Public service reform in Denmark and the UK: leadership challenges

The “re-inventing of the public sector” is a phrase which might characterize the many dimensions of contemporary state restructuring and public sector reform in European and, more widely, Western countries.

Such reforms have become endemic in public services but the recent period is distinctive in being explicitly international, with an international vocabulary, giving the impression of a unitary approach to “modernization” of public services, but in fact concealing a heterogeneity of activities and consequences.

Some speak about the “convergence” of national regimes on global models such as New Public Management (NPM), stressing both the common features but also the dynamic variety in processes and outcomes. It has also been noted that NPM is not the only reform paradigm that has attracted attention in recent decades and that NPM covers more than one direction of change in the nature of public administration in terms of both an “economic rationalist” model and a “post-bureaucratic” governance model.

However, some argue that an NPM labelling of recent modernization and improvement discourses is inadequate, both because NPM is insufficient to capture important aspects of evolving governance regimes and an emerging new discourse of governance and public management which goes beyond NPM to take into account “whole of government” or “joined up government” concepts and initiatives or what is increasingly being called “networked governance”.

It has been suggested that there are three paradigms at work at the same time:

- “traditional” public administration;
- “new” public management; and
- “networked governance”.

Each paradigm co-exists in the public sector and they shape the realities for politicians and managers, with particular circumstances or contexts calling forth behaviours and decisions related to one or the other conception of governance and service delivery.

Public sector reform

In both the UK and Denmark there have been substantial efforts to undertake public services reform. Changes in conceptions of public administration, governance structures and processes, and public management ideas and practices are extensive. They follow different historical paths but there are also similarities in that public management policy has revolved around two or three generations of modernization programmes and various recognizable features of public sector reform.

In both countries across governments of different political persuasions, there have been similarities of outlook about the importance of public services and also about the ways in which they might best be “reformed”. For example, in the UK, in the 1980s and 1990s, analysis of public sector reform had focused on the “new public management” associated with the neo-liberal policies of the Thatcher government. However, the election of a Labour Government in May 1997 initially quickly transformed the context and the culture for public sector reform in the UK.

Under the slogan of “modernization” and improvement, the Government has mobilized a far-reaching programme of change and innovation in the organizational forms and cultures of the state, and in particular its relationships with citizens, users and civil society.

The "Third Way" was a rhetoric intended to capture this fusion: neo-liberal economic policies combined with social inclusion.
and citizen participation in governance. The Labour Government wanted to try to ensure that policy-making and service-delivery started not from the preoccupations of government departments and professions, but from the cross-cutting problems and issues facing citizens and communities (e.g. unemployment; crime and community safety; social exclusion).

Denmark, too, has been subject to a range of "modernization" programmes across changing liberalist and social democratic government coalitions which have shown remarkable continuity in the public management policies and the basic elements of reform. Numerous reports show great similarity in that they question the images, structures and forms of coordination and governance prevalent in earlier discourses of public administration. Strongly inspired by New Institutional Economics and conceptions of management in business economics, the plans, initiatives and programmes of modernization have been part of a wider discourse created to try to achieve greater efficiency, flexibility and quality in public services. The current Liberal-Conservative government has been implementing a series of reform from 2002 in line of their modernization programme called "Citizen at the Wheel". More focus is put on marketization alongside structural change and capacity building.

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Although following these different paths and staggered steps of reform it is possible to identify three strands of discourse in both the UK and Denmark. First, the emphasis on devolution of decision making from the central organs of the state to local organizations and local communities has been a strong theme in both countries. This has been shown in efforts both politically and organizationally to devolve some elements of decision-making and organizational production of services to more local organizations.

Second, in Denmark and the UK, the current modernization programmes have focused on improving the quality of service delivery, performance, (self)-assessment and building of organizational and managerial capacity. Both in Denmark and in the UK, the focus on results and outputs has paved the way for a number of management and steering technologies such as quality management, the balanced scorecard and other elements of performance-based management. Central government and local organizations in the two countries have introduced and promoted tools and techniques such as business process re-engineering, process mapping, lean thinking, six sigma processes and benchmarking.

Third, a greater emphasis is put on the "choice" agenda, by which is meant increasing the choice of service provider and service provision for individual users and citizens, for example, parents expressing preferences for their children’s school, and patients choosing the hospital of their choice for their treatment. For both Denmark and the UK, the choice agenda has been underpinned by access to a wider range of service providers through market mechanisms – and proclaimed (though not necessarily proved) greater efficiency of service quality and price. In the UK, marketization has included privatization “market testing”, outsourcing of key services, and the use of service level agreements particularly shifting services to the private sector but also to the voluntary sector.

These shifts have had implications for structures of governance and "delivery". Over time, the language and focus has shifted to considering a range of organizational and inter-organizational arrangements. These are the most articulated themes in both countries though following different paths and with different emphases over time. The UK and Denmark are, therefore, sites of particular policy interest, as they engage in far-reaching programmes of "modernization" and "improvement" of public services.

Challenges for leaders and managers

The "modernization" discourse offers a dynamic image of the concept of leadership and management itself. Management is now seen as insufficient on its own to address the demands of a dynamic society or cope with the large-scale and rapid reform agenda. Leadership has become the watchword – even mantra – for public service managers who must continue to provide ever-improving high-quality and reliable services while also dismantling and reconfiguring these same services.

There is an increased interest in the role and contribution of management to public services. The Danish "Code for Public Governance Excellence" in 2005 accentuates that "public governance and managerial space" are significantly recognized as decisive elements of the efficiency, improvement and coherence of the public sector. The high public expectations mean that managers are expected to act professionally and calmly as a central demand, even though their tasks are uncertain, contested and ambiguous.

Perhaps as a consequence, considerable resources are being invested in public leadership programmes and management development in both Denmark and the UK, focusing on building the capacity of public organizational units and services to engage in self-governance.

Furthermore, leaders and managers are expected to achieve ever-improving and sustainable performance without increases in taxation. Even where there has been a reprioritization of, and therefore increases in, government spending on public services, as has happened for the past few years in the UK, there has been rising public and user expectations about service delivery which have increased
demands on political representatives and on managers.

The challenges for leaders and managers are considerable. Not only do they have to address the inherent policy tensions but also they have to work in an increasingly fluid and ambiguous set of inter-relationships between the state, the market and civil society organizations.

Requirements for accountability, control and risk management mean that elements of bureaucracy remain and must be enforced. Requirements for greater efficiency, economies of scale and to some degree customer responsiveness (flexible specialization) have encouraged the use of management tools and techniques about lean management, standards and inspections. Requirements for “customer choice”, user options and joined-up services at the point of delivery have meant the need to engage in networks and partnerships to achieve innovation and customer focus. Any manager may be subject to any of these different paradigm pressures in a single day.

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The authors are Dorthe Pedersen and Jean Hartley.