Governing The Public Sector

Stephen Bartos 2004, *Public Sector Governance—Australia*, CCH Australia Limited, Sydney, ISBN 1 92083 465 6, $847.00 (direct from the publisher).

In recent years, corporate governance has emerged as one of the most significant issues for public sector administration. Yet, with perhaps one notable exception, there has been a dearth of guidance for public sector managers on the issue. (The exception, of course, is the excellent work of the Australian National Audit Office's *Better Practice Guide on Public Governance* released in July 2003).

For this reason, CCH's manual, *Public Sector Governance—Australia* (the Manual), is a welcome and timely publication. A user-friendly guide to public sector governance within the Australian Government, the Manual provides an overview of many of the governance topics challenging today's public sector managers.

Written by Stephen Bartos, the Manual is aimed at all those involved in governance within the Australian Government arena ranging from board members of public bodies to public service managers, from external governance practitioners to Ministerial advisers. It is also a useful reference for law and government students.

Governance practitioners operating within State and Territory jurisdictions may be a little disappointed to find that the Manual is confined to governance of Australian Government bodies only. References throughout the Manual are to Commonwealth legislation, reports and policy materials, entirely consistent with the author's intention to focus on governance within the Australian
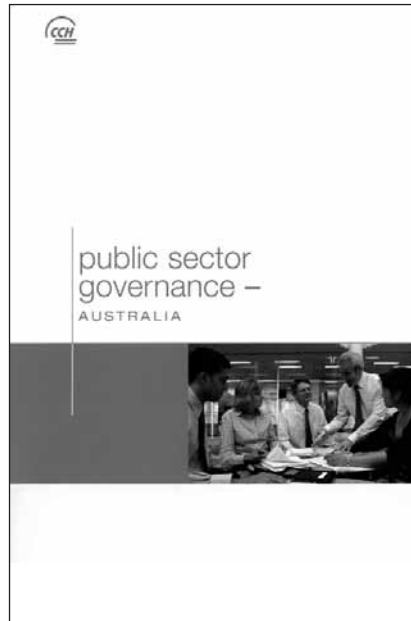
Government context. The title of the Manual may, however, create expectations of a wider treatment of the topic.

Comprising thirteen sections, the Manual moves through the foundations of governance including definitions, accountability, ethics and probity before distinguishing and exploring the governance arrangements of agencies under the *Financial Management and Accountability Act 1997* and those governed under the *Commonwealth Authorities and Companies Act 1997*.

Guidance on achieving effective public sector boards is provided over three sections. The sections address the role of public sector boards; their composition and conduct; and board procedures. In recommending protocols for public sector boards, the Manual highlights the many valuable lessons available from the private

sector but cautions the need for judicious use of principles and practices developed within the private sector.

Issued as a loose-leaf series, updates are released as developments occur. The first of these updates to be issued informs readers about developments with the Uhrig Review of governance of Australian Government statutory authorities. Boxed key points, tips, case studies, cautions and examples are used throughout each section to capture and illustrate the main lessons and are particularly helpful features.

Two key governance topics warrant further treatment by the Manual—risk management and assurance. Fundamental elements of an effective governance regime, both topics have received considerable attention from the Australian Government in recent years and are key features of Chief Executive's Instructions or their equivalent in all government agencies. One expects that updates will provide greater guidance on these topics.

. . . recommended reading for those seeking an excellent overview of public sector governance within the Australian Government arena.

The Manual is a valuable and long-needed reference for public sector managers and is recommended reading for those seeking an excellent overview of public sector governance within the Australian Government arena.

Michelle Narracott

# Managing The Managers Under 'The New Public Management'

Christopher Hood, Oliver James, B Guy Peters and Colin Scott (eds) 2004, *Controlling Modern Government*, Edward Elgar Publishing Ltd, 220pp, Cheltenham United Kingdom, ISBN 1 84376 629 9, RRP$59.95 (cloth).

'Letting the managers manage' (or in its more strident variant, 'making the managers manage') has been a key catch cry of public management reform. But how, in fact, has government been managing them? Are government-controlled entities now more under control or less? Or have the reform processes of the last few decades simply changed how it is done but otherwise not achieved much?

Here is a book that seeks to provide some answers as objectively as possible within a well defined analytical framework. It is a book that should contribute to academic research of public management. It also has something to say to the practical policy maker—either in the role of developing reform proposals for ministers to consider or looking askance at the latest proposals from others and wondering how to respond.

As stated by the authors, this book:

> … seeks to compare control of government across time, across policy domains and across countries. It examines what happened to control systems (in a broad sense) for public services over a generation or so, in three different domains of government and public policy within eight different state traditions. The three domains are prisons, higher education and the conduct of senior civil servants, and the eight different traditions comprise Australia, the USA, Japan, France, Germany, the UK, the Netherlands and Norway.
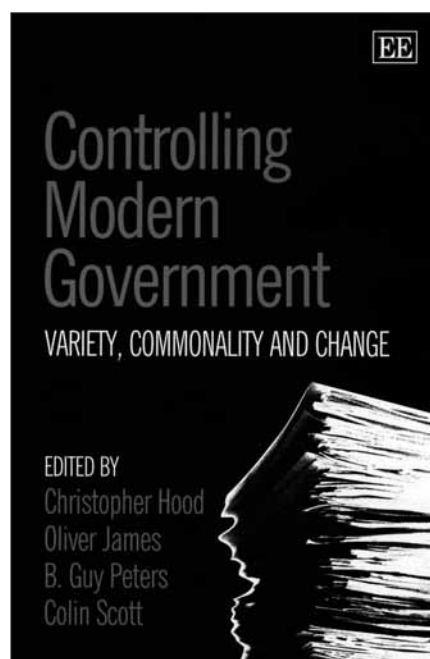
There are several reasons to make comparisons such as these. However, there is one that is likely interest readers of this journal most. It is the question of whether or not developments in public management over the last thirty years or so have resulted in new but stultifying, across the board accountability controls, or whether the right controls have been relaxed and good new ones introduced.

The debate over this question has been very emotional at times. Equally strong arguments have been made on both sides, sometimes with little data and a lot of rewriting of history. The authors of this book set it apart by their effort to set up an objective analytical framework then apply it objectively. For those of us tired of

writers who make endless use of language to nuance the facts, this book is very welcome in its avoidance of this technique. They seek to ascertain the facts and let them speak for themselves.

Moreover, by consistently working their way through the three domains and eight traditions, they have set up a database for further analysis in many dimensions, for example comparison of the same domain of public service over a number of governance traditions or comparison of different domains within one governance tradition.

