

Public And Private Leadership And Performance Management

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Abstract: The aim of this article is to make a comparing between the private and public leadership. We analyze (1) whether there are differences between public and private sector leadership based on some variables related to job complexity of a manager (including the managerial behaviour, job autonomy, and job clarity), decision-making vs policymaking process and the stakeholders vs political influence, and (2) to assess the degree of their effects on the managerial competences and performance management. Our study is conducted from the Romanian perspective on public organizations.

As the methodology used, in order to identify the perception on political influence in Romanian public administration we conducted a survey among civil servants at central and local level. Our research is based on the empirical analysis of the relevant literature in public administration, leadership and organizational performance.

Key words: leadership, managerial competences, performance management, public administration, private organizations.

JEL: L3, L33

1.Introduction

In the public administration and public management literature, a large number of studies make references to private

organizations and private management in order to establish whether there are differences between public and private sector managers. There are not so many studies related

to leadership differences between public and private organizations (Anderson 2010). In particular, the public leadership adopted by the public managers is presented in related literature as public managerial abilities and skills (Fernandez 2005).

The phenomenon of public leadership is more related to New Public Management (Pollitt and Bouckhaert 2004), in the context on public administration reforms, which promote introducing managerial skills and abilities of management from private companies into public organizations. The fact that leadership is different in public administration than this is in private companies had been already demonstrated (Anderson 2010). Moreover, the literature argues that there are different styles of leadership depending on the specific structure of organizations, based on the organization-context, even there are private or public. These identified differences make the effects of influence to be different, from this point of view, because managers are operating under different and very specific constrains.

Our research objectives are: (1) to identify what are these differences between the private and public leadership styles sectors, and (2) to assess the degree of their effects on the managerial competences and performance management. Therefore, we agreed on some internal and external factors that, from the literature perspective, we consider as having great influence on leadership adopted either by private or public organizations. The factors we considered for our analysis are: related to job complexity of a manager (including the managerial behavior, style, job autonomy, and job clarity), decision-making (vs policymaking) process and the stakeholders (vs political) influence.

From this perspective, we consider as an ending point of this analysis the desirable managerial competences and performance management that private and public organizations are trying to achieve.

Managerial Competences

Most private and public managers, who are responsible for management development and learning, accept that competencies comprise a mixture of three essential elements: (1) the skills and abilities practiced in daily actions; (2), knowledge, expertise and experience in making the decisions and (3) the personal qualities, attitudes and values they espouse.

These three elements that promote the managerial competences could easily be described as understanding how a manager should or would acts (skills), based on what it needed to know (knowledge) and what attitude to adopt in order to make a decision, or to implement a policy.

These three combined elements give the behaviours of the manager. There are not, so far, differences between public and private manager. The components are similar for both sectors.

Besides these, the public manager has a political role in his organization. He is not representing only the organization he worked for, but the whole society or target group, to whom the public services are provided. The public managers are, mostly, political figures, elected or appointed for a determined period of time. They are leading the public organizations. Politicians make a distinctive contribution by rising controversial issues, promoting projects and setting directions, generating resources, even making compromises – mobilizing citizens – they are

making the things move. This is the leadership definition for the public managers.

Performance management

The managerial competences are very much related to the performance of the organization, both private and public. The performance is about achieving the establish objectives and desired results. The performance of private organizations is related to their profits, while the managerial performance of public administration is about providing services and running projects with limited resources and efficiently spending of the public money.

There are internal and external factors that influence both the managerial competences and the performance management of private as well as public organizations, as we are describing in the following sections.

2. Managerial complexity

The managerial complexity is related to the context by which the managers are conducting their activities. From this perspective the managerial style depends by different organizational context related to employees, power and task structure. Thus, the job complex is related to clarity, complexity, and autonomy of a job that influences managerial performance.

On the other hand, the job complexity is influenced by several factors related to: nature of the task they need to be solved, the organization of work and cooperation system within and outside the organization, existing systems and technologies, organizational structure, as a whole and the organizational culture.

Taking into account all the above mentioned factors, the job complexity and context could create opportunities and barriers

for different leadership model.

The private leadership is more concentrated on the results and profit, on the efficiency of the well done job, while the public leadership is concentrated on distributing powers between different levels of governance. Different styles of leadership characterize the two sectors: participative leadership for private organization which encourage the support and collaboration, even implication of the employees, and directive leadership for the public administration that incorporates rules, control and indications.

