STEWARDSHIP AND PUBLIC SERVICE

A Discussion Paper Prepared for

The Public Service Commission of Canada

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Introduction—Stewardship and Public Service Issues

Our discussion about stewardship and public service begins with a critique of market based reforms that have profoundly reshaped the public service world-wide during the past two decades. While it is maintained that these reforms were necessary and have resulted in many positive outcomes, the central argument is that the market theory upon which they are built is not robust enough to embrace the full range of public sector activities such as governance and guarding public interest. Stewardship is presented as an alternative model that bridges market approaches, primarily applicable to transactional services, and broader public sector responsibilities. As we will see, stewardship is a very old idea that is being rediscovered in many quarters. Unlike the long parade of solutions—reengineering, program based budgeting, empowerment, delayering and countless others—that have been tried and quickly abandoned, stewardship is not a technique or strategy that can be immediately applied, nor is it suggested that it is a remedy for all ailments.   Rather, it is a way of doing things that provides a compass rather than prescribes a route.

Like the market approach, stewardship can address efficiency issues. However, it goes beyond self-interest and, more importantly, provides the conditions for governance stability over a long period, something that the market model does not do. In other words, stewardship provides a synthesis for the conflict between market efficiency and the
cumbersome and costly task of maintaining the stability essential to public interest systems of governance.

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The principle purpose of this discussion is to explain why an alternative to market theory is essential to the public service and to examine stewardship and its broader implications. In offering stewardship as an alternative to the shallowness of market theory a number of other important issues are revealed. These issues demand to be addressed whether or not we pursue the notions of stewardship. However, because they are beyond the scope of this discussion paper, these issues will only be mentioned in passing.

The first issue that arises is what we mean by *the public service*. In the following discussion, we purposefully use the term in a broad context to include everyone dedicated to delivering work and service in the pursuit of the public interest and common good. As the public sector changes in composition with ever more interesting ways of delivering services traditionally provided by governments, and as partnerships and collaborations between levels of government and other sectors develop to do this work, the public service needs to be redefined. Should the public service refer only to those under the Public Service Employment Act? Perhaps in the end it will include a small core of people managing contracts, enforcing standards, and advising on policy. On the other hand, the term public service may include a much larger and more loosely organized collection of individuals providing services in numerous types of community organizations, virtual companies, agencies, partnerships and contract arrangements. The question then becomes whether or not these people need to embrace the same ethical standards and public service values as traditional public servants, how they are to be tutored, led, managed, motivated and so forth.

The second issue is how the apparent conflict between the market and public interest approaches can be resolved. Jane Jacobs' *Systems of Survival*, and John Ralston Saul's *The Unconscious Civilization* present two substantial critiques of the introduction of market forces and corporatization into the public sector. Their concerns must be thoughtfully addressed by any public service claiming to be serious about public interest. Other issues emerging from the discussion include:

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- The importance of deepening policy reflection and the continuing validity of the public service's role as expert policy advisors.

- Can a permanent professional public service, a traditional foundation of parliamentary democracy, be replaced by other means and if so, what assurances need to be put in place to avoid a public service acting in a self interested manner?

- Do societal, ethical, demographic trends take us in a direction so far away from selflessly safeguarding public interest that the idea has become untenable, or outdated?

- The public service must be flexible and at the same time provide long-term stability. This requires continuously learning and adapting, which indicates that more needs to be understood about learning organizations and how they can be nurtured within the public service.

These emerging issues provide us with a set of beacons that point toward the central issue of this discussion—that is finding an approach to governance that balances the capacity to sustain, the public interest, the common good, order in society, and the degree of stability required to sustain the institutions of governance for long term survival while allowing flexibility to bend to the will of people through serving successive governments, in a cost efficient, effective manner with the level of service the public demands. The stewardship approach addresses this issue, but before exploring what stewardship is, we must first develop the case for moving beyond market theory.

The Seductive Power of Technique and Strategy

Technique and strategy—market driven reform

During the past two decades, around the world, public sector reforms have been sparked by fiscal crisis. They had at their core managerialism and private sector emulation. In virtually every country, slaying the fiscal beast has meant reducing the influence of the public sector and weakening its principles in favour of market techniques and methodologies, be they privatization, commercialization, downsizing, rightsizing, de-regulation, quality management, reengineering, devolution, delegation, decentralisation, alternative service delivery, or a host of others.

These reforms, some more successful than others, represent experiments in public sector management of unpresedented breadth and intensity, and offer rich experiential learning. Accounts of these comprehensive experiments are numerous and we do not intend to go into them here. However, reform was necessary and many of the improvements brought about have left lasting and beneficial effects. For example, the state is no longer considered to be the sole provider of public services, which opens the door to more collaborative, inter-jurisdictional partnerships and to services integrated around citizens' needs rather than those of the bureaucracy.   The fiscal responsibility and discipline of reform has also taught the public sector that it is indeed possible to provide improved services with less money. In addition, managerial reforms had the effect of improving managerial accountability, placing greater demands on public servants as to the success or failure of government programs that have become more transparent and open to greater exposure. Many previously closely managed public program areas are now open for public scrutiny with clear and published objectives, goals, framework documents,

responsibility relationships, performance standards and outcomes. In short, great strides have been made in numerous areas of public sector management.

Reforms have created a multitude of forms of work undertaken in the public interest. This flexibility models what businesses do. However, these reforms have been directed at only a fraction of what government is all about. Managerialists like Donald Kettl compare governments' activities to those of the giant shoe manufacturer Nike. They begin and end their analyses with a market model. It should go without saying that much of the work of government is very much unlike manufacturing shoes. In fact, one could argue that there are three, somewhat overlapping, levels of responsibility and activity provided by various parts of the public sector and public servants:

- The first, *governance*, includes the higher-order tasks of providing policy advice, guarding the public interest, building relationships and providing critical assistance in developing grand designs for society and nations. From this point of view, the primary role of the public service is to ensure a capacity to develop policy, forecast and anticipate future trends, react to rapidly changing global and local conditions, build partnerships and relationships, be creative, challenge the status quo, and be self-critical.

- The second is *public sector leadership and management*. This level includes the roles and responsibilities for orienting the vast workforce of the public service in meaningful and effective directions, complete with knitting together and passing on core underlying values. Public service leaders (politicians, senior bureaucrats, heads of agencies, etc.) carry the additional mantel of providing and nurturing the environment within which the overall public service can best serve citizens—organization building, learning and organisational memory, and ensuring fairness, equity and due process illustrate this second cluster of activities. The first two levels of responsibility—governance and leadership—call for the public service to provide a sense of purpose, legitimacy, values and an ability to look outward. In addition, these two levels of responsibility charge the government, through

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the public service, with building and maintaining the institutional infrastructure necessary to perform these functions.

- The third level, *delivery of public services,* centres on delivery technique and strategy including alternative forms of delivery, output measurements, controls, structure, contracting, delivery practices and so forth. In this realm of responsibility, the role of the public service is to improve services, reduce costs, develop service standards, systems and structures, and ensure higher levels of personal responsibility for service delivery throughout its workforce.