This is an ambitious project. It required seventeen contributors to cover twenty four (3 x 8) topics in a consistent, objective manner. In order to do this, they 'needed an approach to control that was institution free, that could accommodate formal and informal control, intentional and unintentional control and could include a range of supplementary or alternative forms of control and governance'. The editors therefore chose to abstract beyond the two classical mechanisms for making executive government accountable: oversight by elected representatives, and legal adjudication by an independent judiciary. To do this, they chose to distinguish four forms of control, based on previous work by one of the authors: mutuality, competition, contrived randomness and oversight. These four basic types, 'drawn from grid group cultural theory' are summarised in Figure 1.1 of the book as follows:

Contrived Randomness	Oversight
Works by unpredictable processes/combinations of people to deter corruption, or anti-system behaviour	Works by: monitoring and direction of individuals from a point of authority
Example: selection by lot, rotation of staff around institutions	Example: audit and inspection systems
Competition	**Mutuality**
Works by fostering rivalry among individuals	Works by exposing individuals to horizontal influence from other individuals
Example: league tables of better and worse performers	Example: pairing of police officers on patrol

For those of us tired of writers who make endless use of language to nuance the facts, this book is very welcome in its avoidance of this technique.

Having set up their analysis in this way so carefully, what do the authors conclude? Their basic conclusion is that there is no across the board conclusion or sense of direction that can be elucidated. They conclude that to the extent there has been an 'oversight explosion', it has occurred in some countries and policy domains, but not others. They are unable to offer a rationale for why this has happened, but it appears to have been highly path-dependent, i.e. strongly dependent on the circumstances and politics of a particular domain of government activity in a particular governance tradition.

Nevertheless, they are able to observe that there does seem to have been a relatively widespread increase in emphasis on controls with an output focus and away from input and process controls.

At the particular level though, they conclude that the area where there has been the 'clearest oversight' explosion has been one in the backyard of some of the authors—the 'old universities' in the UK higher education system. They also note that the universities which others around the world aspire to emulate, the pre-eminent US universities, are particularly free of bureaucratic oversight mechanisms. Perhaps as part of their goal of being objective, they note but do not deeply ponder the lack of correlation between extent of oversight and perceptions of outcomes. (Is it merely the nature of the oversight that is different? The US institutions compete intensely for funding, but from a materially different source—benefactors—much more than many other academic institutions which are much more dependent on competing for government sourced funding. Is the outward focus and accountability that this produces important?)

Overall, this is a pioneering book that has some salutary reminders about the extent to which public management reform has really changed the way the public sector works. Its greatest contribution is the development of an objective analytical framework and its systematic and again objective application across a wide range of public sector activity.

It is a most disciplined book that spells out what it is going to do then does it well.

Nevertheless, policy makers may wish for more.

Having set up the framework and gathered the data, the authors do not address whether more efficient and effective delivery of government services has resulted from all the public management reform. After all this is the espoused reason for the reform. Perhaps this is a question for a second book or for others to undertake, using the framework established here.

There is one other aspect of the book that may merit more analysis. While the data gathering and description has been systematic and objective, at times the data gathering feels superficial.

To conclude, for the practical policy maker, this is a well written book that 'sticks to its knitting' very well. For those with limited time, this book probably delivers most of what it has to say that is relevant in the first and last chapters---a total of about forty pages. It is a most disciplined book that spells out what it is going to do then does it well.

Malcolm Crompton
Managing Director, Information
Integrity Solutions Pty Ltd
(former Federal Privacy
Commissioner)

Ethics In Organisations

Chris Provis 2004, *Ethics and Organisational Politics*, Edward Elgar Publishing, Cheltenham, United Kingdom, 288pp, ISBN 1 84376 784 8, RRP£59.95 (hardback).

Most organisations are not pretty places. They are, after all, full of people, and as we know, when people compete with each other for whatever glittering prizes are on offer, some will do 'whatever it takes', to use the phrase attributed to Labor numbers man Graham Richardson, to get what they want.

Behaving badly on the way to the top may be justifiable if the person concerned uses the power they have gained for wise and good ends. But such transformations are rare. Once in control, the ethically challenged tend to create the entire organisation in their image until unpaid creditors, distressed employees or (very rarely) the regulatory authorities, bring the show to an end.

Surely, we ask, individuals who play fast and loose with the law will be found out on the way up? Some undoubtedly will be ejected (or gift-wrapped for export to the unsuspecting) but others, endowed with the capacity to deceive and manipulate their colleagues, may not be unmasked until it is too late. This group—the corporate psychopaths, to use organisational psychologist Paul Babiak's term—play Iago to many an unsuspecting Othello.

Fortunately, most organisations, like most people, are neither particularly good, nor particularly bad. They muddle along, experiencing the odd frisson when someone steps too far out of line. But by and large, their internal power plays take place within a framework of cultural norms that both determine what is acceptable, and provide a rough lingua franca for the convoluted and confused exchanges that characterise most human communication.

It is into this ambivalent, but familiar world, that Chris Provis brings his philosopher's training, and a desire to offer some guidance in answering, as he puts it the 'recurring practical questions that confront people who find themselves involved in organisational politics and who wish to act in an ethical way without at the same time conceding everything to opponents'.

The result is a book that is neither how-to manual, nor academic dissertation, but an attempt to apply a wide range of thinking (from sociologists, philosophers and management theorists) to the situations we confront in organisations, situations that are partly formalised (because organisations are structures for doing work), but also intensely personal (because so much of who we are is shaped by our work).

While the result is not entirely satisfying, Provis is to be commended for starting his investigation at the level of the day-to-day decision-making that confronts all of us in our working lives. This is not to say that the big questions are not hovering in the background. Ever since Thrasymachus challenged Socrates to prove why might should not also be right, the battle to justify why we should bother to be moral at all, is disturbingly un-won.

While his deliberations are informed by the big questions of ethics, Provis does not get into this territory directly. Rather he assumes that we are all (more or less) well-intentioned towards others, and the real difficulty is not deciding whether or not we ought to be good, but rather how and to what extent we should behave in moral ways, when there may well be a price to pay in terms of personal advancement.

These are questions of practical ethics, but not in the high-stakes sense. Provis' dilemmas are not matters of life and death, but concern questions of personal choice in a world where facts are difficult to establish. It is a world, too, where the person to whom one has spoken one's mind yesterday must be encountered in the corridor today, and where friendship, or at least that overwhelming need most of us have to 'belong', makes it difficult, on occasions, to do what we know is right.

Provis shows us that there are interesting ways in which moral and ethical frameworks can be applied to these problems. As long as the discussion remains at an abstract level he does well enough, although for the reader who prefers direct engagement with the issues, the density of allusion and analysis may become somewhat tedious.

It is when he tries to give us a practical demonstration of his approach that the book seems to lose its way. Much of the analysis and discussion is twined around an ethical 'hypothetical' taken from a well-known textbook on management, which involves a (quite serious) instance of sexual harassment. The story is complicated by the fact that the person (a senior woman) to whom the victim complains is a personal friend of the alleged harasser, and is relying on him to support her in her next career move.

In this case the 'right thing' (dealing with the harassment) is quite clear, whatever the personal costs may be. And one would hope that in most workplaces, it would be possible to refer the victim to a clear policy or procedure to be followed in such a case, one that would to some extent enable the senior female figure to avoid the risks of openly pursuing the matter herself.

But if his goal is illumination, Provis spoils the effect by weighing down the very real dilemmas exposed by his discussion-starter with a huge weight of critical exegesis. Most readers will already know that friendship can interfere with impartiality, the point is surely where we go from there.

