

Leadership for New Public Value and Building Trust in Government

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Evolving challenges to governance

- Importance of governance capacity, and thus creation of public values, in achieving Sustainable Development Goals
 - No Poverty; Zero Hunger; Good Health and Well-being; Quality Education; Gender Equality; Clean Water and Sanitation; Affordable and Clean Energy; Decent Work and Economic Growth; Industry, Innovation, and Infrastructure; Reducing Inequality; Sustainable Cities and Communities; Responsible Consumption and Production; Climate Action; Life Below Water; Life On Land; Peace, Justice, and Strong Institutions; Partnerships for the Goals
- Lack of trust in government & problem of ungovernability
 - Rampant in the globe
 - Extreme corruption & socioeconomic polarization in some developing countries & failing states
 - “**Frustrated democracy after democratization**” in some advanced economies in East Asia; cf) very low approval ratings for political leaders in S. Korea, Japan, Taiwan, etc.

Creation of public values to acquire trust

<Three constructs of citizen trust in government>

	Questions
Competence	1) They know how to accomplish tasks.
	2) They save budget.
	3) They know how to serve citizens.
Benevolence	4) They work for the interests of citizens, not theirs.
	5) They fully understand what citizens wants.
integrity	6) They speak truth.
	7) They do not distort facts even when they hurts them.
	8) They are noble-minded.
	9) They behave exemplarily and uphold principles.

(Grimmelikhuijsen & Knies, 2017, McEvily and Tortoriello, 2011; McKnight et al., 2002; Mayer et al., 1995)

- Competence, benevolence, and integrity as central dimensions of trust
- Competence, benevolent to citizens and integrity comprise necessary conditions for creating public values
- The two challenges of governance capacity and trust are mutually interdependent and mutually reinforcing.

Creation of public values as a prime task of government

- The aim of public managers is to create public value as much as the goal of private sector managers is to maximize long-term shareholder wealth. (Moore, 1994)
- strategic triangle for public managers to pay attention to three points to manage for public value: “value,” “legitimacy and support,” and “operational capacity.” (Moore, 2000)

< Elements of strategic management in the for-profit and public organizations >

	For-profit organization	Public organization
Normative goal	Enhance shareholder wealth	Achieve social mission
Principal source of revenue	Revenues earned by sale of products and services	Charitable contributions or tax appropriations
Measure of performance	Financial bottom line or increased equity value	Efficiency and effectiveness in achieving mission
Key calculation	Find and exploit distinctive competence of firm by positioning it in product/service market	Find better ways to achieve mission

Are SDG challenges wicked or simply big?

<Wicked problems VS. big problems>

	Wicked problems	Big problems
Problem formulation	Various stakeholders have various problem definitions. It is difficult to define the nature and extent of problems.	There can be many stakeholders. However, it does not necessarily mean large diversity in stakeholders. Some SGD goals have less diversity in terms of problem definitions and stakeholders.
Causality	Various stakeholders claim different causalities. There are pluralization in theories.	Some big problems may not necessarily have pluralized theories.
Prediction of policy results	Policy interventions often cause unexpected results owing to multi-causality of problems.	Some big problems can be contained in closed systems. They are often simply matters of priority adjustment in resource allocation.
Variability of problems	Problems situations are constantly changing in terms of relevant laws, scientific evidences, resources, political coalitions etc.	Some problem situations such as scientific evidences would be less variable.

(Rittel & Webber, 1973; Australian Public Service Commission, 2012; revised by the author)

Are SDG challenges wicked or simply big?

<Wicked problems VS. big problems>

	Wicked problems	Big problems
Existence of solutions	There is no definitive solution. Searches for solutions are stopped not because correct solutions are found, but because time has come to stop searches.	Workable solutions may exist. Premature stopping or lack of pursuit of seeking solutions can result in larger costs.
Need for coordination	They are socially, rather than technologically, complex. Thus they need coordinated actions of levels of government organizations, non-profit & for-profit organizations, individuals, etc.	Big problems usually are socially complex. Often times, however, they are technologically not quite complex.
Needs for behavioral change	Solving wicked problems usually require commitment and behavioral changes of individual citizens. Punishments and fines are often not enough.	Certain big problems concerning such SDG goals as clean water, inequality, etc. often have almost nothing to do with behavioral changes of individual citizen.

(Rittel & Webber, 1973; Australian Public Service Commission, 2012; revised by the author)

Are SDG challenges wicked or simply big?

- Certain problems hindering achieving Sustainable Development Goals seem not necessarily wicked, although difficult. They may as well be big problems that can be effectively addressed by governing bodies creating public values
- ❖ No Poverty; Zero Hunger; Good Health and Well-being; Quality Education; Gender Equality; Clean Water and Sanitation; Affordable and Clean Energy; Decent Work and Economic Growth; Industry, Innovation, and Infrastructure; Reducing Inequality; Sustainable Cities and Communities; Responsible Consumption and Production; Climate Action; Life Below Water; Life On Land; Peace, Justice, and Strong Institutions; Partnerships for the Goals