The delivery of public services is an important facet of public interest. It has been well served during recent years, but has tended to address the balancing of public interest issues relatively single-mindedly. A strong argument can be made that market driven reforms have touched mainly the third level, barely influencing the second area and totally ignoring governance and higher-order tasks. In short, reform has focused on technique and strategy without attention to the impact on or question of public interest. Indeed, governments everywhere are changing in many positive ways. The changes have been so rapid and demanding that they have not yet fully analyzed the public interest in new and emerging forms of governance, fragmentation of institutions and services and other related risks. Hence, designed for the private sector, reforms fixed private sector problems. While they have resulted in marked improvements in public sector management, they may be bound for disaster if they continue much further in the same one-dimensional direction. To take full advantage of the progress accomplished, we need to go the rest of the way and work on the foundation element that has been left out: work on the raison d'être of the public service and reconcile it with recent reforms.

To substantiate this overemphasis on technique and strategy, one needs only examine the literature on government reform and transformation. The OECD's *Governance in Transition* (1995), for example, focuses on the devolution of authority, performance, control and accountability, competition, service, improving human resource management, optimising information technology, improving regulations, and implementation strategies, to the exclusion of questions of how these have affected the public interest.

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The OECD is not alone, other research has also focused on technique and strategy and paid only lip service to the public interest or the underlying purposes of the public service. With few exceptions (Peter Aucoin being one of them), questions of public interest have given way to those of politics, case interpretations, delivery alternatives, technique and strategy.   Countries themselves have focused consciously and consistently on technique and strategy rather than on their role of protecting the public interest. Reform in the United Kingdom for example, was guided by the three *E's*: efficiency, effectiveness and economy.

The public interest—a neglected purpose

For two decades, reform technique and strategy, for many legitimate reasons, have collectively consumed the full attention and energy of governments and the public service. This intense refocusing might have been called for to counteract the euphoric, perhaps numbing and narcissistic, effect of long years of fiscal growth and rapid organisational expansion. There is nothing inherently wrong with wanting better government that costs less and this aim should be part of the public service's DNA imprint. However, the frenzied quest for cost-effectiveness and efficiency, coupled with an excessive focus on transactional service, has left little time and energy for:

- a thoughtful analysis and discussion about the long term protection of the public interest with particular attention to governance, and,
- consideration of the rationale for the existence of public institutions, which, during the market reforms, was too readily overlooked.

When reviewing the international wave of government reform, it becomes clear that traditional public service institutions have been limited in influence and downsized with little consideration for implications. Recent reforms have captured the minds and seduced the sensibilities of public servants until they are on the verge of becoming technologists, as opposed to guardians of the public interest—technologists who routinely put rules before values, and place techniques and strategies over purpose.

A hybrid system

We have grafted principles and approaches taken from a system that has evolved over centuries to respond to the needs of a market and trading system onto public institutions designed to guard and nourish the public interest. Reforms have left us with a questionable hybrid. Following the market model to its ultimate conclusion, the dynamics at play can and frequently do lead to business failure. While needing to be flexible and have the ability to self-renew, essential features of public institutions are steadfastness to the public interest, stability and longevity through societal and governmental change. The market model does not require this longevity and stability. Table 1 illustrates the longevity typical of large successful North American corporations. It almost goes without saying that neither government, nor the people it serves would be envious of these survival rates. Corporations are created to increase shareholders profits. Governments and government institutions have largely been conceived to provide stability and social order.

Table 1

Survival Rates of Major Private Corporations
(adapted from Paul Nystrom and William Starbuck, 1984)

Ages in Years	% Surviving to Various Ages
5	38
10	21
15	14
20	10
25	7
50	2
75	1
100	0.5

While the market driven improvements were undoubtedly necessary, especially in the context of the current service culture and fiscal pressure, much remains to be done to integrate the two value systems and create a public service able to deliver the efficient and cost-effective services expected by citizens while fulfilling its higher-order role.

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As shown in Table 2, there are clear and unambiguous areas of responsibility that both the market and the public service approach cannot accomplish. Demonstrated here is the fact that neither approach is free of problems and that both systems are essential to societal functioning and well being. The purpose is to work toward a resolution by illustrating why one approach, considered in isolation of the other, is simplistic and unworkable, to find the mechanism through which interrelationships between the two systems are possible, and thereby to restore confidence in the public interest guardian role.

Table 2

Problem Areas with the Two Approaches

Market Approach	Public Interest Approach
- unable to deal with major national, multi-national or international events - unable to guarantee fairness or equity - unable to guarantee accountability - could not enforce agreements or contracts - unable to incorporate the big picture - difficulty taking long term perspective - cannot provide economic and legal, health, safety infrastructure	- difficulty dealing quickly and effectively with exceptional and new situations - could not produce wealth - cumbersome - power and service are only rewards - difficulty learning - lacks skills and attributes to use outside resources, partner, collaborate on a significant scale

Table 3, adapted from the work of Jane Jacobs, shows that the concepts, values and language describing and defining the market approach are generally in contrast with those of the public sector. There are few fully contradictory one-to-one oppositions but the list gives the idea that there are many questions arising from the mixture of the two approaches, among which:

- How can the dilemma between the necessary freedom and flexibility—a deputy minister's need to operate efficiently and the central control needed to ensure merit and non-partisanship—be reconciled?

Table 3

Characteristics of the Two Conflicting Systems
(adapted from Jane Jacobs, Systems of Survival, 1994)

Guardian Sector	Market Sector
• non-partisanship	• political responsiveness
• broad conceptual capacity—big picture	• ad hoc—focused, limited view
• discipline	• propensity to disagree
• obedience	• tell truth to power
• loyalty	• efficiency
• control	• empowerment
• rule bound	• delegation
	• convenience
• rigid	• flexible
• formal accountability frameworks	• informal, voluntary agreements
	• respect for agreements and contracts
• avoidance of mistakes	• error tolerance
• hierarchical	• fragmentation
• centralised	• collaboration
• shared, dispersed responsibility	• partnership
• public service anonymity	• clear ownership
	• shared risks and benefits
• no shared benefits	• strong profit motive
• tradition	• inventiveness
	• novelty
	• learning
• strong service culture	• experimentation
• exclusiveness, elitism	• openness
• monopoly	• competition
• collective	• individualistic
• universality	• unique cases easily accommodated
• fairness and equity across the board	
• institutional culture—internally focused, emphasises stability, control and management of hierarchy	• market culture—externally focused, emphasises output, production, efficiency and goal clarity

- How can a fragmented public service have enough influence to effectively guard the public interest? Globally, recent reform initiatives have fragmented the public sector into ever smaller units delivering service in many non-traditional ways through communities, individuals, business, and non-governmental organizations. These initiatives are gaining momentum as more attention is being given to alternative service delivery mechanisms.

- How can the public service fulfill its traditional mandate of stewardship of the public interest and professional support of government while being dispersed and fragmented?

- If the public service continues to be subservient to technique and strategy, how will society be reassured that the governance and leadership dimensions of the public interest are being taken care of and what are the appropriate mechanisms for providing this required reassurance? Most importantly, how does the public, the citizens served by the public service, view this issue? Over four in five citizens interviewed over the past three years feel that governments have lost sight of the needs of average Canadians, only 18% of the population believes that the public interest is considered when the government makes decisions, and 83% believe that politicians and business leaders seem to take care of themselves and their friends on the backs of average citizens (Ekos, 1997).