More successful is his discussion of the ethical dimensions of impression management, the importance, in the organisational *mise-en-scene*, of presenting ourselves on stage in a way that others will find impressive. When does a slight tweaking of the resume become an outright distortion? The author's advice is that whether our communication is ethical or not rests on the extent to which we take account of others' priorities and resources, to 'allow them... to make responsible decisions' (p. 188).

This is a useful criterion, but many readers will find the rather unworldly atmosphere of the book does little to help them work out where to draw the line. It is not that ethical judgments have become more difficult to make in contemporary organisations, it is rather that behavioural norms have changed as a result of increased competitive pressures, and the insistent mantras of managerial success.

These days, too great a fastidiousness in impression management would be counter-productive, because social attitudes have changed so much in the last thirty years. In my youth, modesty was accounted a virtue, and it was considered unbecoming to trumpet one's achievements. Today, you would have to be very distinguished indeed before you would risk underselling yourself.

All job advertisements demand experience, so it is little wonder that people lie in order to get a start. Is this wrong? Where players are many and opportunities few, competitive pressures readily inflate the currency of achievement. Most jobs are fairly mundane in character, so distinguishing oneself from the ruck involves making others believe that your ordinary behaviours and accomplishments are somehow extraordinary. When should the arts of personal 'spin' be regarded (to change the idiom) as 'cooking the books'?

What's missing here? As a political scientist, I would say that the Provis account lacks any sense of the extent to which decisions in organisations are shaped by relative power. While the author writes well about the ways in which power is legitimated, he tends to steer clear of any discussion of the *realpolitik* of organisational power. Our ethical quandaries are made all the more difficult by the fact that organisations are not democracies, they are dictatorships (or if you are lucky) oligarchies.

In my experience, most people go weak at the knees very quickly when they perceive that 'the boss' wants a certain thing which they know is not quite right. Or when they discover that forms of corrupt behaviour have become the norm. Most of us want the quiet life, after all. We see what happens to whistleblowers, and we shudder.

When the stakes are relatively low, when not much hinges either way on our behaviour, we can rationalise away our ethical deficiencies. It is only when we are brought face to face with the dreadful tragedies of our age, from Auschwitz to Darfur, that we realise the so-called Nuremburg defence ('I was only obeying orders') is no defence at all.

Assoc Prof Jenny Stewart
University of Canberra

Rule Of A Privatised Economy

Michael Keating 2004, *Who rules? How government retains control of a privatised economy,* Federation Press, Sydney, 214pp, ISBN 1 86287 518 9, RRP$34.95 (paperback).

In 1988, Abram de Swaan's *In Care of the State* presented the unfashionable case that governments are still the key players in the modern deregulated economy. De Swaan argued that through wages, welfare payments and a range of social services, governments remain the chief provider for a majority of citizens. However, while the underlying consensus about the basis for the welfare state is encompassing, 'consensus is... almost completely lacking when it comes to future elaborations in the collectivization of provisions' (p. 229). The most pressing political problem is 'the ever-increasing control of the central state... over more and more intimate aspects of life'.

Michael Keating's *Who rules?* is a twenty-first century Australian perspective on these issues in light of governments' experiments with 'managed markets'. The book's core argument is that marketisation has not robbed power from governments. On the contrary, through managing markets, governments are more effective than ever at their traditional policy objectives. Private agents have responded more favourably to the new approach of incentives and disincentives than they did to old-style command and control regulation. *Who rules?* argues the importance of market-based instruments that engage the public

in complex long-term policy challenges. However, meeting these challenges depends crucially on tax increases to fund an ageing population, and responding to environmental and security challenges. The problem currently is the opposition of public opinion—and political parties—to higher tax. For Keating, 'society's willingness to pay taxation depends upon the government connecting the public more closely with the services it provides and how these services are paid for'. (p. 75)

Keating is an experienced and hard-headed public policy practitioner, with a strong underlying commitment to defining and defending Australia's political and social values. He is an avowed supporter of the free market and the reforms to open up the Australian economy since the early 1980s. In an accomplished career in government, he was an influential advocate for these changes. Above all, Keating is a strong defender of the importance of government, and the need to retain control over social and economic policy. Apart from the need for higher taxation, however, *Who rules?* does not prescribe policy solutions. Rather, it argues the need for governments to innovate by working with markets, which 'appear to leave more power of choice with the individual… while still allowing governments to achieve their objectives'. (p. 9)

These themes of policy flexibility and a decisive role for government are developed in each of the book's four key chapters. In chapter 2 on macro-economic policy, for example, Keating warns policy makers from presuming either government or market failure. He argues that 'the high credibility that the authorities now enjoy will enhance the efficacy of government intervention to stabilise demand and restrain any tendency by markets to overshoot'. (p. 43)

Chapter 3 on national development

MICHAEL KEATING

Who Rules?

How government retains control
of a privatised economy

THE FEDERATION PRESS

argues that many of the micro-economic reforms of the past two decades should be seen as 're-regulation rather than deregulation'. Government has played a key role in promoting competition and ensuring the proper flow of information to consumers and investors. It has spent heavily on labour market programs, industry subsidies and the maintenance of the pharmaceutical benefits scheme. It has also guided markets through a focus on education and training, R&D, start-up incentives, and provision and access to infrastructure. (p. 74)

Chapter 4—'Improving human services by managing markets'—argues that the marketisation of government service provision has assisted government to adapt to changing public demands and expectations. Keating identifies several innovative public policy responses, creating competitive markets in vocational training (Australian National Training Authority), higher education (Higher Education Contribution Scheme), health (private insurance rebate), and employment services (Job Network). In the main, he argues that managed markets for these human services have been successful through improving choice, quality and equity. Keating

attributes the failures to a lack of public funding and problems with implementation. However, the main reason for the success of marketisation is that governments have been able to retain strict control over service provider standards, and have only proceeded on a case-by-case basis (p. 122). He sees further possibilities to develop managed markets for government-funded human services.

Chapter 5 looks at whether markets have changed social values. Keating concedes that Australian society has become 'increasingly individualistic and seemingly less egalitarian', but disputes that markets are to blame. It is not clear, for example, how a return to command and control regulation would produce a more caring and egalitarian society (p. 142). Keating argues that the problems with the welfare state are not its affordability or its morality. Rather, the key challenge relates to adapting to changing lifestyles and changing patterns of employability. He refers here to lifelong learning, which not only enables people to acquire the job skills demanded by the new economy, but 'can enhance people's overall social awareness' (p. 143). However, governments' capacity to build these social networks will only be realised if it works with communities and avoids a prescriptive approach.

Who rules? is a useful addition to the public administration and political economy literature. The case studies ably support Keating's central thesis that governments' use of market-based approaches and policy instruments has enhanced their power to deal with a new set of public policy challenges. Keating refers only once to the 'Third Way', but his arguments also make a contribution to these debates. The main omission was a chapter on the institutional design of government. One of the key changes to the way that government rules has been the creation of several statutory agencies at arm's length from

the Executive. These agencies' independence and expertise give them the credibility needed for the challenge of communicating with industry and community groups (p. 158). On the other hand, their proliferation is not ideal for the challenge of policy coordination and coherence (p. 168). This was a theme of the Uhrig Report. A second edition might consider the best institutional design to achieve a balance between governments, markets and society.

