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Public Sector Culture and Values: Delivering Public Service Excellence

In this chapter we describe a government agency whose role is to administer the national labor market. This case study is based on the personal experience of one of the current authors (TI). We describe and illustrate the agency's structure, work processes, and personnel. In combination, these attributes shape the agency's organizational culture, which in turn influences the productivity and performance of its exceptionally dedicated employees. Of particular relevance are issues of performance measurement, especially how the agency chooses to view and measure success. At the core of the agency's work is its effectiveness in placing job seekers in employment. In essence, this is a key performance indicator (KPI) for the agency as a whole and for its officers. Success can thus in part be measured through customer satisfaction: Is the employer happy with the person who fills the job vacancy, and is the job seeker happy in the job he or she receives, or does the agency receive frequent requests to arrange changes of jobs? We would term this the macro-level of the agency's work. At the micro-level is the work effort and performance of individual officers in working with their job-seeking clients, for example, to provide work-related counseling and to place people in suitable seminars and workshops.

The Work and Structure of the Agency

Located in a country in Northern Europe, the agency is responsible for administering the national labor market. Within this overarching brief, the agency manages the fluctuations in labor demand and supply. On the demand side, the agency works closely with local employers to identify and advertise job vacancies. On the supply side, the agency works closely with job seekers and the long-term unemployed. In this part of the work, the agency designs and implements recruitment processes to match job seekers with advertised positions. In some cases, job seekers who are otherwise qualified "on paper" may lack the personal skills necessary to attract employers. This may be prevalent in the long-term unemployed whose lengthy period out of work has lowered their self-esteem and social adeptness. In such cases the

agency conducts appropriate training, for example, in confidence building and social interaction for successfully sitting and passing a job interview. It may also be necessary to provide briefings and workshop sessions on completing job applications, preparing curriculum vitae (CV), basic computer literacy, timekeeping, and issues connected with health and safety. In these ways the agency plays a proactive role in preparing job seekers for employment. The agency's brief also includes administering processes for the provision of benefits to the unemployed.

The agency is organized in a nationwide network of employment offices. In effect, these offices form a customer-facing service function with clients. In the local offices, the agency's officers are recognized for their expertise and are acknowledged representatives of the central governmental authority. As such, the officers may be called up to explain policies and changes in labor regulations. As would be expected, the agency operates a disproportionately high number of offices in areas of high unemployment and, where possible, staffs these offices with highly competent and experienced officers. In this way the agency maintains a large operational presence in areas where reside most of its clients (people who require employment-related products and services) or large numbers of customers with special social service needs (such as the disabled or physically impaired). In areas where the labor market is more stable, the agency tends to have a smaller presence: fewer offices or smaller offices (manned by fewer officers). For job seekers, the agency has a range of services: identifying and publicizing job vacancies, identifying unemployed people as potential applicants, interviewing suitable candidates for the vacancies, providing counseling, and conducting suitable training. The task of "matchmaking" (linking applicants to vacancies) is mainly done via databases of people "on the books" and "walk-ins" (people who visit the agency requesting job-related help). The next step of preliminary interviewing has traditionally been by personal face-to-face interaction, but is nowadays through electronic means of communication. Several stages of the processes can now be conducted via electronic means.

The national network comprises approximately 340 local employment offices. All of the major cities have several employment offices. Most of the nation's municipal centers also have at least one employment office. In terms of its overall network structure, the agency is decentralized: more officers work in the regions than in the capital city. The vast majority of operational decisions are made by the agency's officers in each of the regional and local offices. There is little need to refer to centralized administrators for operational decisions. Local decisions tend to address issues of day-to-day importance to job seekers, such as transport to the workplace, financial assistance before receiving the first paycheck, and family-related matters. In the main, such decisions are tactical: needing immediate resolution within a relatively short-term timeframe. This type of operational decision is often balanced by decisions that have a strategic dimension. These too are made locally, for example, planning activities to alleviate unemployment, proactive

initiatives with local employers to predict job vacancies and thus preempt seasonal unemployment, and longer-term decisions intended to create jobs throughout the region. Like their colleagues in other areas of social work, the agency's officers work with clients on a case-by-case basis, a feature that gives a personal dimension to the agency's work processes. In the process of helping clients, the first stage is to identify the client's employment situation and immediate needs. Here, high levels of empathy and sensitivity are needed to match the available vacancies with the client's stated needs or wants. The majority of the work of the officers could be termed emotional work.¹ For the individual case officer success comes from matching client needs to wants. This is also a key source of satisfaction for both the officer and the client. In general, an officer's experience, expertise, and training guide the portfolio of cases that he or she deals with. Some client cases are routine, while others are more complex and more challenging for the officer or officers involved.