- How can the public service broaden its role in fostering and stewarding the public interest?

The dichotomy between control and efficiency is as present in the literature as it is in the minds of public sector managers.

> *Excessive controls can disrupt consistent administration and produce inequities. Excessive controls multiply requirements for review of proposed actions, increase red tape, and delay action. So much energy can be spent attempting to control administrative activities, in fact, that little time or money is left to do the job at hand. Excessive controls, therefore, may dull administration's responsiveness to its public (Fesler and Kettl, cited in Anechirico and Jacobs, 1994, pg. 471).*

Further, there is an inherent contradiction between accountability on one hand, and collaboration and partnerships (horizontality) to more effectively serve citizens on the other hand, as collaborative arrangements require strong accountability frameworks and clear lines of accountability for the many other people and organisations who will deliver public services and this leads to more, rather than less, *stove-piping*. Similarly, there is conflict between being responsive to political direction and preserving the public service's non-partisan integrity, just as there is between empowerment and the command and control systems necessary to back up the principle of ministerial responsibility. In addition, the dilemma between being subservient and telling truth to power needs to be resolved.

> *The politics-administration dichotomy assumes a public service with an
> obligation to render advice that addresses the merits of government policy*

> *preferences or proposals against the broader public interest, whether*
> *requested or not: it must fearlessly "speak truth to power"* (Aucoin, 1995).

In her analysis of the two systems, Jane Jacobs contends that the combination of the two systems unavoidably results in corruption and chaos (*Systems of Survival*, 1994). However, we are not in a position to yield to her apocalyptic warning as neither the principles instilled in the public service by recent market inspired reforms nor those of the traditional public service can be done away with. It is not likely that reform and the direction it is taking will stop for some time, nor should it. It is just as unlikely that the public will easily abandon the foundation of our democratic parliamentary system and the institutions designed to protect and enhance the public interest. Further, it is now clear that both systems are necessary and that neither can address all of society's needs alone. Therefore, we are left with the unavoidable task of resolving the serious dilemmas we are faced with. An examination of the foundations of parliamentary democracy might help us get a clearer sense of which public service core functions need re-emphasised and re-balanced and how it can be done while benefiting from the gains made by recent reforms.

Foundations of parliamentary democracy

Peter Aucoin, in *The New Public Management—Canada in Comparative Perspective* (1995), defines the Westminster model of government as:

> *…predicated on two assumptions that co-exist in a constant state of*
> *tension. The first is that responsible government is best secured through*
> *the dynamics of party politics in order that government, including the state*
> *bureaucracy, be subject to democratic control…The second is that good*
> *government is best secured through a professional, non-partisan public*
> *service…that serves government but nevertheless is staffed and managed*
> *as an institution independent of party politics. There is no evidence to*
> *indicate that good government can be established and maintained without*
> *a professional public service underpinning a democratic political system.*

Aucoin further draws our attention to the fact that:

> *securing good government in the Westminster system has entailed the*

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> *acceptance of the idea of a public service staffed on the basis of merit.*
> *This non partisan approach to staffing rests upon the assumption that an*
> *independently staffed, and thereby neutral, public service is superior to a*
> *public service staffed on a partisan basis. This approach has led to the*
> *conception of the public service as a "service," and not merely "a*
> *collection of jobholders".*

The public service must be subordinate to and separate from government and ministers. This separation is seen most clearly in the staffing process. In no Westminster system has this principle been abandoned. An explicit political commitment reaffirming the value of a professional, nonpartisan public service is required to reinforce this cornerstone of our democratic system. Of course, in obtaining this commitment, the public must show impeccable integrity, abide by stringent demonstrable merit and competence guidelines, and avoid bureaucratic abuses of power. It must be remembered that bureaucratic patronage can be as widespread and damaging as political patronage.

Our system of parliamentary democracy needs permanent public institutions that provide:

- continuity through changes in government

- an objective, politically neutral sounding board for Ministers

- assistance and advice independent from partisan politics, interest groups, affiliated think tanks and sectors pursuing individual and corporate interests

- a repository of knowledge and experience on public service delivery and policy

- personal and institutional commitment to serve over the long term.

With emerging forms of governance and the multiplicity of new service arrangements, the question becomes how much of the public service, broadly defined, must have these characteristics? While this important question is beyond the scope of this discussion, it needs detailed attention.

To be sure, there are other explanations of Canada's particular form of parliamentary democracy. For example, public choice theorists argue that the public sector itself is a self-interested and influential player in our pluralistic system. Further, scholars like Ken Rasmussen (1994) maintain that patronage has always been central to our Canadian

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system and that a professional ethic emerged in the senior civil service that *centered on the primary obligation to service society as a whole, rather than any particular group in it. This ethic,* Rasmussen observes*, allowed professionals to see themselves above the main economic battles, both privileged observers and benevolent neutrals.* The *country* was put above all other considerations, particularly party concerns. Early reforms and civil service autonomy were fueled by a desire to separate politics and administration. For example, J. L. McDougal, the Auditor General, testified to the 1892 Hague Commission that:

> *the continuance of the notion that the management of public business is the management of what belongs to the Government of the day and not to all the taxpayers of the country is the biggest defect in the civil service…the first step in creating a public service operating in the public interest was to increase the amount of deputy control; in fact,…the deputy should have absolute control of every man in the department.*

Rasmussen (1994) continues: *A fearless and independent deputy was the first major step towards the ultimate goal of a fearless and independent civil service capable of working towards the public interest.* Ultimately, for this scholar, it was the public sector, reforming itself for its own benefit, that laid the foundation of our version of the Westminster system. Through gaining collective bargaining rights and building considerable institutional influence and power, the civil service became more than an efficient instrument to carry out the decisions of Parliament. An administrative elitism was spawned. There was, during the 1930's, a growing recognition that the civil service, as experts, *must serve the broader national interest as opposed to the narrow party interest*.

This tendency led to a remarkable increase in civil service influence as public interest groups began lobbying bureaucrats as much as or more than politicians. By the 1960's, the so-called *golden years:*

> *Armed with rights, protected by an armory of bureaucratic watchdog agencies, and courted by influential interest groups, the public service began to be seen as a powerful institution fully capable of bargaining in its own interests without reference to any mythical public interest or service ethic* (Rasmussen 1994b).

To be sure, these trends brought the public service, in Canada and elsewhere, into conflict with its superiors. The propensity Rasmussen describes is at the heart of the global

reforms we have seen during the past two decades. However, as pointed out earlier, these reforms have focused on techniques and strategies at the level of organizational units and individual employees and, as Savoie (1994) notices, away from the public service as an institution. A large part of the thrust of contemporary reforms has been to minimize the role of government in general and the public service specifically. This ambition has been achieved in most Westminster systems (Armstrong, 1997). That being said, we could accept the public choice view and the foundations for it, as laid out by Rasmussen, yet, still be left with the same gnawing void. The raison d'être of public service institutions has remained untouched by public choice theory, managerialism, and market driven reforms. Furthermore, public choice interpretations are based on the belief that individual action is motivated by self rather than collective-interest. This view holds no better in the public sector than it does in the private sector as we will see when we explore contemporary research on stewardship.