Dr Richard Grant
Parliamentary Library

Cultural Differences In Organisations

House, Robert J, Hanges, Paul J, Javidan, Mansour, Dorfman, Peter W and Gupta, Vipin (eds) 2004, *Culture, Leadership, and Organizations—the GLOBE Study of 62 Societies,* Sage Publications Inc., London, 720pp and conclusions and future directions, appendices and indexes, ISBN 76192 401 9, RRP£85.00 (cloth).

Be wary if you volunteer to do a review for PAT for professional development purposes—you may be rewarded for your courage by receiving a two kilogram, 818 page study of culture, leadership, and organisations undertaken over ten years, in sixty two societies by a team of 160 scholars—thanks Russell!

After realising the heavy, mystery parcel hand delivered to my office contained not an early Valentine gift but the book I was to review, I lugged the publication home to take a closer look.

The title impressed me. All research projects should invest in an acronym as sexy as 'GLOBE': the 'Global Leadership and Organizational Behavior Effectiveness' research program. The study of the relationship between culture and societal, organisational and leadership effectiveness began as an initiative of Robert House, a PhD in management from the Ohio State University.

I should preface my comments by confessing that my life experience doesn't include enough study in quantitative data analysis to give me the confidence to review the methodology and quality of results presented by the study—perhaps that type of review could be done by someone more qualified. I have, however, studied enough management theory to look at whether the book is worth recommending to anyone serious about knowing significantly more about cultural differences and the implications for leadership.

The study presents quantitative data based on the responses of around 17 000 managers from 951 organisations in sixty two societies. Responses from questionnaires were scored and formed nine major attributes of cultures and six major global leader behaviours, referred to as dimensions of culture or leadership.

The nine attributes are identified as Future Orientation, Gender Egalitarianism, Assertiveness, Humane Orientation, In-Group Collectivism, Institutional Collectivism, Performance Orientation, Power Concentration versus Decentralisation (frequently referred to as Power Distance in the cross-cultural literature), and Uncertainty Avoidance. These nine cultural attributes were measured as both practices (the way things are) and values (the way things should be) at the organisational and societal levels. The six leadership dimensions are identified as charismatic/value-based, team oriented, participative, humane oriented, autonomous and self-protective. Participant countries were divided into ten regional clusters—Anglo, Middle East, Confucian Asia, Eastern Europe, Germanic Europe, Latin America, Latin Europe, Nordic Europe, Southern Asia and Sub-Saharan Africa.

The rationale for undertaking the study was that as the world becomes more 'interconnected' by increased globalisation, borders may be going down, but cultural barriers may go up as a protective measure. By increasing the understanding of the impact of a culture on respective approaches to leadership a greater cross-cultural awareness becomes possible, in turn leading to greater organisational effectiveness.

For example, self-protective leadership, which is characterised by self-centeredness, elitism, status consciousness, narcissism, and a tendency to induce conflict with others, was reported by most nations to be an impediment to highly effective leadership. However, this was not the case in Albania, Taiwan, Egypt, Iran and Kuwait. Increasing our understanding of the differences between cultures, knowing what is likely to be effective or ineffective, would surely

facilitate conflict resolution and improve performance in areas such as negotiation and management.

As Triandis states in his foreword, 'Thousands of doctoral dissertations in the future will start with these findings'.

One of the stated goals of the book was to 'produce a seamless book written by many authors' and given the number of contributors it does this well. Occasionally there were distinct differences in style but they contribute to the study's readability. For example in Chapter 15, which outlines the findings on the Assertiveness cultural dimension, Deanne Hartog begins with a quote from the Bible: 'Blessed are the meek: for they shall inherit the earth' (Matt. 5:5). Hartog then goes close to debunking the Bible by stating that it is 'not clear that this is indeed an assumption shared with and between cultures in these times'.

Robert House writes '... there is a greater need for effective international and cross-cultural communication, collaboration, and cooperation, not only for the effective practice of management but also for the betterment of the human condition.' As our world becomes more interconnected I think it would be well received by managers around the world if an easy to read summary were to be born from this study. The introduction, which includes 'A Nontechnical Summary of GLOBE Findings', and the conclusion go some way toward doing this, but not far enough to give a concise understanding of the results of this major work on leadership. If one or two suitably qualified authors were able to achieve this possibly unachievable goal they may find themselves with a best seller.

The book outlines future directions and although they don't seem to include plans for a synopsis best seller, they do identify plans for Phase 3 of GLOBE, to take the study further and identify the behavioural manifestations of the six leadership attributes.

I must admit to feeling admiration for the commitment of those who took part in this study, and even some envy for their involvement in an area for which I have a real interest. As Triandis states in his foreword, 'Thousands of doctoral dissertations in the future will start with these findings'. The temptation is great. Even with this support for the book's ability to capture interest, my final advice to potential readers is, don't take the book to bed if you have a tendency to fall asleep reading—it might hurt.

Tracy Svensson
Department of Prime Minister and Cabinet and Councillor IPAA (ACT)

Substantial Foundations of Bureaucracy

Bill Jenkins and Edward C. Page 2004, *The Foundations of Bureaucracy in Economic and Social Thought*, Edward Elgar Publishing, London, 1496pp (two volumes), ISBN 1 84064 015 4, RRP£395.

When the review editor asked me whether I was interested in examining two volumes of edited articles with a total of over 1 500 pages my heart sank—another doorstop was on its way.

Happily I can report to readers that these two volumes would be a worthwhile investment for anyone interested in the field of public administration and public policy. They provide a 'one-stop shop' of all the major journal articles including some of the seminal pieces, in this area. Moreover, the editors include recent pieces such as R.A.W. Rhodes' 1997 article 'Towards a Post Modern Public Administration'. This is not just a collection of the 'classics'.

Conceptually, the editors provide categories such as:

• Bureaucracy: Blessing or Curse
• Changing Historical Forms of Bureaucracy
• Processes of Bureaucracy
• Structures of Bureaucracy
• Bureaucrats in Action
• Pathologies of Bureaucracy
• Bureaucracy and Democracy
• Reform and Alternatives.

You get the drift. Under each of these categories are assembled a number of the key articles pertaining to the area. For instance, under 'Bureaucrats in Action', you are invited to view articles on advice, secrecy, conflict, ethics, and careers.

The editors provide a brief overview at the beginning of the volumes, but wisely avoid seeking to make comments on the different individual chapters. They leave it to the reader to assess and absorb.

And you do not get just the usual standard articles. Of course, the

'classics' like excerpts from Downs' *Inside Bureaucracy* and Lindblom's article on muddling through (although this is the latest version of his famous paper) are included.

In other cases there are some interesting choices. On secrecy, instead of older case studies we are given the relatively recent one by Clive Ponting, the British public servant who was the whistleblower on the *Belgrano* battleship affair during the Thatcher Government and the Falklands War. This is a worthy selection.

. . . these two volumes would be a worthwhile investment for anyone interested in the field of public administration and public policy.