From around the late 1990s up to the current time, the agency has maintained a relatively stable full-time workforce of around 12,000 officers. On average, each officer has a minimum of ten years public service. However, the vast majority of officers have long records of professional service either with the agency or in a similar type of public service. It is not unusual for some officers to serve their entire working life in the agency. The agency tends not to be a workplace with high rates of turnover. Employees in public service organizations are characterized by high levels of personal altruism and commitment to serving the public good. Such employees have high levels of job satisfaction and low levels of a desire to leave their organization when there is a close fit between their own personal values and their organization's values.² By organizational design, the agency is highly decentralized. By far the greater proportion of full-time officers serve in the agency's regional offices. In terms of its organizational structure, the agency is very flat. Overall, there are four main function levels from the director general (DG) (based at central headquarters in the capital city) to the frontline (customer-facing) officers. The levels are the DG, labor directors, office directors/managers, and frontline desk officers. In the regions, the agency's offices normally have three or fewer levels of administration. One of the agency's underlying strengths is its flat structure and a concerted avoidance of a hierarchy. The organizational feature helps the officers deliver fast and effective service to meet their clients' needs.

The agency's director general (DG) is based in the capital city and reports directly to the Minister of Labor. The DG has administrative and political responsibility for the whole agency. At the next level of responsibility are the labor directors. These officers are based in the regional office and oversee the work of the local offices in their regional area. Depending on their size and location, each agency office is under the stewardship of a director or office manager. Larger offices with a director are located in areas of high unemployment where the office needs to provide a wider range of services

**FIGURE 9.1**

The agency in relation to its clients and headquarters.

to clients. Figure 9.1 shows the agency in relation to its clients (local citizens), the headquarters, and the labor market.

A key function of the central government and its ministries is to provide overall policies, targets, and budgets as appropriate to the perceived labor market needs in a given area of the country. Naturally, these are based on political realities and the pragmatism of government. In terms of its working mandate, the agency is, in itself, self-sufficient. It is tasked to address issues in the labor market and to formulate actions that address these issues. That said, the central government exerts continuous pressure on the agency to improve productivity and efficiency. Key performance requirements are fourfold: active labor market goals, better service to the nation's citizens, reduce the numbers of agency personnel, and reduce budgetary expenditures. Each of these four areas allows the government to demonstrate its awareness of societal needs and to state that its policies are on track. Two of the four performance requirements (reduce its personnel numbers and reduce expenditures) comply with the instructions of governments worldwide to their ministries to obtain more output from fewer resources. Almost year on year, the agency succeeds in fulfilling each of these set targets. This makes it somewhat unusual. In many countries, many government agencies fail to meet these target areas.

A client's first encounter with the agency is with a frontline officer. For the most part, these officers are trained and experienced in resolving clients' unemployment issues. More junior or newly recruited officers may be learning on the job with the help of a mentor. The agency's flat organizational structure means that more senior or more experienced officers at the supervisory level can make operational decisions in close coordination with their colleagues who work directly with clients. In each

agency office colleagues can therefore discuss a client's problems in real time while the client is nearby, which helps ensure fast resolution of problems. It also helps ensure that clients do not leave the office disappointed with the services they have received.

On occasions, supervisors may need to consult with their regional directors. In workplaces with relatively few employees, the close proximity of supervisory staff aids swift and open communication, effective decision making, and a friendly environment for the public service work. A combination of a flat organizational structure, competent and empowered officers, and a prevailing ethos of trust and mutual assistance between workplace colleagues contributes to effectiveness (appropriate and speedy resolution of clients' problems) and efficiency (cost-effective use of resources). A flat organization and experts in close proximity also help make communication straightforward and prevent distortion and misunderstandings. In a workplace where employees work closely together, word-of-mouth communication keeps everyone on the same page and helps ensure that everyone is well informed. The short distance (in both time and space) between problem identification (words) and problem resolution (actions) aids service delivery. Thus, there is little scope for error, wasted time, or duplication of effort.