Stewardship—a Forgotten Tradition

After examining reform and considering its sweeping impact in implanting private sector principles in public sector systems, the resultant conflicts and dilemmas, and after examining the fundamental role of the public service, it is now clear that a broader concept or approach to the public service is urgently required as the market approach is not robust or encompassing enough. An alternative concept is found in the notion of stewardship.

Where it came from and what it means

Today, the term *stewardship* is most commonly used in the fields of environmental protection, stemming from overseers of estates—a sense of care-taking for a greater good for future generations—and in religious institutions—where their congregations are

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stewards (caretakers) of God's creations. Other uses of the word steward are numerous and include:

- a paid manager of an other persons property, finances or affairs
- a purveyor of provisions
- an official who supervises or helps to manage an event
- one in charge of other servants
- a waiter on ship or aircraft
- a judicial officer at a university and
- a representative of a group of fellow workers—shop steward.

These current wide-flung uses of the words steward or stewardship hint at a very rich depth of meaning and tradition. Not surprisingly, we find the term at the very beginning of Judeo-Christian thought with the Old Testament commandment (*Genesis 1:26-28*) which gives men dominion over the earth. This is interpreted as a divine charge to take care of and to protect, not to rule. Some claim this to be God's first commandment of men—to steward creation (Kearns, 1996). The theme of stewardship continues throughout the Old Testament and is found at the centre of several New Testament parables. Instructive for our discussion are two examples, the first is the story of Joseph and the second, the parable of the talents.

The Old Testament tells the story of Joseph, the detested younger son, sold by his brothers into slavery, who later became Potiphar's successful and revered steward before becoming the Pharaoh's steward and the saviour and guardian of all Egypt. Joseph's story offers many rich lessons about stewardship. First, stewards are servants, not masters. They manage the assets and affairs of their master without owning them. When this distinction becomes confused, the stewardship role breaks down. Similarly, when public servants in parliamentary democracies, stewards on behalf of citizens and servants of parliament, become seduced by wealth or power, or ambiguous about their relationship to citizens and parliament, the system falters and even fails. Joseph's most important assets were his intelligence, discretion, integrity, compassion and foresight. His skills in managing the affairs of both Potiphar and the Pharaoh were second to none:

> *And Pharaoh said to his servants, Can we find such a one as Joseph…? And Pharaoh said to Joseph, …, there is none so descreet and wise as you are: you shall be over my house, and according to your word shall all my people be ruled: only in the throne will I be greater than you (Genesis 41.38-40).*

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Joseph's other important asset was his ability to anticipate future trends and develop grand plans. He helped the Pharaoh strategize and plan through seven good years to prepare carefully for a sharp downturn in the economy. Thanks to his advice and expertise, Egypt continued to do well while neighbouring nations experienced severe economic hardship. Another important lesson about stewardship in this story is the original clash between the self-centredness of his brothers and his own bent toward stewardship. The brothers were intent on personally profiting from his demise and building their own fortunes, whereas Joseph was intent on learning what he could from his experiences as a servant to Potiphar, a prisoner, or an advisor to the Pharaoh.   Indeed, Joseph became fully self-actualised, a theme we will pick up later in the discussion.

The New Testament's parable of the three servants expands on the stewardship theme. A master divided up his goods among three servants who were to care for them while he went on a long journey. Two servants nurtured the goods and made them multiply while the third, out of fear, buried them in the ground. When the master returned, he praised the first two servants and severely chastised the third for being wicked and slothful before banishing him. The assets left to the servants are, as parables go, symbolic rather than real. The moral is clear and simple enough: when you are entrusted with something, you have a duty and obligation to improve upon it however possible. Indeed, it is self-centred and wicked to hide it for fear of loss or to do nothing because of the lack of possibility for personal gain.

The concept of ecological stewardship flowed directly from the Judeo-Christian tradition. Today, there are thousands of organisations whose principal purpose is to provide stewardship for the environment.   These range from individuals managing their farms as stewards for future generations to governments adopting stewardship strategies in order to protect the environment. These stewardship strategies include the building of a number of relationships, partnerships and collaborations that self-manage and self-regulate a number of important aspects of environmental management.

There are numerous references to stewardship throughout English literature, all of which contribute to our collective notions about stewardship and help to tie the concept more closely with the management of lands and nations. It has been postulated that all Shakespeare's history plays are about stewardship, in that they are about kingdoms and their stewards. Richard, Henry and the rest are all God's anointed representatives on earth. Monarchies and stewardship, and their parameters, were hot topics in these plays: were individuals suitable for stewardship roles? What was in the public interest? What was good for the organisation or nation? (Coughlin, 1997)

Stewardship can be traced throughout the history of literature, spreading to the ecological movement, and the management of the affairs of religious organizations, and only recently to modern management and leadership. The 1990's are seeing the emergence of this notion of stewardship in management literature offering a promising alternative to market theory. This rediscovered conception reinstates meaning and expression to the role of the public service.

The dawn of a renewed paradigm

Within the past year or two, a new stewardship theory of management has sprung up, with little reference to historical roots, fully formed, as if from the thigh of Dionysos. Peter Block, in his recent book *Stewardship—Choosing Service Over Self-interest* (1993), has been instrumental in the re-emergence of the stewardship concept. Although lacking rigour and coherence, his book stimulates thinking and is an important first step in examining stewardship as an alternative approach to market models. Block's definition of stewardship provides us with a useful starting point:

> *Stewardship is defined as the willingness to be accountable for the well-being of the larger organisation by operating in service, rather than in control, of those around us. Stated simply, it is accountability without control or compliance.*
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> *Stewardship maintains accountability for keeping things under control, but does not centralise the power or the point of action. As soon as you centralise the point of action at a higher level, you take away real*

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> *ownership and responsibility from those closest to the work.*
> *Having a group of people whose job is to watch and monitor steal*
> *accountability and responsibility from those doing the work…[it] creates*
> *a culture of caution and compliance. Compliance is the antithesis of the*
> *emotional ownership that real accountability means.*

Interesting research has also been contributed by Davis, Schoorman and Donaldson (1997) who contrast the emerging stewardship theory with the agency theory of management. As we will see, however, their core ideas are readily transferable to public sector governance and management. Suggesting that both agency and stewardship theory rest on alternative models of man, they contend that:

> *Economic approaches to governance such as agency theory tend to*
> *assume some form of homo-economicus, which depict subordinates as*
> *individualistic, opportunistic, and self-serving. Alternatively, sociological*
> *and psychological approaches to governance such as stewardship theory*
> *depict subordinates as collectivist, pro-organisational, and trustworthy.*

Agency theory depicts top managers as agents with goals and interests that may be, and often are, different from those of shareholders. A great deal of attention is therefore given to methods to control the behaviour of the agent. In agency theory, when faced with several alternatives, a *rational* individual will choose the one that maximises his or her individual utility at the least cost or effort. The important word here is *rational*—an individual is considered *irrational* if he or she is not motivated by personal gain. Hence, emphasis is put on mechanisms, rules and regulations to keep self-serving behaviour in check because, if managers have the sole objective of taking care of their own power, prestige and prerequisites, they are likely to lose sight of the objectives of the organisation and lead it into failure or collapse. Mechanisms to prevent this behaviour are often elaborate reward and incentive systems, strong sanctions or a board of directors whose function is to oversee and to perform periodic audits and evaluations.