Yet we are also enticed with some of less well-known material that covers areas frequently not part of the public administration curriculum. For instance, there is Lipsy's article on street level bureaucrats, an area too infrequently discussed in public administration and public policy.

If the range of topics is wide so too are the sources. There are articles from a diverse range of journals such as *Governance, Public Administration, Administration and Society, Political Studies, Public Administration Review, Urban Affairs Quarterly, Public Policy, British Journal of Political Science, World Politics, Aussenwirtscharf, Canadian Public Administration, and Administrative Science Quarterly*. No Australian sources are included. The volumes are very much a United Kingdom, North American and occasionally, European affair.

So what we have in these two well-presented volumes is a comprehensive range of the articles that matter. All in all there are sixty three articles spanning the period from 1939–1999.

Of course, you could argue about what is not there as well as what is.

Indeed, one criticism of the volumes is not just the lack of representation of Australian journals, but also the almost complete absence of Australian authors or Australian (or New Zealand) case studies. While we are treated to some of those from the 'mother country' who visited the Australian 'colonies' in permanent or temporary academic positions like Christopher Hood and Rhodes, where are the local products? Surely, R.N. Spann or Robert Parker had something to offer in their many books and articles. So too have Glyn Davis, John Halligan, Alexander Kouzmin, Jenny Stewart, John Wanna, Ken Wiltshire, Pat Weller and many others—not exactly inactive academics without international standing. Yet, there is hardly an Australian in sight. Is this an aspersion on Australian academics, an oversight by the editors or just this reviewer's own cultural cringe? Has Australian public administration been so boring as not to warrant a single case study? Indeed, given that Australian public sector 'reform' was in many ways ahead of changes overseas, especially in the United Kingdom, this lack of reference to Australia seems odd.

The only Australian contribution to the volumes is University of Sydney's Michael Jackson's chapter on Hegel's political theory—fine as it is, but hardly any assessment of the Australian scene.

Also missing are contributions from non-academics. British journalist Peter Hennessy's excellent *Whitehall* and numerous articles have done much to promote interest and insights into public administration in the United Kingdom. Hennessy's Australian counterpart has been J.R. Nethercote. Over the years Nethercote has provided many critical and original appraisals of current issues in public administration and at times offered a real critique of 'managerialism' and other so called 'reforms' that have occurred in Australia since the 1970s.

One annoying feature of the volumes is that each article is reproduced from the original in terms of layout and print. So, some articles are in double columns while others are single page presentations. There are different types and sizes of font. While this makes for authenticity, at times it gives the volumes a cut and paste look. This is a minor criticism.

Overall, these volumes make an excellent addition to any collection on public administration. The collection is comprehensive, the selection appropriate and the historical breadth wide with exception to the Australian and New Zealand references noted above. Each volume has a detailed index of authors, but not of topics. These volumes offer much and are almost mandatory. Indeed, you could run a great course based on these two volumes both in the range of areas covered and the issues not included. They provide an historical overview of thinking and observation about public administration. These volumes will not be a door stop, but will be picked up from time to time so as to read an article of interest, to dip into a topic that has become prominent again or to re-read the 'classic' that has not been studied or understood in the past.

Put an order in now. You could do far worse, but you will rarely do much better than having these volumes in easy reach.

Dr Scott Prasser
University of Sunshine Coast

Policy Handbook Falls Short

Irwin, Lewis G, 2003, *The Policy Analyst's Handbook: Rational Problem Solving in a Political World*,
M.E. Sharpe, New York, 111pp, ISBN 0 765 61292 5, RRP$73.81 (cloth).

It is a welcome relief to come across an American handbook that is brief (110 pages), not particularly turgid, and not subjected to the death of a thousand fonts.

The Policy Analyst's Handbook has its differences, and its idiosyncracies, but in the end leaves a reader wondering why it was written—and more particularly why it was published—in this form.

It starts in the Preface with an inclusive declaration—'… we are all policy analysts of one kind or another'—and talks about acquiring a 'distinctive mindset' and becoming 'an efficient and effective policy analyst'. Unable to resist a Note for Instructors, it claims to be able to 'stand alone as the central text for a course in public policy analysis', but with the main aim to be a companion text 'for courses in public policy, public administration, political science, sociology and other social science courses'.

The bones of the book are reasonably lucid introductions to the 'nested challenges' of scientific method, social science and policy analysis. This is done from the standpoint that effective policy analysts should seek to approximate as nearly as possible to the ideal of objective rationality in all aspects of their work, even though the uncertainty of the social sciences and the realities of communities, organisations and politics may make it difficult to do so.

The professional policy analyst is presented as one who provides a service to others who are decision-makers. Though needing to take into account their prejudices and priorities, the analyst should provide sober and well-based analysis and recommendations, avoiding personal enthusiasms.

One suspects that Dr. Lewis may be an effective and supportive presenter in person, but this text has not developed enough life of its own to impress between hard covers.

The apparent naivety of this exegesis could be explained as a direct artefact of the decision to keep the book short, but there are many repetitions in various forms of a basic hankering after the 'Holy Grail' of objective rationality. Especially as the book aims to fill a perceived gap in published advice on practical techniques of policy analysis, it could be expected to give the reader at least some perspective on how scientific method relates to or compares with other current pictures of policy making. Are networks and communities anti-rational, just part of the habits and allegiances of the a-rational real world? How does the analyst engage with them?

There are many points at which the feeling starts to rise that perhaps this is someone who doesn't think such perspectives are significant or who hasn't really engaged with them. Yet one of the curious features of the book is that about 30 per cent of its pages are taken up with 'notes and supplementary readings', in which quite a range of such views and perspectives are mentioned or referenced. At least, North American ones.

There is mention, for example, of the limits of rationality, and of other rationalities, but they are presented without giving any real feeling for the debates. Yet somehow, the analyst is enjoined to 'take account' of the non-objectively-rational aspects of policy and decision-making as part of the professional process without much indication of how this might properly be done.

More positively, some sections show appreciation of engagement with complex issues and the difficulties of achieving worthwhile change. For example, even if policy analysts are essentially outsiders or separated from implementation phases, they should do their best to get indicators of change, improvement or achievement of policy goals built into the ongoing operational management of the organisation. But it still does not go far enough to bring the older-style policy scientist in from the cold, to engage dynamically at all stages with service providers, decision makers and other actors and interests.

The brief chapter on preparing proposals or presentations for decision is sensible and to the point.

For all its slenderness, the book fits in introductions to cost benefit analysis and multi-attribute analysis, with even some discussion of sensitivities and mention of probability trees.

Perhaps these sections show the value and limitations of the book as a whole. As introductions, they are simple and do not wander far from the essentials. Yet, on the one hand, they do not give enough information and explanation to be sufficient in themselves even to understand, for example, how a cost benefit analysis treats the sequencing of investments, operational costs, income and

returns on investment. On the other hand, they assume that the reader will be familiar with the time value of money and what a probability tree might be. In fact, without some of this knowledge, the tabulation of results of the example given for cost benefit analysis could be quite misleading for many.