As mentioned, many officers devote their whole working life to the agency. At the agency expertise and experience are highly prized. Veteran officers are appointed to key administrative posts where their knowledge and accumulated skills can be utilized in educating and mentoring junior colleagues. On joining the agency new recruits are assigned to a senior mentor for several weeks before joining their first posting to a regional office. Organizational mentoring systems tend to nurture trust and empathy between work colleagues as well as providing a long-term framework for problem solving.³ Mentoring systems also supplement induction programs that introduce new employees to the processes, systems, and culture of their employer. In the early days of the agency a majority of its officers joined from working in trade unions (and predominantly from blue-collar unions). Over time, this traditional route into the agency has given way to a more systematic hiring process that takes account of professional training and competencies and often academic performance. Nowadays, most officers hold university degrees in, for example, human resource management, business, or law.

Delivering Public Service: A Political Dimension

A key strand that runs through public service provision is the political dimension.⁴ And the public services provided by the agency are no exception. The agency's headquarters are located in the government district in the

capital city. The area contains a number of ministries; the Ministry of Labor is close by, as is the office of the prime minister. The agency does not have a “fat” administrative division; its approximately 400 administrators represent about 3 percent of its total workforce. The work of the headquarters’ personnel invariably focuses on national issues (the big picture). Important tasks include setting employment policies and coordination of effort with the work of other ministries. Setting policy in lockstep with the initiatives of other government departments and ensuring compliance with political agendas influence the work of the officers at the agency’s headquarters. Accurate reporting of employment data and being “on message” with political statements are key success factors for these officers. Against this backdrop, the agency is designed to be independent from the formal political arena. This means the agency’s officers advise rather than set policy, and inform rather than direct the work of ministers. By its founding charter the agency is intended to take a neutral stance and focus on delivering excellent public service with the aim of addressing labor market needs and rectifying imbalances in national labor demand and supply. Not surprisingly, headquarters-based officers need to balance empathy with *realpolitik* and to juggle the demands of ministers (career politicians elected for a term of office on the basis of a political manifesto), the regulatory frameworks of the agency and the civil service, and the evident social needs of clients. It is no easy task to juggle each of these contrasting demands. And with their function to oversee a widespread network of agency offices, headquarters officers are closely involved in designing instruments for performance measurement. This too can have a political dimension. Notoriously, politicians are ever vigilant for data and information that show their value to the electorate and the success of their policies.

The Agency’s Organizational Culture and Values

By definition, corporate culture is “the way we do things around here.”⁵ Among other influences, such as the personality and preferences of an organization’s founders, corporate culture tends to be influenced by the prevailing dominant group and its actions. Culture pervades organizations, whatever their size, shape, or disposition. The larger an organization, the greater will tend to be the variation of culture(s) among the internal subgroups.⁶ Culture is said to be “more than the sum of its parts.”⁷ The culture of an organization has the capacity to influence behaviors and activities within that organization. Where employees share the same background and thus cherish the same values, these influences can be positive.⁸ Influences can be negative, as in organizations where employees are punished if they do not conform to prevailing norms.⁹

Organization culture plays a role unifying potentially diverse behaviors of employees. Where workplace behaviors are predominantly shared by employees, the organizational culture is said to be strong.¹⁰ Organizations in which the employees do not share similar views toward their organization's values are said to have a weak culture.¹¹ In workplace environments where employees' values and the organizational values are a close fit this is described as "value congruence."¹²

The Agency as a Cadre Organization

The political scientist Bo Rothstein classified the agency as a "cadre organization."¹³

The distinctive features of a cadre organization are often found in political, religious, charitable, or volunteer organizations: a sense of mission, a belief in the worth of the mission, and a willingness to pull together with colleagues to implement the tenets of the mission. A key attribute of cadre organizations is their ability to be highly responsive to making organizational change. In the view of Rothstein, the agency had a very high level of responsiveness to change, whether this was in its ability to implement new ministerial policy directives or to perceive changes in the labor market, such as the need for new skills and competencies by employing firms and people seeking jobs. At the macro-level of the national labor market this means that the agency can quickly implement stated policies (decided at the political center) into actions (carried out locally). With this level of innate fast responsiveness embedded in the agency's organizational structure, it was invariably left to the agency's executives and managers to design and direct any required process of change. This is somewhat unusual in public sector environments (although there can be exceptions). In general, a public sector organization tends to be averse to making rapid changes either to external environments or to political pronouncements or directives. Size, structure, and especially culture are often cited as reasons for maintaining a status quo.¹⁴ In a cadre organization "goal fulfillment" fulfills a role of intrinsic motivation for the employees.¹⁵

