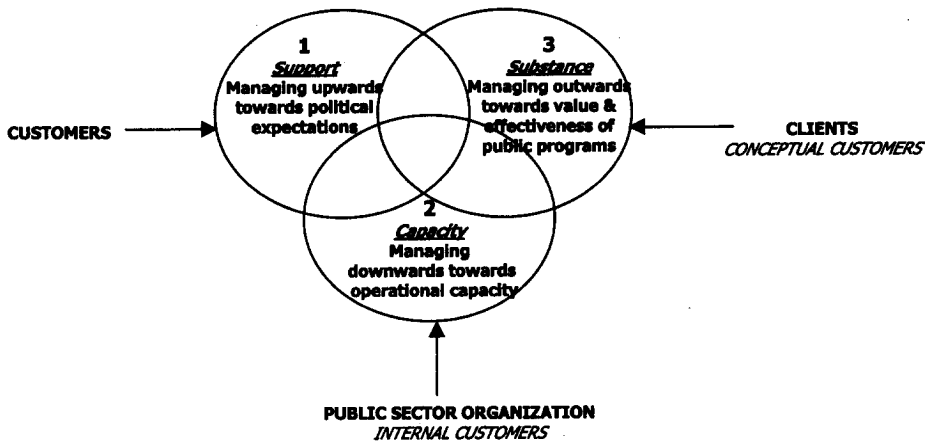
Strategic public management is seen as a balancing of the elements of external program support, program substance, and internal agency capacities, driven by the creation of public value. His customers (political authorities) are involved in the definition of that value but not *actively* in its creation. Value is defined in the process of authorization and usually justified on the grounds that technical

difficulties rule out market provision of a service that must nevertheless be supplied in the interests of social justice. The clients (individual citizens) of public sector production assist in the creation of public value only when means exist to enlist them as coproducers (see case studies of the Boston Housing Authority and the Houston Police Department, chaps. 6 and 7), but such enlistment is not linked to service management approaches. Instead, Moore emphasises, as noted above, that public organizations frequently oblige rather than strictly serve their clients, rendering them compliers (p. 208). Because individual citizens cannot be accurately termed customers, and because their preferences cannot supplant requisite political legitimacy, Moore concludes that it is impossible to, “banish politics from its preeminent place in defining what is valuable to produce in the public sector” (p. 38).

Moore’s alignment of customers with political authority is convincing. This is indeed the level at which sovereignty through the mechanisms of voice and exit can be exercised and thus at which a functional analogy between private and public sector customers can be drawn. However, his dismissal of the customer service orientation in the implementation of public programs is less persuasive. Firstly, the “consumption” aspect of public sector production is side-stepped: this is essentially the public accountability gap identified earlier. Secondly, even if service quality is assumed to be an implicit criterion of public value, there is no detailing of the means by which it is to be achieved. In an aside, Moore admits that operational improvements could result from a customer service angle on agency-client interactions (pp. 36–37), but he does not speculate on the potential impact such approaches might yield in terms of citizen participation or feedback. A more explicit focus on the consumption side of public programs could, however, produce significant impacts.

Private-sector customers are usually both purchasers and consumers of products; political customers in Moore’s sense are, in their institutional capacity, predominantly purchasers of public programs; client-citizens are consumers or end-users of them. Obviously, the distinction is not clear-cut: clients purchase public programs collectively through tax contributions. However, by probing the purchaser/consumer distinction, it is quite possible to construe Moore’s clients as a second set of customers at the operational level of public management. Given the imperfect analogy already outlined between individual citizens and private-sector customers, as well as our acceptance of Moore’s location of the formal customer, this group will henceforward be referred to as “conceptual customers.”

It is proposed that customer-service-type interactions with conceptual customers will provide the key to service quality improvements—as indicated but not specified by Moore’s public value criterion. Greater attention to meeting customer needs at the operational level—within the limits set by the nature of these interactions—could open up opportunities for greater citizen participation and evaluation of public programs. The logic behind the proposition is that if the



**Figure 2.** The Elements of Moore's Strategic Public Management Framework.

top-down definition of public policy goals is initially secured through representative democracy, there is no compelling reason to exclude supplementary bottom-up contributions from individual citizens who might enhance the creation of public value during program implementation. Moore's conception of political management is, in any case, a two-way process: public managers should seek to, "improve politics and to make it a firmer guide as to what is publicly valuable" (p. 38). One way in which bottom-up contributions to public programs can be obtained is through processes of civic discovery or public deliberation (chap. 5). However, as Roberts (1995) points out, these are problematic because ultimately they require public managers to cast themselves in a neutral facilitating role that may be inconsistent with the objective of political management. As an alternative, which Moore does not mention, public managers could strengthen their justification for "improving politics" by tracking citizens' preferences through a customer service orientation. The difficulty here, of course, is that public managers must ensure organizational capacities are geared towards eliciting relevant citizen participation and feedback. This requires defining conceptual customers according to characteristics of their transactional relationship with the agency and then adapting service management approaches in line with these specifications. Within the limits of this discussion, an attempt is made to sketch procedures that could be used to generate both definitions of conceptual customer groups and appropriate modes of service interaction with them.