Similarly, the six-step process proffered as the framework for good policy analysis under the aegis of the scientific method is acknowledged to be simplistic in the absence of many iterations in the course of even a single project. But, whether in the interests of keeping it simple or as an expression of settled belief that this is the proper way to analyse policy issues, the 'research pyramid' complete with a diagram showing theory formulation as the starting point, followed by development of hypotheses, data collection and so on, is more likely to bring an aspiring analyst to grief in the real world than provide a sure foundation for impressive recommendations.

One suspects that Dr. Lewis may be an effective and supportive presenter in person, but this text has not developed enough life of its own to impress between hard covers.

Bruce Guerin
Principal, Public Policy and Management

The Shrinking Public Sphere

Alan McKee 2005, *The Public Sphere: An Introduction*, Cambridge University Press, Melbourne, ISBN 0 521 54990 6, RRP $43.95 (paperback).

David Marquand 2004, *Decline of the Public: The Hollowing out of Citizenship*, Polity Press, Cambridge, UK, ISBN 0 745 62910 5, RRP $57.95 (paperback).

If Margaret Thatcher had been correct when she said 'there is no such thing as society', there would be no need to study what political scientists call the 'public sphere' and the 'public domain', except perhaps as a task for historians or anthropologists reporting on a past when people held a misguided belief in the value of citizenship.

In spite of the inroads of neo-liberalism, however, there is still a 'public sphere'. That is the space where people engage in dialogues concerning public matters. That space ranges in formality, from parliaments through web sites, newspapers, to sidewalk cafes. And the topics range from Manning Clark's 'great conversations' through to the immediate and material, such as the budget for the school P&C.

These dialogues shape our behaviour in the 'public domain'. In the vocabulary of political science the 'public domain' would include the public sphere, but the concept is wider. It covers all our behaviour as citizens. It includes, but is not restricted to government. Indeed it can be seen in terms of all civic activity, such as paying our taxes, helping in volunteer bushfires brigade, and generally engaging in non-market transactions with our fellow citizens.

Two recently published books cover these topics: Alan McKee *The Public Sphere: An Introduction; and David Marquand Decline of the Public: The Hollowing out of Citizenship.*

Marquand, a former British Member of Parliament, writes about the values of the public domain, the domain of 'equity, citizenship and service', but he warns it is in retreat. Although his examples are from Britain, his analysis should resonate with Australians. He traces the loss of shared property through privatisation and the transformation of citizens into customers. Here in Australia we have been through a similar round of asset sales, and even the loss of the term 'commonwealth' as a descriptor of our national government.

Of particular interest to readers will be his coverage of the public service. He outlines the passing of public service values laid down in the 1854 Northcote—Trevelyan Report:

> Professional, non-partisan, career civil servants served the public by definition. The values by which they lived their professional lives ran counter to those of the market-place, and also to those of the private domain. Their very existence presupposed a public interest transcending private interests, in a sense not true of other civilian professions, with the possible exception of officials in local government. They were not supposed to define the public interest; that was a task for ministers, accountable to Parliament. But they were supposed to pursue and defend it—if necessary by acting as a counterweight to the inevitable short-termism of their political

masters. For they were the institutional memory—the hard disk—of the state. Ministers decided, but civil servants advised; and their advice distilled not just their own experience, but that of the whole state machine. To do this, they had to be personally disinterested and detached from the party battle. Their advice had to be honest and impartial; they had to tell their masters the truth as they saw it, without fear or favour, and their masters had to know that their advice was untainted by party affiliations. (p. 107)

This culture has given way to one of partisan service and finely tuned political responsiveness. In a section colourfully headed 'The grovel count' he states that those public servants who could not or would not grovel 'languished or left'.

Marquand's work goes further than the public service and the public sector, however. He sees similar civic duties among the traditional roles of professionals, wherever they may be employed. The status of 'professional' carries certain civic obligations.

His basic argument can be seen in the traditional market failure case for government involvement in the economy. (The fact that such arguments have to be re-asserted so strongly is evidence of the extent of the devaluation of the public domain). But he goes well beyond an economic analysis, into the norms of public culture. His political hero is Prime Minister William Gladstone, who:

> … staked his whole career on the propositions that there is a public interest which goes wider than the sum of private interests; that it can and should be determined through a process of debate and argument; and that, by appealing to their better natures, the public can be mobilized behind a legislative programme and a series of

executive actions designed to pursue it. (p. 58)

That is very different from the current political fashion of 'public choice', which does away with notions of citizenship with attendant rights and obligations.

Public choice theory arose alongside neo-liberalism—the political philosophy of the primacy of markets—and, in its most dogmatic form, the notion that the private sector is always to be preferred to government, regardless of evidence or argument. Marquand traces the appeal and rise of neo-liberalism, presenting six reasons why the crusaders of neo-liberalism succeeded in transforming (and diminishing) the public domain. Neo-liberalism has a superficial appeal and it has managed to capture the public imagination. But, echoing Socrates, Marquand warns: 'The roar of popular approval is no guarantee of political wisdom.'

Of the six reasons he lists for the rise of neo-liberalism, the most powerful is the rise of individualism—not the autonomous individualism celebrated in the writings of Emerson or the cooperative individualism described by Thomas Paine---but rather the solipsism of the commercially-conditioned 'consumer'. He asks 'Who could be more authentic than a shopper roaming the aisles of Sainsbury's in search of the brand of yoghurt that expresses her individuality best?' (p. 93)

Alan McKee, Senior Lecturer in Creative Industries at the Queensland Institute of Technology, takes a different perspective on these developments. Indeed he celebrates the transition from 'citizen' to 'consumer', and, by implication, the rise of public choice as a guiding principle of politics.

He is unabashedly postmodernist in his approach, in contrast to what he might call Marquand's 'modern'

perspective—the vantage point traditionally occupied by white, heterosexual males. For example, while Marquand sees commercialisation of the public sphere as detracting from public value, McKee sees no problem with commercialisation of the public sphere. In a statement with which Marquand would probably agree, McKee says:

> … one of the key issues here for writers within the traditionally 'modern' paradigm is that the commercialized forms of culture preferred by working-class audiences do not employ 'rational' forms of argument, as that is understood in the tradition of Western philosophy. This term has been a key one in the culture of formally educated audiences. While popular audiences have been among those who have favoured culture that provokes 'emotional responses' philosophers within formally educated culture have taken an attitude of valuing formal, logical rationality as the key fully civilized behaviour. (p. 103)

Where Marquand and McKee would differ is on the normative question of the value of formal, logical rationality in the public sphere.

Marquand condemns the postmodern notion that 'the personal is political'. He comments on the cult of Princess Diana—particularly the public concerns about her treatment from the British Royal Family—as an unwelcome intrusion on the public sphere, crowding out important political issues. McKee, on the other hand, mounts a spirited defence of the entry of such personal concerns into the public sphere. Former US President Clinton's sexual behaviour was a legitimate matter of public concern, even if it moved issues such as national security and poverty off the front pages.