Key organizational features of cadre organizations are rarely evident in other types of organizations.¹⁶ According to Rothstein, a public sector cadre organization most closely resembles companies in the private sector.¹⁷ A cadre organization's members often have similar work life backgrounds and experiences, and these shared personal histories nurture a collective sense of togetherness and a mutual sense of belonging. From this shared background individual members develop empathy for colleagues and a collective sense of purpose that is well defined and often does not need to be expressed. This contrasts strongly with some organizations that post public

notices displaying the organization's vision, mission, and values in a vain effort to remind employees of their roles, purpose, and goals. In some organizations lethargy, politicking, and employees' reluctance to make decisions slow down response times and prevent swift actions. Without these impediments members of a cadre organization can remain focused on their organization's direction and goals secure in the knowledge that these are shared by colleagues. An environment where employees feel empowered and know that they have the support of their colleagues builds up an *esprit de corps* while reducing interpersonal conflict and professional discord. Employee collaboration toward agreed goals allows for rapid decision making at the point where speed of decisions matters: at the interface with customers and clients.

As everyone in the agency shares a common background regardless of their level of seniority or rank, it is relatively straightforward to reach consensus on policies, goals, and actions. This too is a feature found almost exclusively in a cadre organization. In many, if not most, organizations there is likely to coexist environments that encourage employees to engage in competition or cooperation.¹⁸ In workplace environments that value cooperation, employees share ideas, tolerate error, and engage in mutually supportive activities such as sharing resources, developing joint initiatives, and engaging in activities for mutual learning. In such organizations the prevailing workplace ethos encourages employees to seek win-win outcomes with colleagues. In work environments where competition is the norm, employees are opportunistic and workplace behaviors are a zero-sum game as employees make power plays to access resources and gain the attention, support, and preference of senior managers and executives. In such organizations employees behave more out of self-interest than in the interest of their organization or their colleagues. The prevailing culture of an organization (the ideological mind-set of the employees) shapes the behavior of employees toward mutual cooperation or competition. An organizational culture that encourages employees' cooperation will likely have a *positive* influence on employees' perceptions of their work (e.g., create high levels of job satisfaction). An organizational culture that encourages employees' competition will likely have a *negative* influence on employees' perceptions of their work (e.g., create a high rate of employee turnover).

In public sector cadre organizations employees have high levels of public service ethos and regard duty and their provision of public services to citizens as paramount motivations for their work efforts. Altruistic motives take precedence over self-centered driving forces of human nature, such as personal self-interest, political maneuvering, and coalition building. Although possibly separated by the physical distance between headquarters and the regional outstations, the similar professional backgrounds of the agency's officers encourage a mutual understanding throughout the national network. So while there is a great distance between the agency's headquarters in the affluent capital city and the regional offices, the mind-sets and worldview of the agency's officers are similar. This leads to a ready understanding of the

purpose of the work and the means of conducting day-to-day tasks. Whereas in earlier times agency employees had a shared background of union membership, nowadays they share a strong belief in public service working to provide services to people whose personal circumstances indicate that they need help and support.

The common backgrounds of members of a cadre organization help generate a shared understanding of workplace focus and possible actions. When such a high level of mutual understanding exists in an organization, it is likely that this will have positive knock-on effects. A shared understanding between employees is likely to lead naturally to feelings of mutual trust and collective effort toward commonly held goals. In turn, these features become key drivers of employee effort common outputs. In essence, in terms of workplace focus and effort, the whole organization is greater than the sum of its individual employees. To facilitate empowered decision making, the organization's operational rules tend to be guidelines for employees' interpretation rather than strictly enforceable must-do diktats. A climate of collective empathy and collaborative responsibility allows for role clarity and speedy decisions. In organizations, a shared ideology promotes cooperation, collegiality, and consensus.¹⁹

In a cadre organization the employees themselves drive their organization forward, and in a number of ways. First, there is a shared sense of purpose with output goals that all employees share. As, by definition, employees in a cadre organization have experienced common personal and work histories, the purpose and goals of the organization tend to be widely understood and are internalized within each employee. A second driver in the organization is the high level of mutual trust between colleagues that gives rise to a supportive work environment and contributes to an *esprit de corps*. From this *esprit* stems a sense of mission that in public service work contributes to what is traditionally called the public service ethic.²⁰ Indeed, work in the public sector has been called a "special calling" seeming to attract people of a particular type.²¹ Public service motivation (PSM) is said to contain features not usually found in employees in private sector organizations.²² Key attributes of public service motivation are a concern with the needs of citizens (especially citizens who are less fortunate than the public officers themselves) and a desire on the part of officers to seek ways to improve service delivery. A sense of pride in the work underpins public service motivation.²³