The casting about for a broader, more encompassing model emerged because the agency theory could not account for all of the complexities of organisational life, nor did it account for the quite different behaviour of a number of organisational leaders. Current stewardship theory defines situations where managers are not motivated by individual

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goals but act as stewards whose motives align with the goals and objectives of the higher purposes of the institution or organization.

Totally ignoring the religious and environmental heritage, Davis, Schoorman and Donaldson maintain that the roots of stewardship are found in psychology and sociology:

> *In stewardship theory, the model of man is based on a steward whose behaviour is ordered such that pro-organisational, collectivistic behaviours have higher utility than individualistic, self-serving behaviours. Given a choice between self-serving behaviour and pro-organisational behaviour, a steward's behaviour will not depart from the interests of his or her organisation….the steward places higher value on cooperation than defection.*

A steward derives satisfaction from the success of the organisation and his or her behaviour is organisation-centred rather than self-centred.   Therefore, a steward focuses on performance, organisation development and improvement and, consequently, satisfies more stakeholders than the agent. Unlike in agency theory, where controls are emphasized, it is better to maximise the autonomy, authority and discretion of organisations under stewardship leadership since they can be trusted. Moreover, control can be counter-productive because it undermines pro-organisation behaviour and lowers motivation.

It goes almost without saying that stewardship theory makes room for a much more humanistic model of man based on the self-actualising model of man introduced to management theory by McGregor's *theory x and theory y* and later Maslow's *hierarchy of human needs*. The core of stewardship theory is learning and growth directed toward higher levels of achievement. In contrast, agency theory inhibits and suppresses learning and growth.

For stewardship, structures should facilitate and empower, not control and monitor, leading to the inescapable conclusion that risk-averse organisations will gravitate toward agency theory and away from stewardship approaches. Further, an agent has great difficulty providing a steward with enough room to function effectively, which means organisational conflicts are frequent and agents in powerful positions have a propensity to

eradicate stewardship and stewards within their sphere of operation.

Davis, Schoorman and Donaldson identify three specific differences between agency and stewardship theories:

- *Motivation*—agency theory is related to extrinsic rewards that are tangible, exchangeable commodities, like money, for which one works on behalf of oneself. Stewardship theory, on the other hand, focuses on rewards that are not so easily quantifiable, such as opportunities for growth, achievement, affiliation and self-actualisation and are therefore intrinsic motivators for which one works on behalf of the organisation. *Self-efficacy, self-determination, and feelings of purpose are characterised as being critical determinants of intrinsic motivation…[which] involves a belief in one's work that extends beyond the formal reward system and relates to the importance of shared organisational vision.* In a sense then, under stewardship, there is an accountability to the collectivity.

- *Identification* with a particular organisation, its mission, vision and objectives—stewards tend to engage in cooperative, altruistic activities. They are more committed to the organisation, its longevity and values over a longer period of time, and have broader value bases and a belief in the goals of the organisation. Agents see no economic utility in relating to the goals of the organisation.   Moreover, while stewards tend to internalise success and failure and feel responsible for outcomes, agents externalise problems and avoid blame, thus often making problems worse in an effort to avoid incrimination.

- *Power*—power is important to all managers and leaders, both agents and stewards. However, their adherence to the type of power differs greatly. There are two main types of power, the first associated with the agent and the second with the steward:
    - *institutional/ organisational power* is vested by virtue of position in an organisation and carries with it influence as well as coercive and legitimate power and rewards, and

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- *personal power* is an inherent part of the individual; it is not affected by position, includes respect and expert power, and is built on relationships.

In their analysis, Davis, Schoorman and Donaldson go on to look at stewardship and agency theory from various situational factors. The first factor, management philosophy, distinguishes between a *high-commitment, involving, inner-controlled* approach which is characterised as participative, open, trusting and comprehensive (thinking and doing are not separated); and a *control oriented* approach which typically believes that thinking/controlling and doing the work should be separated. The involving approach is a fit for stewards and is more effective in unstable, non-routine, uncertain environments. The control or agency approach is best for stable, routine environments with less trust in workers and where an aversion to vulnerability exists.

The researchers point out key cultural differences between agency and stewardship models. Agents believe in individualism—personal over group goals—whereas stewards adhere to collectivism—subordinating personal goals to group goals. In terms of power distance, or the way in which power is distributed, class and caste systems have a high tolerance for large power distances with high dependency of the lower on upper levels; whereas power distances are minimised in low power cultures that value individual independence and equality. Agencies thrive in high power distance cultures. They develop rigid hierarchies, layers of supervision and control, and tolerate great differences in status and rewards. Table 4 below summarizes some main characteristics of agency and stewardship theories.

The most ambitious aspect of Davis, Schoorman and Donaldson's work is their attempt to demonstrate that, while stewardship is indeed appealing, it is not useful in every situation. They show that both the organisation and its stakeholders must agree upon which model will be pursued, as disagreement leads to failure. They further demonstrate that performance is maximised where all parties choose to operate in a stewardship relationship. On the other hand, if all parties choose to operate as agencies, costs are minimised. In a most sobering manner, they point out that an organisation mixing

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approaches leads to the regrettable situation where stewards are betrayed by opportunistic agents, which results in an inevitable progression toward an agency model.

Table 4

Comparison of Agency Theory and Stewardship Theory
(adapted from Davis, Schoorman, and Donaldson, 1997)

Characteristic	Agency Theory	Stewardship Theory
• Model of Man	• economic man	• self-actualizing man
• Behaviour	• self-serving	• collective serving
• Psychological Mechanisms		
• Motivation	• lower order/economic needs (physiological, security, economic)	• higher order needs (growth, achievement, self-actualisation)
• Social Comparison	• extrinsic	• intrinsic
• Identification	• other managers	• stakeholders
• Power	• low value commitment	• high value commitment
	• institutional (legitimate, coercive, reward)	• personal (expert, referent)
• Situational Mechanisms	• control oriented	• involvement oriented
• Management Philosophy	• control mechanisms	• trust
• Risk orientation	• short term	• long term
• Time frame	• cost control	• performance enhancement
• Objective	• individualism	• collectivism
• Cultural Differences	• high power distance	• low power distance

Therefore, choosing stewardship is a risky and courageous step requiring careful assurances that parties are in full and complete agreement. In this respect, they agree with

Block that, since stewardship is based on relationships, moving toward stewardship can be accomplished only one step at a time—one relationship at a time. This means that organisations frequently have both stewardship and agency approaches occurring simultaneously. This further implies that if stewardship is a chosen organizational direction, stewards are going to need protection from opportunists. In addition, one approach is not always fitting nor should it be applied universally at all times in all situations. If cost cutting alone is the objective, for example, the agency model is a preferable approach.

Stewardship offers promise to the extent that it reconciles the two cultures described

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above that coexist in our public management system. It is a model that appears suited to both the need for efficiency and cost-effectiveness put forth by market driven reforms and the higher-order tasks and responsibilities that are the calling of public servants. Stewardship as the dominant model is inclusive rather than exclusive. It can encompass agency theory, whereas, agency theory as the dominant model excludes other broader, more robust approaches.