What traditional thinkers may see as 'trivialisation', McKee sees as democratisation. He dwells at length on the role of rap music, tabloid media, and, as a particular example, America's *Ms* magazine, which covers relationships, body image, sexual health and celebrity interviews. Bringing these issues into the public sphere he sees as a worthwhile political act. It has given voice to feminist perspectives on sexuality and unpaid work, for example, raising issues which might otherwise not have been brought to public attention. He does not agree that the media manipulate or deliberately 'dumb down' public debate; rather they are doing no more than responding to the demands of their customers who don't want highbrow, 'logical' coverage of public policy issues.

He goes on to celebrate the multitude of views and forms of expression which have traditionally been excluded from the public sphere—'queer activism' and 'rainbow alliances', for example. While some may see these forms of expression as raucous, undisciplined and counter-productive, he celebrates the *jouissance* of spontaneous emotional forms of expression. Where Marxists see value in solidarity in the public sphere, McKee sees value in fragmentation.

It would be easy to dismiss McKee's work as an assertion of postmodernist illogicality. But it is a well-documented work; so thoroughly so that the in-text references he uses constantly interrupt the reader's flow. (Cambridge University Press would have done the reader a favour by using a footnote or endnote referencing style). In particular his work presents a strong and coherent contrast to the work of the 'modernist' philosopher and sociologist Jurgen Habermas. McKee describes his book as a 'text', but it may more reasonably be considered to be a critique of Habermas and of 'modernism' in general.

Those who seek to understand postmodernism in the political context will find a valuable resource in McKee's work. He accepts that many writers reject postmodernism and he provides a reasonable summary of the more traditional, logical perspectives on the public sphere.

Indeed, it would be contradictory for a postmodernist to assert the primacy of any one perspective.

The main weakness in his work, however, is a tendency to a binary classification between those who hold modernist and postmodernist perspectives. There are homosexuals who reject cultural relativism and are doggedly committed to the notions of rational argument. There are feminists who work within the traditional public domain. For example, Margaret Sanger's lifetime work of gaining public acceptance and legislative approval of women's right to birth control was effective because it was conducted through disciplined public disobedience, political lobbying, and, above all, rational debate. The gains in gender and racial equality, and in lessening discrimination against those of minority sexual orientations, have largely been made in the traditional world of rational public policy deliberation. Women who read the *Financial Review* and the *Economist* rather than (or in addition to) *Ms*, and blacks who listen to Bach rather than to rap music, may find McKee's generalisations a little condescending.

That is not to say alternative modes of expression lack legitimacy. Indeed, there is nothing novel about the forms of expression McKee mentions. The Gay Mardi Gras, for example, has undoubtedly helped in gaining acceptance of rights of minorities, but it is doubtful whether spectacle and joioussance will achieve worthwhile political change unless these forms

of expression are part of a more disciplined process. A generation ago Saul Alinsky, in his work *Rules for Radicals* (Vintage Books 1971), pointed out the role of spectacle, but he stressed that it is only one instrument in a disciplined process of achieving political change. We should remember, for example, that the thriving and lively counter-culture of Berlin in the 1920s had no chance against the onslaught of Nazism.

An alternative view on the political role of postmodernism is that it has given strong power to established interests. If those who seek change assert that there is no reference point, they leave a vacuum in the public sphere which will soon be occupied by those who seek to sustain the status quo, or to advance powerful interests. Those who seek change have few resources; logical argument is the only strong weapon in their armoury. Unilateral disarmament is never a wise tactic.

The roots of postmodernism are on the 'left' of politics—the Dada movement of the twenties, and the Paris protests of 1968. But the political right has appropriated the prime premise of postmodernism: that there is no objective reality or method of analysis. The talkback radio hosts provide a strong case in point. It doesn't matter whether children were thrown overboard or not; what counts is one's subjective interpretation of the texts or pictures of a "maritime incident". Where there is no objective truth there can be no lies, only opinions and viewpoints. Politicians have become adept at using Derrida's 'floating signifiers', words and phrases with no connection to the things they normally signify, from which one can infer any meaning one wishes, because these words have never been defined with precise meaning, or have conveniently lost meaning through a legacy of misuse. These are the words and phrases that roll off

politicians' tongues, such as 'strategic', 'terrorist', 'rural and regional', 'family values', 'mutual obligation'. Perhaps the student of

postmodernism would find Don Watson's *Dictionary of Weasel Words* (Knopf Australian 1994) a useful complement to McKee's book.

Ian MacAuley
Lecturer
School of Management and Policy
University of Canberra

Democratic Delight

Lynda Gratton 2004, *The Democratic Enterprise*, Pearson Education (Prentiss Hall/Financial Times), Edinburgh, 254pp, ISBN 0 273 67528 1, RRP$61.95 (cloth).

While many managers dream of heading willing and productive teams, many of their subordinates dream of the day when a 'harm minimisation' strategy will be applied to the management process. This book is intended to provide the key to putting into practice the mantra that an organisation's most important resources are its people. In the knowledge economy human capital has gained an ascendancy that may in time lead to the apogee of the widely neglected human resource unit. Understanding how workers can be encouraged to be 'the best they can be', and how firms that do so will achieve competitive advantage, is a major theme of this book. It also has a strong message for employees: stop acting like corporate slaves and start acting like corporate citizens. Although it is targeted primarily at the private sector, its message should have resonance for the public and not-for-profit sectors too.

This book is intended to provide the key to putting into practice the mantra that an organisation's most important resources are its people.

According to Lynda Grattan, Associate Professor of Organisational Behaviour at the London Business School, the touchstone of the truly 'delightful' workplace is:

> democracy: personal involvement and participation in organizations where choice flourishes and where shared purpose is the unifying force. (p. xiii)
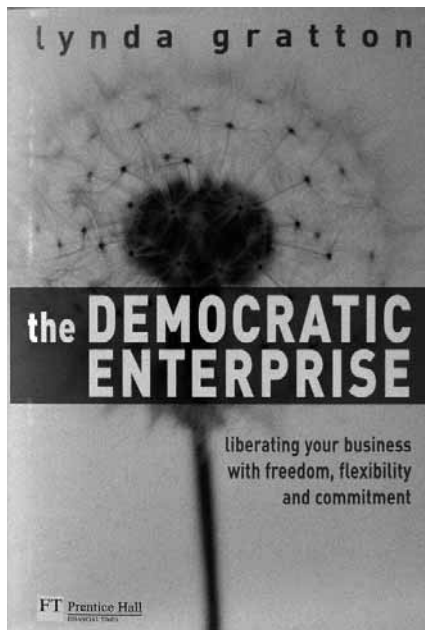
Those of us who can remember the rapid transit of 'industrial democracy' across the corporate/managerial firmament in the eighties, or have become familiar with the idea of 'empowerment' in disciplines ranging from sociology to development studies, the concept of a democratic workplace may not seem particularly original. It came to attention in the early nineties with the publication of Ricardo Semler's 1993 work, *Maverick!*[1], which, surprisingly, Grattan does not mention. *Maverick!*[2] is an account of a company that seems to have thrown away the rule-book in its relations with workers, allowing them extraordinary control over their working conditions, such as setting their own salaries and choosing the leaders of their self-managing teams. Lest we dismiss it

as only a piece of extraordinary good luck that Semler's company could be simultaneously profitable and delightful to staff, the evidence presented by Grattan indicates that it is no such thing.