The Agency's Service Delivery and Performance Measurement

From the late 1980s the agency has moved toward being goal-oriented and vision and mission driven in terms of its work outputs. In parallel, there has evolved a range of sophisticated performance measurement criteria. Performance measurement takes a two-pronged approach. At various times,

the agency has used a large number of comprehensive sets of different performance measures. Some instruments are designed to measure the overall performance of the agency in satisfying labor market needs. This reflects the performance of the agency nationwide and the combined work of all officers throughout the agency network. At a more micro-level the agency gathers and measures job performance data from individual officers, and especially those in supervisory roles. Thus, a number of performance measures focus on individual performance in what is conventionally known as performance appraisal. The key means of measuring the performance of individual officers is an annual performance appraisal conducted as part of ongoing staff development routines. The results of these performance appraisals help guide and shape an employee's career, his or her work tasks, and job location.

The agency seems to recognize that there is potential and actual overlap in work performance between organizational outputs (to which employees contribute collectively) and outputs by individual employees (to which employees make an individual contribution). However, it is often difficult to disambiguate these outputs and allot them to separate sources of effort. This is invariably in the nature of performance measurement.²⁴ The process begins by measuring performance outcomes in each office. At this level the focus is on filling job vacancies within the local labor market (for example, how many job vacancies were advertised and how many of these were filled within a certain timeframe). Recognizing that such criteria focused on quantity, the agency's performance appraisal routines encompass individual employees and predominantly focus more on quality of service (and include feedback satisfaction data from clients and employers). Predictably, when organizations focus on measuring and assessing quality of service and find ways to reward this, then the quality of service provision tends to increase.²⁵

In the local branch offices, performance is largely related to each office's effectiveness in satisfying the needs of the labor market. However, the nature of a cadre organization is that employees are closely involved in the overall performance of their organization. Employee performance is often intertwined with the performance of their branch office. In cadre organizations employees recognize that, in many ways, their individual performance *is* their organization's performance. This is not to say that individual performance cannot be appraised separately from organizational performance (for example, as part of an annual exercise of individual goal setting and personal development), but that individual employees feel a close affinity with the performance of their organization.

Recognizing the need for processes to encourage self-adaptation of individual officers to local circumstances, the agency designed a bottom-up appraisal process for most of its evaluations. In this, several important issues are to be addressed (as described below). To create this form of self-adaptation, it is important for the organization to have access to a bottom-up appraisal process. The process of bottom-up appraisal is intended to assess the contribution of individual officers' feelings to the whole organization. The agency

recognized early that officers' views of their workplace climate are an important set of data. The agency has thus tried to develop sensitive instruments and methods to encourage employee feedback on the organization and the internal environment in which they work. These new methods have become important decentralized complements to existing and centralized (top-down) methods to measure efficiency and productivity of frontline activity as well as other activities of regional outposts.

Performance Measurement of the Local Branch Offices

In a labor market environment, inputs for performance measurement can come from various sources. The agency has designed processes of assessing organizational-level performance for which the primary data sources are the clients who receive the agency's services and the agency's officers themselves. For the agency's local branch offices, success means placing job seekers in suitable jobs. In this, priority is given to the unemployed (rather than, say, people in work who wish to change their job). In macro-level terms this means that individual branch offices aim to satisfy the needs of their local labor market. Data to demonstrate successful completion of this mission can come from many different kinds of indicators: for example, the speed of placement into suitable jobs of the currently unemployed, or the development of workplace competencies and skills through training programs to alleviate bottlenecks attributable to keeping people out of work. Common for all data indicators and measures is a requirement that these should demonstrate the proactive role of the agency's officers in the labor market, i.e., managing employment supply and client demands for work. However, due to regional differences, e.g., seasonality of employment or a surfeit or lack of relevant skills, there may be marked differences between the national labor market and the local labor market. At the local level the agency may need to take a more interactive (some might say intrusive) role in the local labor market, for example, by working closely with employers and potential employers to shape the profiles of job requirements.

For some time, the agency has had a process of customer feedback gained through a separate client evaluation. This evaluation is instigated and implemented by central headquarters administrators, although the local branches are responsible for taking responsive follow-up actions as appropriate. The regional branches are expected to take direct responsibility and are authorized to respond in their own ways to the survey findings. Thus, the local branches are responsible for improving their customer service where the survey identifies shortfalls in the current levels of service. Officers in the local branches develop action plans and implement these and, by routine processes, report back to the headquarters. Officers at headquarters monitor

and measure outcomes and incorporate these into a national picture for reporting to the relevant politicians.