Figure 2 provides another schematic representation of Moore's strategic public management framework. We have concluded that Moore's location of customers as political authorities within Circle 1 is valid. Within Circle 3, we have proposed locating conceptual customers who, although not the ultimate definers of public

value, may yet have significant contributions to its creation. The structuring of service management efforts to meet the needs of conceptual customers and access their participation in or evaluation of public programs will play out in Circle 2. The scope of this discussion allows only brief remarks, but what is likely to be involved is a reassessment of organizational processes in terms of a customer-driven value chain (see for example, Womack and Jones, 1996). This will encompass a focus on internal customer interactions to optimise the use of public resources overseen by authorizers (overlap between Circles 1 and 2), as well as tailor capacities towards conceptual customers within the context determined by the authorization process (overlap between Circles 2 and 3). Note that what is suggested is consistent with the integrated nature of Moore's framework, and that a customer service orientation in no way cancels out political management or due attention to authorizing customers. But by what criteria are conceptual customers to be defined so that the customer service orientation can be made to work?

The unsuccessful analogy between commercial and public sector customers can be expressed in structural metaphor terms as an overly incomplete overlap between the entailments of the source domain and those of the target domain (Barzelay and Lakoff, 1997). It is by a process of adopting applicable entailments of the source domain (private firms) and rejecting irrelevant ones that Moore arrives at his specific conception of the strategic public management field. Similarly, it is proposed that public managers could define the type of conceptual customers they are dealing with at an operational level by selecting appropriate entailments from the source domain (private sector service management) and discard those judged invalid or infeasible. Brief examples, using the case study method favored by Moore, illustrate what is meant and describe the outcomes of a selective entailment approach for different types of conceptual customers. Two entailments of the source domain are used to focus attention here: the notion of the organization as a service enterprise and the goal of customer satisfaction.

In the case of Sweden's CSN student assistance agency (Kennedy School of Government (KSG) case C16-93-1161.0), Billy Olsson is able to treat the agency's conceptual customers almost exactly like those in a commercial marketplace. This is, in part, due to cutback pressures on the agency, thus demanding that it prove its ability to meet market needs. In some instances, Olsson actually competes with other agencies in a pure market sense, as when CSN takes over the Adult Education Program functions of the National Insurance Board. Furthermore, the compliance restrictions on students receiving benefits are straightforward and controllable: they have to convince CSN that they are eligible for aid and then agree to a repayment scheme. Ultimately, Olsson dispenses even with this condition, when CSN begins to offer an international study advisory service to any Swedish student. In this case—admittedly a rare one for the public sector—Olsson accepts both the service enterprise and the customer satisfaction entailments as relevant for CSN. This way, he is able to build a distinctive role for

CSN and encourage optimal utilization of the agency's competencies by a target group that will respond positively to its innovative ways of meeting their needs.

In the Middlesex County, New Jersey Jury case (KSG case C16-86-656), citizens called for jury duty clearly anticipated experiencing some personal inconvenience. However, in restructuring the jury duty system to minimize disruption (sessions now limited to one-day/one-trial duration of service, rather than one-month; allowing one-year deferral; providing a day-before telephone check-in facility to advise citizens if their presence is needed) and increase fairness (reducing valid reasons for excuse from duty), Middlesex County uses a service management approach as a means to securing its own objectives. A far higher percentage of jurors scheduled to appear actually do so, and a more representative range of citizens is empanelled. In this case, the service enterprise entailment of the customer metaphor has been adopted, with customer satisfaction treated as a subsidiary, instrumental goal. Although conceptual customers in this case are viewed mainly as compliers—and as coproducers of an improved system—attention to customer convenience elicits a greater willingness on the part of citizens to participate in the jury system.

Policing is one of the examples used by Sparrow (1994) to illustrate how public organizations in the compliance sector, such as tax, policing, and environmental protection, can encourage cooperation through a particular twist placed upon coproduction. Here, the service enterprise entailment is taken on board and the customer satisfaction goal is modified to one of partnership. In the Tampa, Florida case, for example, the resources of citizens are mobilized to inform police about the movements of drug traffickers, thus ensuring safer communities and improving the quality and productivity of relationships between citizens and the police.

In all these cases, the application of a customer service orientation within public sector constraints has brought about constructive results for both the agency and the conceptual customers who interface with it. Agencies are better able to achieve their purposes by casting themselves as service enterprises; citizens who find their concerns directly met by these approaches demonstrate their approval for the programs either by greater use of the service or more active participation in its provision. The value and effectiveness of public programs (Circle 3) has been enhanced, and citizens—whether they be consumers, compliers, coproducers, or partners—have taken part in the creation of public value. Importantly, targeted interaction with conceptual customers has had a bottom-up influence on policy—the definition of public value. In Olsson's case, Sweden's Department of Education actively endorses CSN's expansion into nontraditional services when it is seen that students appreciate them. In the Middlesex County Jury case, a one-day/one-trial system is successfully modelled for potential application by other U.S. districts. In Sparrow's examples, a strategy for reducing



noncompliance in persistently tricky areas is offered through a reconceptualization of work to include productive citizen partnerships.