Stewardship has far-reaching implications for the three areas of public service activities described earlier: governance, public sector management and service delivery. This last area, as it is the most akin to market concerns and activities, has already been dealt with by recent reforms and in the literature. Because we have argued that a more encompassing approach is needed to regain balance and perspective in the public sector, it is in the other two realms of activity that stewardship offers the most promise. To be sure, the pursuit of stewardship entails a detailed examination of its implications in many areas of public management from the point of view of the stakeholders and their roles and responsibilities. These stakeholders include citizens, politicians, central agencies and their functions (policy development and management, human resource management, training and development, financial management), delivery department and agencies, and public servants. While important, these detailed examinations are outside the scope of this paper. Here, we will focus on the overarching implications which will hopefully help shape further study.

To this end, there are three broad implications of stewardship for public sector management. Walking the path of stewardship means that the public service must:

- improve central minds and deepening policy reflection
- follow an involvement-oriented rather than a control-oriented management approach
- build adaptive and generative learning organisations.

Implications of Stewardship—Commitment to Higher-order Tasks

The implications of stewardship for the public sector are major and far-reaching. A careful and honest questioning of what governments do, how, and why they do it, is required. As stressed earlier, more than a new catch phrase meant to grab the interest of public servants weary from years of reform and efficiency talk and promises, stewardship is offered as a means to complete the work started by these market-driven reforms. Stewardship means putting what has been learnt from the private sector to the service of the higher-order tasks and institutions that are specific to the public sector and are in dire need of revitalisation, thus integrating the two parts of the current hybrid system. The stewardship approach synthesises the essential elements necessary to resolve the dilemma between the two broad approaches and points the way toward necessary steps that must be taken to create a renewed public service culture, restore public confidence and provide clarity of purpose to public servants who have done without for so long.

Improving central minds and deepening policy reflection

Block's work on stewardship asks the reader to go on a journey, beginning with choosing service over self-interest. Herein lies the major flaw of his theory because service in itself is perhaps even a less robust concept than self-interest. Service to what end? Service with what goal? These questions are never raised by Block. We are back to our Nike shoes example. Government and public service is about much more—it is about the common good and public interest. To effectively steward the public interest in today's complex world will challenge the limits of our humanism, compassion, creative thinking, discipline and rigor, problem solving, and synthesizing capacity.

If it is to be effective as the steward of the public interest, the public service will have to regain, first its capacity, and then its credibility in the eyes of political leaders, the public and itself. This must be done without reverting to the elitist stature that isolated bureaucrats as well as fueled modern public sector reform. In his study on 1980's reform in Canada, the United Kingdom and the United States, Donald Savoie (1995) demonstrates clearly that the initiatives undertaken were anti-bureaucratic and characterized by a high degree of disdain for professional non-partisan policy advice. *The new focus [was] on the organizational unit, the manager, and the individual employee, and away from the civil service as an institution* (Savoie, 1995). He pointed out that Reagan, for example, *set the stage to replace "neutral competence" by "responsive competence" through his considerable power of appointment*. As a result, under these regimes, policy units were abolished and downgraded. As many skilled people fled the ranks and those remaining had little opportunity to hone their skills, policy and thinking capacity diminished greatly within government structures. Regrettably, public services share a good part of the blame as well. Over the years, numbed somewhat by abundance, they simply became too bureaucratic and intellectually inactive to renew themselves.

Not surprisingly, it was politicians who first noticed and complained about the inability of the public service to be of great value in addressing the increasingly complex issues that cut across jurisdictional and national boundaries—issues such as: global trade, fiscal interdependency, employment, technology, pollution, immigration, health and social welfare, human rights, solidarity, unity, and so forth. As illustrated by the following quotes from two cabinet ministers found in Savoie's book (1995), learning had broken down:

> *The biggest letdown in government was the lack of creativity and clear thinking on the part of permanent officials. I imagined while in opposition that it was the Trudeau Cabinet that was stifling the public servants in their attempts to come forward with new ideas and new solutions. I was wrong….Officials in departments will urge us to stick with the status quo and those in central agencies will simply give us twenty reasons why we can't pursue something.*
>
> *Every time I ask for something that is more than a few pages long or that breaks out of the narrow operating mode of the department, officials always tell me that*

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> *they have to go to an outside consultant for the work. We have a pretty stale bunch in government.*

Contemporary reforms have resulted in a diminished policy, thinking and learning capacity in government, as well as a more diffused and compartmentalized system of service delivery networks and mechanisms. Together, these thrusts have created an urgent need for improved policy coordinating capacities and, from the citizens' point of view, an enormous need to conceptually and practically integrate a vast array of divergent services and providers.   The face of government has become hard to see, let alone relate to. Savoie concludes his extensive study with these words:

> *The challenges ahead are clear. Governments need a stronger capacity to develop policy, to react to fast-changing circumstances, and to bring together groups to get things done. Bureaucracies also need a stronger capacity to challenge their own operations and to be self-critical. This requires new ways for government organizations to be born, or put to death.   The challenge is to tackle institutional sclerosis, and it is a challenge the reforms of the 1980's did not meet.*

Stewardship, as it relies on a self-actualizing, collective serving view of man rather than an economic, self-serving one, does foster enhanced policy, thinking and learning abilities. It values higher-order needs such as personal, organizational and societal growth above lower order economic and efficiency needs. Further, it promotes a long term perspective.

If a competent, professional public service is a cornerstone of parliamentary democracy, if there is a diminished policy, thinking, learning capacity in the public service, and if increasingly complex global issues render traditional approaches unable to provide more than partial solutions, then, we must seriously question our capacity to govern. Yehezkel Dror, spokesperson for the Club of Rome, raises this critical question in "The Capacity to Govern—Designing Governance for Global Transformations" (1996). He points out that the situation of rapid global change through which we are living

> *offers particular challenges for governance, since decisions taken now will inevitably shape future trajectories and alter the fate of nations and of humankind as a whole. Yet governments have evolved very little recently, and in their present form they are clearly not equipped to cope with change and uncertainty, to exploit the opportunities or avoid the dangers ahead. Significant redesign of key aspect of governance is therefore needed urgently.*

Dror argues that transferring government functions to the market is not the solution, maintaining at the same time that societies are unprepared for the constant waves of change and that current government systems are largely obsolete. He proposes stewardship-like solutions which include:

- *Placing emphasis on the higher-order tasks of governance.* Dror observes that government desperately lacks good ideas on how to cope with increasingly urgent issues. He further observes that a major weakness of governance is its neglect of the longer term.

  > *Improving capacities to govern is therefore not so much a matter of efficiency, effectiveness, cost-cutting, quality of service delivery and ability to handle current problems. Rather, it is essential for governments to be better equipped to cope with the higher-order tasks that shape the future of individual societies and humanity as a whole.*

- *Deepening policy reflection and improving central minds of governments.* Current policy thinking lacks credibility because it is shallow, too reliant on common sense, overly influenced by quick fixes, and unable to come up with creative ideas, contends Dror. Imaginative new policies are required to raise standards in the civil service, and to encourage people to *think in history* and understand global transformations and societal dynamics, bringing both scientific literacy and humanistic considerations to policy deliberations. The required improvement in creativity will only come about through constant learning, flexibility and the nurturing of divergent opinions, that is, the avoidance of *group think*. Further, better links between policy thinkers and citizens are required, and, while policy cannot ignore practical politics and resource constraints, there must be a clear conceptual distinction between the two.