For some time systems for appraising individual employee performance have been among the agency's established work practice. Staff appraisal exercises are carried out on an annual basis by immediate line managers. Appraisals tend to take the form of a dialogue between managers and their subordinates and focus on work done by the individual staff member. One outcome of local-level appraisals is the individual work contracts that set out parameters for work, training, and rewards and remuneration payments. The work performance of local office managers is appraised by their immediate manager, who has responsibility for a number of agency branches in a given area. At this level, the focus is on performance of the branch officers in meeting stipulated targets for satisfying labor market demands (as represented by the number of job seekers and the number of people who are placed in work).

Employee Evaluation of Work Conditions (360° Feedback)

In addition to appraisal of individual employees, the agency has recognized the need for bottom-up (360°) evaluation of work conditions in the individual offices. These data are gathered through annual work climate surveys. The survey content focuses on leadership, organizational encouragement, social support, rehabilitation, feedback and evaluation, and competence development. Conducted annually by the central (headquarters) administrative staff, the survey findings are publicized nationally. Members meet together with their manager (or managers) in very small groups to discuss the survey findings and exchange ideas about the implications for work routines and practices. The members of a local work group discuss and interpret their own results and develop a plan of action. Implementation of each local action plan is the collective responsibility of the members of each work group. Local work groups thus own the action plans designed by their own work group together with the outcomes. In this way actionable outcomes are devolved to frontline officers. Table 9.1 summarizes key features of the agency's appraisal processes.

It is essential that new bottom-up processes harmonize with the existing productivity assessments of overall office performance of meeting the needs of the labor market. Traditionally, the productivity of each employment office was the basis for successful job placements. These data are seen as important public documentation within the branch offices. Productivity results are reported monthly and annually. Details are posted in the public workplace domain and are thus routinely available to all employees. The nature of the officers means that productivity figures become targets for work process improvement. In practice, officers eagerly anticipate the latest publicized figures as a way of benchmarking their own office performance against the performance of

TABLE 9.1

Performance Appraisal Processes (Individual Employees)

Performance Appraisal	Frequency and Format	Focus	Aims and Rationale
Branch offices	Annual Customer evaluation survey conducted by headquarters	Evaluate levels of service delivery from the perspective of service users	Provide a benchmark for improvements in the service; identify shortfalls in service delivery; set targets for outputs
Individual officers	Annual Dialogue between the line manager and a subordinate	Set out work parameters, training opportunities, payment systems	Match individual work performances to branch office outputs; set targets for outputs
360° feedback process	Annual A workplace climate survey; conducted by headquarters; discussion groups held with officers in branch offices	Officers self-critique their work processes and outputs, share ideas for improvement, and design an action plan for the following year	Officers in the branch offices own their work outputs and the path toward delivering these outputs; officers have intimate knowledge and involvement of their processes of service delivery

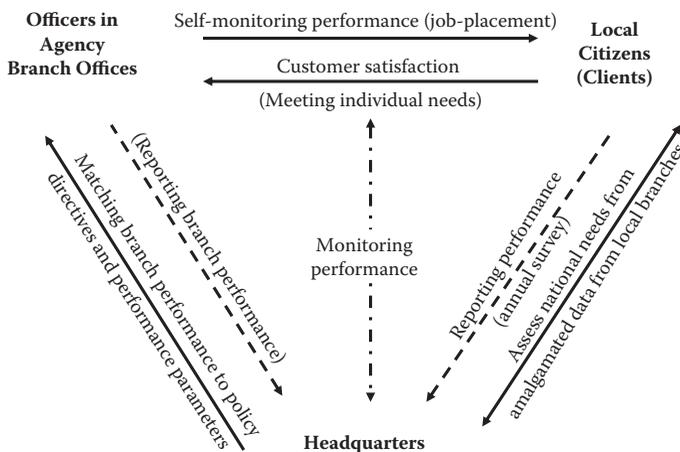


FIGURE 9.2

Inputs for measuring performance (organizational level).

colleagues in other offices in a form of league table. Publicizing performance data in this way encourages positive approaches to reflecting on workplace behaviors with a view to making improvements. Figure 9.2 shows the various data inputs for measuring performance at the level of the organization.