These examples illustrate a limited sample of the range of approaches that can be embraced by the public sector under the rubric of a customer service orientation. Hood, Peters, and Wollmann (1996) derive sixteen possibilities for "consumerisation", distributed along two dimensions: active/passive and direct/indirect control, which results in four main variants. Of these four variants, coproduction and product choice could probably be managed through efforts in Circle 3; representation and regulation are more likely to require intervention in Circle 1. However, the relevance of a customer service orientation at both levels is indicated.

Returning to the three cases reviewed earlier, two further important features must be noted. First, the customer oriented action of the agencies has to take place within a strategic framework. This is necessary, for example, as an aspect of managing downwards (Circle 2): consulting and clarifying with staff which approach will ensure it is implemented with understanding. Second, the agency cannot act outside the scope of political authority, as initial and ongoing support for the program has to be secured (Circle 1). However, using the vehicle of political management, the insights gained through a customer service orientation can be channelled back into the process of authorization and the definition of public value.

In summary, this discussion accepts Moore's location of formal customers at the level of political authorities and the collective citizens' aspirations they represent. However, it has argued that political management and service management processes are not mutually exclusive. The imperfect nature of the analogy between commercial customers and individual citizens need not preclude a customer service orientation in managing outwards towards conceptual customers. Using the concept of structural metaphor, it has been shown that, at an operational level, selective entailments can be drawn from the source domain of private sector service management to produce both workable processes in public sector organizations and to assist in the creation and definition of public value. It is possible to draw citizens, customers, clients, consumers, compliers, coproducers, and partners all within one framework, which takes heed of the specificity of public sector missions but employs the customer service orientation as one of the elements of implementing them. In this way, strategic public management doctrine and the customer service orientation can be usefully linked. If the two are reconciled within Moore's scheme for the creation of public value, an application of the customer service orientation need in no way imply a focus on satisfying individual customers at the expense of meeting public policy goals. Rather, this modification of the framework is proposed so that it can better satisfy both the political and public accountability requirements of contemporary public management.

## REFERENCES

- Barzelay, M., and G. Lakoff. 1997. "Should 'Customer Satisfaction' be a Goal of Public Organisations?" Paper presented at the Association of Public Policy and Management Conference, Washington, D.C.
- Bellamy, R., and J. Greenaway. 1995. "The New Right Conception of Citizenship and the Citizen's Charter." *Government and Opposition*, (Autumn): 469–491.
- Ferlie, E., L. Ashburner, L. Fitzgerald, and A. Pettigrew. 1996. Chap. 1 in *The New Public Management in Action*. Oxford: Oxford University Press.
- Hood, C., G. Peters, and H. Wollman. 1996. "Sixteen Ways to Consumerise Public Services: Pick 'n Mix or Painful Trade-Offs?" *Public Management and Money*, 6(4): 43–50.
- Kennedy School of Government. "Managing Student Aid in Sweden" (Case C16-93-1161.0).
- Kennedy School of Government "Middlesex County Jury System" (Case C16-86-656).
- Moore, M. 1995. *Creating Public Value: Strategic Management in Government*. Cambridge, MA: Harvard University Press.
- Pollitt, C. 1993. *Managerialism and the Public Services: The Anglo-American Experience* (2nd ed.). Oxford: Blackwell.
- Roberts, A. 1995. "Civic Discovery As a Rhetorical Strategy." *Journal of Policy Analysis and Management*, 14 (2): 291–307.
- Sparrow, M. 1994. *Imposing Duties: Government's Changing Approach to Compliance*. Westport, CT: Praeger Publishers.
- Whittington, R. 1993. Chap. 2 in, *What is Strategy—and Does it Matter?* London: Routledge.
- Womack, J., and D. Jones. 1996. *Lean Thinking: Banish Waste and Create Wealth in Your Corporation*. New York: Simon & Shuster.

---

**The Management and Reform of Japanese Government, 2nd edition (Institute of Administrative Management, 1995)**

by Masujima and O'uch

Reviewed by Steven M. Maser  
*Willamette University*

*The Management and Reform of Japanese Government* (MRJG), 2nd Edition, edited by Masujima and O'uchi (Institute of Administrative Management, 1995), and *Public Sector Transformation* (PST), by Freider Naschold and Casten von Otter (John Benjamins Publishing Company, 1996), focus on Japan, Germany, and Sweden. The book on Japan, written by people who have traveled in administrative circles as players, students of the subject, or a combination of the two, is a treasure trove of details about administrative reform. It is heavy on descriptions of decision makers' intentions and actions, light on theoretically

---

Steven M. Maser, Professor and Associate Dean, Atkinson Graduate School of Management, Willamette University, Salem, OR 97301, USA <smaser@willamette.edu>

---