- *Empowering people with understanding*, encouraging constant societal learning and innovativeness, and promoting education. Democracy will fail, warns Dror, unless people understand complex public issues and develop a sense of human solidarity. The so called *information society* will not create this enlightenment—deliberate efforts must be made.

- *Rebuilding trust in governments* by countering the *prevailing cultural values of consumerism, commercial ethics, permissiveness, and rights without duties* which have *largely disappeared from politics* and developing and adopting a code of ethics for politicians and bureaucrats.

- *Replacing state-centered* with a more *global humanity-centered* focus, that is, narrow, confined interests with wider collective ones; and

- Focusing on and *restructuring inter-governance relations*, as more forms of collective action are required to deal with emerging issues.

Concentrating on higher-order tasks will enable the public service to improve advice to decision makers, incorporate a variety of views, anticipate and prepare for future trends and issues, and manage change and transition in our rapidly changing environment. This cannot be achieved in a public service that operates in a rigid, hierarchical, control oriented manner. It must foster creativity and innovation—be outward looking and involving.

Involvement-oriented approach to management

The inadequacies of a control oriented management model are indeed blatant. Table 5 summarizes the main differences between involvement-oriented and control-oriented approaches. The involvement-oriented approach is in agreement with a stewardship model. It relies on the same principles of shared goals, long-term, future orientation, commitment, training, acceptance of risks and errors, innovation and personal expertise and respect. The involvement approach demands a leadership style which builds relationships, not structures. Building organizations and helping employees meet their full potential are ongoing leadership and management responsibilities. Learning from mistakes and intimately involving employees in problem solving and improvement processes comes naturally. Management and staff share and are committed to the organizations values and goals. Employees are hard to find, require a long time to develop and nurture and are a

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Table 5

Approaches to Management

(adapted from Davis, Schoorman and Donaldson, 1997)

Characteristic	Control Oriented	Involvement Oriented
• Values	• low convergence, goals not shared	• high convergence, goals shared
• Time frame	• short term, immediate	• long term, future
• View of employees	• low trust	• high trust
• Employee tenure	• managers and employees alike are easily expendable	• both managers and employees are valued and long tenure is encouraged
• Division of major functions	• thinking and doing separated	• thinking and doing combined
• Motivation	• rules, controls	• self-control
• Environment	• low labour costs/high unemployment	• high labour and replacement costs
	• stable environment	• unstable environment
• Focus	• short term cost control and performance	• long-term effectiveness and quality
• Risk orientation	• response to risk is more controls	• response is more training, empowerment
• Vulnerability	• avoid risk and therefore need to trust	• willing to be vulnerable in relationship
• Power relationships	• institutional, transactional	• personal, respect and expertise

highly valued resource whose opinions and ideas are critical to long term planning and strategy.

It must be noted, however, that the transition from a mostly control-oriented model to an involvement-oriented approach to management will require tremendous care and extensive preparation and planning. One needs only think about what would be required to prepare the workforce to ensure that such a major change would not end in disaster. To give a glimpse of the complexity of the task at hand, Table 6 illustrates the major differences between the two approaches from the specific point of view of the human resource management strategies they imply.

As summarized by Block, a move towards stewardship would require:

- maximizing the choice for those closest to the work–choice creates accountability
- reintegrating managing and doing the work

- developing measurements and controls that serve the core workers–stop measuring people's behavior and style and look at results

- yielding on consistency across groups, and supporting local solutions

- putting service above everything else

- de-glorifying management and de-mystifying the staff functions

- ending secrecy and offering full disclosure

- demanding a promise of commitment to act in the interests of the whole

- redistributing wealth–reward group and team performance not individuals

Although the weakening of the well established control structures and hierarchies is an exciting prospect, it also has quite daunting implications. Indeed, you cannot impose new expectations and challenges on all those involved, be they public servant, politicians, managers, employees, or citizens for that matter, without providing them with the tools and means to handle their new functions and responsibilities—without developing the ability of the organization as a whole to adapt and learn.

Table 6

Workforce Strategies for Control and Involvement Approaches to Management
(adapted from Walton, 1985)

Function	Control-oriented	Involvement-oriented
Job design	• individual attention limited to performing individual job • job design de-skills and fragments work and separates doing and thinking • accountability focused on individual • fixed job definition	• individual responsibility extended to upgrading system performance • job design enhances content of work, emphasises whole task, combines doing and thinking • frequent use of teams as basic accountable unit • flexible definition of duties, contingent on changing conditions
Performance expectations	• measured standards define minimum performance; stability seen as desirable	• emphasis placed on higher *stretch objectives* which tend to be dynamic and citizen oriented
Management organisation: structure, systems, and style	• structure tends to be layered, with top-down controls • co-ordination and control rely on rules an procedures • more emphasis on prerogatives and positional authority status symbols distributed to reinforce hierarchy	• flat organisation structure with mutual influence systems • co-ordination and control based more on shared goals, values, and traditions management emphasis on problem solving an relevant information and expertise • minimum status differentials to de-emphasise inherent hierarchy

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Compensation policies	• variable pay where feasible to provide individual incentive • individual pay geared to job evaluation • in downturn, cuts concentrated on hourl payroll	• variable rewards to create equity and to reinforce group achievements: gain sharing, profit sharing • individual pay linked to skills and master • equality of sacrifice
Employment assurances	• employees regarded as variable costs	• assurances that participation will no resul in loss of job • high commitment to avoid termination o assist in reemployment • priority for training and retraining existing work force
Employee voice policies	• employee input allowed on relatively narrow agenda such as attitude surveys, grievance procedures and collective bargaining • business information distributed on strictl defined *need to know* basis	• employee participation encouraged on wide range of issues; attendant benefits emphasised as are new concepts of corporate governance • information shared widely
Labour-management relations	• adversarial labour relations; emphasis o interest conflict	• mutuality in labour relations; joint planning and problem solving on expanded agenda • unions, management, and workers redefine their respective roles

Building adaptive and generative learning organizations

At the Third International Conference of Administrative Sciences in 1996, the moderator, Derry Ormand, discussed the public sector's capacity to adapt and improve current institutions—its capacity to renew. He pointed out that renewal requires professional clear-sighted analysis and inventiveness and that there are five essential dimensions to the capacity to renew:

- redefining and restating the mission of government
- selecting and designing policy instruments
- opening up civil service to development
- educating people about government and
- building a strategic capacity to change public institutions.

At least four out of the five essential dimensions for renewal have to do with learning, underlining the fact that public management becomes moribund and inefficient where there are no traditions, incentives or capacities to learn.

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In addition to skills and expertise in the areas of technique and strategy for service delivery and policy process management, a stewardship-like public service needs, as we have shown in the last section, a highly refined reflection and analysis capacity capable of challenging and providing expert critique of both the status quo and pressures that may damage the foundations of our parliamentary system. There needs to be an ability to *speak truth to power*, both within and outside of the bureaucracy. In other words, to survive, the system needs to institutionalise and nurture independent thinking and foster views that challenge and render uncomfortable those of the hierarchy and the sometimes overwhelming views of the majority. As well, this function should be as able to foster new ideas and new ways to apply learning as it is able to objectively analyse ideas coming from other sources. Only in this way can organizations and the individuals in them, learn, improve, and renew themselves.