The agency’s central senior executives, the directors general (DGs) and deputy directors general (DDGs), routinely carry out performance evaluations of

each regional administration. Conducted either annually or every second year, and comprehensive and far reaching, these top-down evaluations normally include most types of measures and indicators. As a result of the evaluation, the DG and the relevant regional director sign a joint declaration whereby the regional officers commit themselves to an action plan for their province. In turn, the central part of the agency commits itself to provide resources as well as other types of support (experts, evaluations, etc.).

However, in practice, supplementary resources are rarely provided. Budgets are distributed from headquarters using a kind of needs model that allots fair distribution of resources over the whole nation. If a particular province has a special need, the first priority is to reallocate elements of the existing budget. While this may present difficulties, these can be resolved by a creative labor director. Allocating human resources to meet demand peaks is more problematic. Even so, there are degrees of flexibility as the agency's work occupies a very large part of labor market forces. Primarily, the work group's own budget is used to fund implementation. If needed, extra budget can be requested. In some parts of the organization the responsibility for this budget is held by joint worker-management work life committees. The agency has continuously developed and redeveloped elaborate models to ensure a fair distribution of financial resources to the agency's various component parts. Managers at higher levels (including local-level managers) cannot participate in the results without invitation from the local work groups. Local work groups were recommended to discuss all the different performance measures at the same time and to develop comprehensive action plans, including labor market efficiency and quality of working conditions.

Regional leaders (e.g., a manager of a local employment office or a director of a province) are expected to comply with the policies and goals set by the central (headquarters) authorities. This means that they are obliged to adjust their own working to the stated projected levels of productivity and to take into account the publicized measurement of productivity. Work adjustment by organizational leaders and individual frontline (customer-facing) officers is often in lockstep. Leaders adjust overall work priorities based on performance feedback from the labor marketplace. Individual officers adjust their own workplace behaviors on the basis of real-time feedback from their daily interactions with their clients. In a cadre organization, the closeness of professional relations (including awareness of feedback and decision making) enables groups of colleagues to adjust their collective behaviors so that their own behaviors are not out of step with those of their colleagues. Officers routinely use feedback from their day-to-day caseloads. They also adopt their work practices to announced central goals and policies. Their own perceived realities from their day-to-day work thus act as a moderating influence. Thus, their learning (broadly defined as a perceived change in workplace behavior) reflects a double-looping process.²⁶ As an example, a noticeable development in how job seekers preferred to identify suitable

job vacancies and work opportunities was driven by their technology competences. Local offices installed computer terminals and Internet access as a service for the unemployed. This service has become remarkably popular with both the agency's customers and its personnel. The process is a form of self-service/self-help model of assisting those seeking work. Encouraging those job seekers whose work inquiries are relatively straightforward to take responsibility for finding more details for themselves allows officers to spend comparatively more time with job seekers whose needs are more intricate, complex, and difficult to resolve. The benefits are threefold: job seekers gain increased confidence in finding employment opportunities (a useful skill for the long-term unemployed), officers have more time to deal with more challenging cases of unemployment, and at the level of the branch office performance, there is potential for positive perception from clients of the ability and speed with which the local officers satisfy their job needs. In terms of the overall form and function of labor market management, this process can refocus expertise onto technological support and help shorten lead times for appropriate help for the unemployed. Over time, this may reduce the total number of agency personnel as well as making individual case work more interesting. It could lead to the setting up of a national network of job seeker booths where the unemployed could use resources such as Internet websites and a telephone hotline for employment advice. The organization's leaders have to consider the findings of the 360° feedback, that is, the feedback from agency employees on the performance of their own managers as leaders in their workplace. Sometimes, this information might be incongruous. For example, an individual office might perform well in terms of meeting labor market needs, but the opinion of individual officers might suggest that key leadership qualities are lacking.

As discussed earlier, in a cadre organization, members at the various levels in the organization exhibit high levels of mutual trust and support and have a shared sense of mission. This shared sense of mission, together with a high level of commitment, makes it possible for officers to have a deep understanding of the essence of the intention of legislation (i.e., the *spirit* of the law). Conceivably, this understanding may be more thorough than the textual content expressed in an actual legal document (i.e., the *letter* of the law). In organizations where members share ideological beliefs, these beliefs are likely to supersede formalized rules. This seems to be a paradox of a cadre organization. Over the past decade, the trend toward increased decentralization and the continued empowerment of personnel might result in an increased number of possible conflicts of interests and thus give rise to potential legal problems.