Speaking truth to leadership

1. Are you solving correct problems? No type III errors?

		Government behavior (output)	
		Impartial/responsive/efficient	Partial/non-responsive/inefficient
Perception of citizens (outcome)	Fair/ responsive/ Efficient	<ul style="list-style-type: none"> Results - High governability; Possible remedy - Maintenance of the social capital between the citizen and government, and development of a virtuous cycle for more effective and efficient governance Countries – some advanced countries in western Europe & Scandinavia 	<ul style="list-style-type: none"> Result - Transparency problem, long-term disaster; Possible remedy - Increase of information flow, stop of vicious cycle (partiality> positive feedback to partiality & no learning>more partiality> worsening of governance> governance disaster) Countries – some fast growing developing countries in Asia, S. America, Africa, etc.
	Unfair/ non-responsive/ Inefficient	<ul style="list-style-type: none"> Result - Credibility problem, bureaucratic disease; Possible remedy - Corruption control, public relations, strategic management for public value Countries – S. Korea, Japan, etc. (in governmental perception) 	<ul style="list-style-type: none"> Result - Recurring and chronic problem of diminishing governability, defeatism and cynicism; Possible remedy – Human and institutional development of government bureaucracy, corruption control Countries - S. Korea, Japan, etc. (in actuality)

(Source: Choi, 2012, 2015)

Speaking truth to leadership

2. Is your method correct?

<Regression results for managing for public value>

Variables	Public Value				Organizational Values			
	B	Std. Error	Beta	Sig.	B	Std. Error	Beta	Sig.
(Constant)	34.422	3.341		.000	9.931	1.261		.000
PSM_public interest	2.544	.334	.274	.000***	.848	.126	.269	.000***
PSM_self sacrifice	3.019	.294	.325	.000***	.911	.111	.289	.000***
Task clarity	.578	.339	.054	.089*	.183	.128	.050	.153
Many outside stakeholders	.645	.292	.068	.028**	.072	.110	.022	.517
Discretion in choosing alternatives	.336	.335	.033	.317	.331	.126	.096	.009***
Time pressure	.418	.291	.042	.151	.140	.110	.042	.201
Performance quantifiable	-.360	.289	-.041	.214	-.115	.109	-.039	.293
Ethical leadership	1.389	.382	.150	.000***	.589	.144	.187	.000***
Organizational trust	1.749	.435	.188	.000***	.336	.164	.107	.041**
Fair performance evaluation	.596	.347	.064	.087*	.221	.131	.070	.092*
Ritualized performance evaluation	.676	.280	.070	.016**	.211	.106	.064	.046**
Work experience	.282	.304	.049	.353	.059	.115	.030	.608
Gender	.888	.572	.047	.121	.234	.216	.036	.278
Age	.042	.059	.037	.476	.009	.022	.023	.693
Position	-.155	.482	-.011	.749	-.033	.182	-.007	.857
Political ideology	.229	.136	.048	.093*	.029	.051	.018	.575
Perceived SES	.029	.369	.002	.937	.167	.139	.038	.230
	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
	.643	.631	5.639	1.797	.560	.544	2.127	1.897
	N = 500, F = 51.158				N = 500, F = 36.079			

Speaking truth to leadership

2. Is your method correct?

<Regression results for managing for public value (continued)>

Variables	Legitimacy				Operational capacity			
	B	Std. Error	Beta	Sig.	B	Std. Error	Beta	Sig.
(Constant)	9.401	1.315		.000	15.090	1.617		.000
PSM_public interest	.669	.132	.217	.000***	1.026	.162	.257	.000***
PSM_self sacrifice	.856	.116	.277	.000***	1.252	.142	.314	.000***
Task clarity	.146	.134	.041	.276	.249	.164	.054	.130
Many outside stakeholders	.330	.115	.105	.004***	.243	.141	.060	.086*
Discretion in choosing alternatives	-.107	.132	-.032	.419	.111	.162	.025	.495
Time pressure	.151	.114	.046	.186	.126	.141	.030	.371
Performance quantifiable	-.046	.114	-.016	.685	-.199	.140	-.053	.157
Ethical leadership	.091	.151	.030	.545	.709	.185	.178	.000***
Organizational trust	.825	.171	.267	.000***	.588	.210	.147	.005***
Fair performance evaluation	.221	.137	.072	.106*	.154	.168	.039	.360
Ritualized performance evaluation	.273	.110	.085	.013**	.192	.135	.046	.158
Work experience	.083	.120	.043	.490	.141	.147	.057	.338
Gender	.378	.225	.060	.094*	.276	.277	.034	.319
Age	.017	.023	.045	.470	.016	.029	.034	.565
Position	.017	.190	.004	.927	-.139	.233	-.022	.551
Political ideology	.093	.054	.058	.083*	.107	.066	.052	.104*
Perceived SES	-.136	.145	-.032	.351	-.002	.179	.000	.990
	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
	.501	.483	2.220	1.908	.548	.532	2.728	1.812
	N = 500, F = 28.477				N = 500, F = 34.339			

(Choi, 2019)

Speaking truth to leadership

3. Limitations with NPM-based performance management

- Output-oriented reforms prescribed by classical public administration and new public management (NPM) → Type III errors & public relations failures [Output, not outcome, oriented NPM reforms often do not solve the problems that citizens are concerned about] + focus on the performance management of middle management, rather than top management → increasing “***performance gap***”
- Outcomes in terms of citizens’ trust in government (or perceptions of government performance) become less and less predictable

Speaking truth to leadership

4. Leadership and management to fill performance gaps

- Target-oriented performance management with macro and long-range perspective to achieve SDGs and to deal with changing public needs for 21st century
 - New societal needs – aging, welfare, public health, unemployment, socioeconomic polarization, etc.
- Importance of top-leadership accountability & Whole of government approach



Thank You