From the job description point of view, public managers have more job complexity than private managers (Hansen and Villadsen 2010). The reasons are: public administration is more bureaucratic than private companies (Boyne 2002). The goals of public administration are more open to environmental influence, are more complex and less stable and they have to face a lot of external constrains, such as the political factor.

As referring to job autonomy, the public managers have less autonomy than the private managers. The more political influence leads the public administration management the less autonomy public managers have. The reason of this affirmation is based on the fact that political factor is external and "above" the public institutions. The managers have weak authority and power if they are in relations with their superiors (as well considered an external political factor of influence) and even on their subordinates dues to institutional and regulatory constrains. The legislation is very conservative for the public institutions in terms of defining their roles, the management style, procedures and structures. This not let so much space for defining performance and establishing performance measuring procedures.

3. Decision making process vs policymaking

The decision making process, in the public and private sectors, is very much influenced by the institution's management functions and its organizational structure. The management is a dynamic process, by which organizations are directed, controlled, and held accountable, consisting of various elements and activities. The process is about the selection of a course of action among several alternative scenarios. The difference that appears between private and public organization is related to decision making and policy making, as long as the main objective of public administration is to implement public policies that address to the whole society or to a specific defined target group.

The decision making process in public institution is hierarchical decision-making process in a traditional institution.

The general picture of a public institution' structure is pretty similar. The head of the public institution, which is the highest position (mainly political one), who is representing the institution' mission, objectives and approve the whole processed and activities is the president, state secretary, minister etc. The next position is mainly a highest executive position who will most likely receive a certain segment of the workload to be completing and to coordinate the activities and the projects run by the institution.

This responsibility will then be passed from this position down the hierarchy so that each aspect of the administration is being covered correctly.

The decision making process looks more participative and is based on the general consensus in the private organization than in public administration.

4. Stakeholders vs Political influence on performance

We already have presented the influences stakeholders could have on the management and on the leadership of a private company, as well as the political factor is a very influential one on the public administration. The impact of these two factors is reflected on the performance of the organization.

Referring to the public administration, Edmund C. Stazyk and Holly T. Goerdell (2011) have demonstrated the relationship between ambiguity of the managerial goals, hierarchical authority, political support and organizational effectiveness/performance. The main conclusion of their research is that high organizational performance is linked to low political performance, low authority and less bureaucracy.

In order to demonstrate the great impact that political influence has on Romanian public administration we conducted a survey among civil servants from the central and local level of Romania public Administration. The survey was conducted in January and February 2013, and we gather about 300 respondents to questions.

In our survey we wanted: to assess the actual system of performance management of Romanian public administration, to identify the influence of the external factors on the policymaking process and on the public management efficiency and to identify the membership of civil servants at different associative structures or organizations.

Regarding the actual system of performance management, we can remark that civil servants considered that their institutions have in percent of 28 % an acceptable level of performance, 17% evaluated a low level of performance and only 14 % considered that

the Romanian public institutions have a high level of performance.

In order to identify the influence of the external factors on the policymaking process and on the public management efficiency of the Romanian public institutions, we identified a very strong political influence: 40% high, 16% acceptable and only 10 % of the civil servants appreciated a low level of political influence. Other external factors with a major impact are: the economic and social factors – 45 % high level of influence; the legal framework and the actual legislation – 50 % high level of influence and responsibilities and government policies undertaken at national, European and international level (the relation with European Union, International Monetary Fund and World Bank) – 40 % high level of influence.

Regarding the membership of civil servants at different associative structures or organizations we can see the only 11 % recognized or declared that they are member of a political party. Most of them declared their membership to a professional association or to a trade union.

But we can note that a huge percent of civil servants, between 35 – 40%, didn't answer to some of the survey questions and the reasons can be numerous and interpretable.

Conclusions

In this article we presented the differences between private and public managers that lead to different leadership styles

and behaviours. We argued that the differences are because of different internal and external factors that influence and impact the managerial competences and the performance management of an organizational. The managerial job is very complex, ambiguous, with less autonomy and with a strong political influence on the policy making process in the public organizations that conducts to a directive leadership style. On the other hand, private organizations are developing a more participatory style based on the fact that the jobs are more clearly defined, more autonomous, flexible and the decision making process is a not so highly influenced by the stakeholders. The results of the survey showed that the political factor has a huge impact on the on the policymaking process and on the public management efficiency of the Romanian public institutions and that the actual performance management system in the Romanian public administration is not a very satisfactory one and is necessary to develop and implement new management instruments in the public sector, instruments which may come from the private leadership experience.

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