Grattan introduces the reader to the workplace expression of her six characteristics of the democratic enterprise through case studies that describe the experience of three employees of large corporations—a useful, if risky technique, given the number of collapsed companies that have once been lauded in management textbooks. She returns several times throughout the book to the task of explaining each of the democratic 'tenets' and the three, two-tenet pairs that she labels 'building blocks'. These are:

- **Individual autonomy,** which comprises the notions of 'adult-to-adult' relationships and individuals as investors in the development of their own human capital
- **Organisational variety,** which encompasses the valuing of diversity in staff gender, backgrounds and working arrangements, as well as provision of scope for individuals to play an active role in determining the conditions, content and direction of their working life
- **Shared purpose,** the 'container' that regulates the actions of autonomous individuals—including the principle that the liberty of one cannot be at the

expense of others, in addition to concepts of accountability and obligation that connect workers, managers and their clients.

One of the highlights of the book is the account of Grattan's 'Democratic Study'. In the course of this study information was obtained at three points over an eight year period, from employees, managers and HR units of seven large organisations, including multinationals in finance, pharmaceuticals, food and IT respectively, a UK based bank, and two public sector bodies (one a parcel service and the other a large public hospital).

The questions used in the employee survey constitute a diagnostic kit for the assessment of democratic vitality. For example, the degree of 'adult-adult-relationships' was indicated by support for questions such as:

> In my organisation not just management are expected to solve problems and offer solutions.

It was contrasted by support for the proposition that:

> In my company people are criticised more readily than praised.

Assessment against tenet three was found in whether workers felt their own wishes could have a significant affect on their career options, and whether they felt reasonably able to achieve their preferred work/life balance.

There was variation between the organisation profiles against these indicators, and some positive movement over time in many. However, no organisation was able to score more than 50 per cent on what might be considered the 'lead' indicator—the proportion of employees who felt 'inspired' (to go the extra mile), and some scored under 25 per cent. We might expect that underpinning these results

would be scores on a range of underlying indicators, such as clarity of shared purpose, trust, and room to move.

This book proffers no simplistic formula for achieving transformation to the democratic enterprise. On the contrary, it takes pains to point out the difficulties and delicate balances and judgments that are involved when individuals are granted more autonomy, power is shared, there is greater transparency of decision-making (including decisions over performance evaluation, remuneration and career opportunities) whilst accountabilities and obligations are honoured.

The rewards for the companies that put the democratic tenets into practice include greater agility in response to a rapidly changing environment, greater energy and creativity, and greater capacity to integrate across different organisational units. Grattan notes that some of the most dynamic and profitable companies are those that have a reputation for living many of the democratic principles she has articulated. The connection lies in the attraction and development of human capital.

Grattan analyses human capital into three components: intellectual (knowledge and skills); emotional (insight and integrity) and social (networks of knowledgeable individuals). The democratic enterprise encourages and assists individuals to assess and invest in their own human capital. And it optimises the use of that capital to achieve both organisational and personal goals.

Leadership is critical. The CEO and other senior managers provide daily cues about the values they place on individuals, on intellectual rigour and the creation of knowledge, on integrity and fairness, and on accountabilities and obligations. Any explicit

philosophy that is not consistent with day-to-day language, decisions and behaviour will be treated as mere static. Leadership is involved in the communication of a sense of mission and shared purpose that can act as a magnet for talented individuals, in the setting of high-level goals and the creation of space for their achievement, in the provision of time for reflection and the creation of new knowledge, in role modelling, and in mentoring.

The transparency, procedural fairness, power and information sharing that contribute to employee engagement, creativity and commitment are good for organisational health and sustainability. They are, moreover, increasingly recognised as aspects of good governance.

This book combines elements of political philosophy, management theory and organizational psychology. It is both aspirational and practical. It contains useful references and diagnostic material, only a modicum of the strangely unhelpful diagrams that seem obligatory in management texts, and it rarely lapses into content-free language. Managers and the managed may find in it a compelling rationale for the integration of democratic principles into the workplace. Above all, they may feel that the idea of a 'delightful workplace' need not be a contradiction in terms.

Robyn Seth-Purdie

1 Coined by Beatrice and Sydney Webb in their 1897 book of that name.

2 His latest contribution, The Seven Day Weekend---The Wisdom Revolution: Finding the work/life balance (Arrow, 2004) appears in the AFR Boss 'Top 100 Must Read Management Books', AFR Boss, January 2005.

Historical Lessons from the Corporates

Grant Fleming, David Merrett and Simon Ville 2004, *The Big End of Town*, Cambridge University Press, 310pp, ISBN 0 521 83311 6, RRP $59.95 (hardback).

An academic research project on corporate leadership has produced a very readable account of the development of big business in Australia, including its trials, tribulations and successes.

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While the authors' aim is to contribute to Australian business history scholarship, the subject is engaging and topical. Fleming and his colleagues have traced the ebb and flow of corporate strategies and the continually changing structures of Australian corporations which have been household names over the last century.

The writing is clear with an acceptable mix of theory to set the scene combined with case examples to show the success or otherwise of its application. The story flows well, as readers will be already familiar with many of the major players and their business activities from daily newspaper and other media reports. Also, the appendices, notes and bibliography are extensive and fruitful ground for additional research on the subject.

The early chapters describe in some detail the research methodology, qualifications and analytical processes adopted by the authors with assumptions, definitions, justifications and conclusions integrated and consolidated as the chapters unfold. There is significant use of Alfred Chandler's well-known framework of the interplay between structure and strategy in setting and analysing the Australian corporate context. International comparisons abound to draw parallels with local experience and historical developments.

The book provides interesting case study material for business students, but it may also be useful background for public scholars or strategists interested in the governance of public corporatisation and developments in the policies of public private partnerships. The rise and fall of Pacific Dunlop and Adelaide Steamship companies are particularly well chronicled with an abundance of lessons for modern organisations on the dangers of rampant, unrelated diversification. A knowledge of business integration, product, market and diversification strategies, as well as risk management would assist first time readers to grasp the messages and conclusions more easily; however, the authors do explain the basic concepts in enough depth so that some help is at hand.

The authors are systematic in identifying Australia's corporate leaders and in detailing the influx and influence of multi-nationals as well as highlighting the different growth paths and patterns over time. The intricacies of corporate financing, configuration and governance developments of a wide range of industries make surprisingly interesting reading.

The final chapter concentrates on the transforming role of large Australian corporations on the national economy over the twentieth century and compares this with similar experiences of corporate bodies in the United States, the United Kingdom and Germany. The authors conclude that:

…Giant enterprises sprang forth, integrating mass production with mass distribution. The exploitation of scale and scope brought dominant market positions and further diversification in products and geographic scope. It is a story of industrialisation and increasingly of competition for international markets. (p235)

. . . useful background for public scholars or strategists interested in the governance of public corporatisation and developments in the policies of public private partnerships.

The book is a useful and scholarly contribution to recording and analysing the evolution of Australian business history.

Dr Jules Wills
University of Canberra