Taken together, these features tend to help ensure a commonness of goals and direction. Ideally, performance measurement should be closely linked with program goals.²⁷ In performance measurement it is essential to avoid any drift away from stated goals. Attention of both management and officers should be in alignment.²⁸ This means alignment of policy setters

and policy implementers. Divergence between performance measurement and organizational goals can lead to dysfunctional behavior.²⁹ Goal divergence may stem from the multiple principles and multiple work tasks of public sector organizations.³⁰ When designing public sector policy, it is therefore important to take into account the multiple work tasks and the various principals.³¹

Public Service Excellence

The most important factor seems to be related to leadership. This includes the perceptions of officers in the quality of the leaders. Within this there are several dimensions. At the level of the local offices, the confidence that officers have in their immediate supervisor is of prime importance. In this cadre type of organization, officers are satisfied if they can feel confidence with their immediate supervisor. In some organizational forms (e.g., matrix types of organization) leadership is less than obvious; often it is opaque. Another dimension is that the supervisor should contribute to an acceptable allocation of work tasks between peers. Officers expect their supervisor to allocate work tasks fairly; if not, they will be dissatisfied. Apparently, it is also important that when deficiencies have been identified and prioritized, officers (peers) jointly contribute to improve their own working conditions. The agency's leaders are intended to have an important role in facilitating this process. When they identify inefficient procedures, officers strongly expect their manager to be proactive in making appropriate changes. This bottom-up process informing top-down action is a feature where the collective participation of work colleagues to workplace conditions is obviously noticeable.

Feedback seems also to be an important factor. As a matter of routine officers expect evaluations of their local office and subsequent follow-up. As noted earlier, feedback on how a local office has performed in meeting targets for the labor market is eagerly anticipated as a league table of performance. The follow-up needs to be sincere and seen to be acted upon. Of special interest is the importance that officers place on rehabilitation. This latter may be dependent on the special culture in this organization (see our earlier discussion on cadre organizations). Worthy of particular mention in this organizational climate are the key elements of mutual cooperation, behavior, and strong work ethic. Agency officers expect their manager to "actively contribute to ensure that people who have reported ill will return to work quickly." Here the agency's leaders have a special responsibility. Officers expect an active rehabilitation; if not, again they will be dissatisfied. However, they will be satisfied even if the rehabilitation is seen to work to only a small extent. Leaders also need to be seen to practice as they preach: rehabilitation is an area of critical importance for the agency's work in the labor market.

The agency's flat structure seems to contribute in no small part to the perception of officers of the workplace climate of which they are a part. Certainly the close proximity of officers in their workplace environments contributes to a climate where people are able to keep informed of the caseloads and case decisions of their colleagues. Other contributory factors are the processes of informal mentoring and—to a certain extent—the shared backgrounds in union work. In terms of formalized feedback, the 360° feedback mechanisms suggest that the perceptions of individual employees reflect in large part the workplace climatic conditions. We suggest that the positive benefits to workplace climate are the existence of feedback mechanisms that are perceived as open (visible, publicized, and a matter of routine), fair (conducted as a recognized part of regular performance assessment), and are seen to contribute to individual appraisal and office performance. In this case, the medium of encouraging feedback and the message that this conveys about participation and involvement are two faces of the same currency. The existence of these workplace practices influences the special nature of workplace climate in this cadre organization. An outcome is that individual perceptions combine into a whole that is larger than the constituent parts.

Mutual trust between agency officers and between the officers and their line managers is a critical component in the quality of service delivery. A lack of trust at grassroots levels (the officers who routinely deal with clients) would likely undermine efforts to develop an empowered organization. Employees might interpret moves by headquarters to exercise greater control as a lack of confidence by the central powers in employees' competencies in the regional branch offices. If this were to happen, it would deplete any gains in productivity from decentralizing powers to the regions. It might then be difficult to reconstitute a natural arena to stimulate employees of the cadre organization. If, at the same time, employees perceive other organizational changes that may be interpreted in a reduction in the quality of the work climate, there becomes a serious risk of a downward spiral in the quality of the workplace climate with resultant reductions in workplace productivity.

Endnotes

1. Emotional work (emotional labor) is highly skilled work that involves an employee dealing with highly emotional situations. Examples include people who work in the emergency services, in the professions of nursing and medical care, and in any industry with face-to-face or telephone contact with customers. People in emotional work need high levels of emotional intelligence (EQ) and expertise in managing social relationships and interactions often in stressful and often painful situations. A classic text on emotional work is

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