Improving and enhancing this learning and thinking capacity is a complex and difficult task. It goes far beyond training, hiring, and retaining the most capable people. It involves the heart of organisational culture. The only evidence we have that an organisation learns is when ideas are put into practice. Therefore, an action orientation is required. Similarly, since learning generally comes from many small failures, it involves experimenting and innovating. This necessitates a culture supportive and tolerant of intelligent risk taking and willing to openly discuss errors in order to learn from them. Above all else, a learning culture requires safe harbours for people who question and challenge traditional ideas and hierarchical notions and practices in a command and control environment. Without this, creativity is stifled and new ideas have no way of living past conception. Courage to tell truth to power is paramount in a stewardship approach.

Furthermore, learning organisations require unique types of leadership appropriate to learning organizations. These leaders will design and foster cultures and systems in such a way that employees are continually challenged to help shape their organisation's future. What this means is that there must be continuous, active, directed, serious, and insightful dialogue between colleagues and levels within an organisation.

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Stewardship organisations are people-building rather than people-using. They require a culture of trust. They encourage team problem solving across vertical lines and with partners outside the organisation, particularly the development of networks, links and information gathering with the people the organisation is intended to serve. Further, these activities and this collaboration are encouraged and rewarded.

Openness is another prerequisite of stewardship. The closed character of bureaucratic processes invites suspicion, particularly in the light of the new order of open government and public discourse, as well as limiting learning and thinking ability.

> *Without the knowledge that emanates from rigorous evaluation and analyses of present and past policy initiatives, both in one's own government and in other jurisdictions, public servants cannot add value to the policy-making process beyond what can be contributed either by partisan aides or outsiders, such as politically sympathetic think tanks. Further, frank and fearless advice is of little use if it is not based on knowledge, research and evaluation, informed by practical experience (Aucoin, 1995).*

Thinking capacity involves an ability to synthesise vast amounts of information into meaningful and useful forms. It requires foresight and ability to anticipate future demands, trends and changes. Indeed, it can be argued that this ability to nurture foresight is a central requirement of leaders of any organisation. It should be noted that central institutions acting in partnership with service agencies, are best positioned to assist them in that regard. They also have a degree of availability that can seldom be found by those involved in the flurry of activities of service responsibilities. As Machiavelli observed in *The Prince*,

> *Thus it happens in matters of state; for knowing afar off (which it is only given a prudent man to do) the evils that are brewing, they are easily cured. But when, for want of such knowledge, they are allowed to grow so that everyone can recognise them, there is no longer any remedy to be found.*

The failure or refusal to foresee or put in place a learning and thinking culture, and supporting mechanisms, may be the ultimate ethical and practical test of a leader. Joseph offers an exemplary example of the kind of foresight and expert advice implied by a stewardship approach.

To be sure, there is a considerable amount of research needed in this area. For example, processes for building commitment to learning need to be developed. As well, a set of tools to help managers stay committed to learning is required. We must also examine the assumptions of learning, the relationships between where we are now and our historical roots, capability, culture change, and overall public sector strategy and direction. A broader framework for learning needs attention as we learn more about management practices affecting learning and how they can be increased and improved.

Improving central minds, deepening policy reflection, moving toward a stewardship, involvement approach to management and building adaptive and generative learning organisations, all require organisational growth. Implementation, the tie that binds these thrusts together, depends on institution building as opposed to traditional change management techniques.

The Tie that Binds—Institution Building

Not surprisingly, the process needed to implement stewardship must also go beyond the technique and strategy focus of market-driven change management approaches. Stewardship entails a fundamental reform of the public sector institution rather than mere managerial improvements of bits and pieces of the public service. Institutional reform involves less structural and more cultural change, that is, the transformation of our fundamental approach to management and what we consider core responsibility. For example, we have shown some of the profound differences in management approach called for by stewardship. Similarly, we have argued that, at this time, much greater emphasis and energy needs to be placed on higher-order areas such as policy, forecasting, learning and adapting and so forth. This refocusing requires a change in the fabric of public sector culture—the way employees are managed, the way people and work units

are controlled, the way the public service communicates with political leaders and citizens, the way we plan activities, measure and reward results, how, who with, and for what reasons relationships are built, and so forth. These changes demand an institutional change strategy, the building up of power concentrations, strong public and political support, and attentive communications and relationship nurturing with constituents. A carefully selected implementation strategy designed for institutional growth is critical since it is only through public institutions that all of the fragments required to take the stewardship journey can be bonded together.

Such comprehensive institutional reform strategies are rare. To find one, we once again turn to Dror (1989), who has led many seminars for national leaders on system or whole-institution reform strategy. He warns against five major problems that need to be addressed in an institutional reform in order to make progress:

- *Weak goal conceptions*—uncertainty and the danger of causing minds to close make detailed blueprints for the future impractical guides for action. Open-ended and elastic goal conceptions are required.

- *Long process*—there are no quick fixes, techniques or methodologies that can achieve the desired ends—institutional changes often take from 5-15 years.

- *Turbulence*—many accumulated tensions are released during an institutional reform—unexpected mutations and phenomena will occur.

- *Paradox*—it is necessary to maintain some control and order during the reform while relaxing central controls and encouraging initiative and ownership at the delivery levels.

- *Resistance*—the tyranny of the status quo is much stronger than in managerial reforms as underlying power structures are more threatened.

Dror suggests several approaches to dealing with the problems central to the kind of institutional reform required to implement stewardship. They are highlighted below:

- *Destinations and compasses*
    - set a destination: outline a grand design of desired, realistic futures; identify negative futures to be avoided; ensure that goals are ambitious yet achievable
    - rely on compasses: revise goals periodically; use them to improve

consistency; mobilize support and encourage innovation
- acknowledge uncertainty: avoid comprehensive plans and over-detailed approaches; show tolerance for uncertainty

- *Realistic time expectations*
    - set realistic time horizons
    - avoid expecting or promising fast results
    - plan and orchestrate early demonstrations of successes and celebrate results, as signs of progress are needed to ensure buy-in and build momentum

- *Flexibility*
    - be prepared for turbulence and don't mistake it for failure
    - adopt a system-changing strategy by strategically initiating new processes and locomotives of change rather than striving for system wide balance and comprehensive implementation
    - set acceptable limits and provide freedom within them and avoid overstepping the limits. This requires strong monitoring and evaluation machinery as well as crisis decision making capacities.

- *Open minds*
    - foster constant learning; adjust tactics and strategies to unfolding realities
    - institutionalise monitoring and learning to avoid over adjustment
    - be prepared to resource small gains in order to achieve large ones
    - be willing to explore different routes to the desired destination

- *Intelligence, not force*
    - chose timing judiciously
    - build minimum critical mass and proceed modularly
    - mobilise support from existing power structures
    - build alternative power bases and coalitions
    - recruit and plan vacancies to strategically align with reform goals.

The re-emergence of the notion of stewardship, coincidentally or not, is timely for the public sector. The timing corresponds to the need to counter-balance the excesses of market-driven reforms. Indeed, stewardship appears as a way to build on what improvements have already been achieved by recent reforms while remedying some of their serious, potentially damaging oversights.   Beyond merely fixing a few mechanistic problems, stewardship offers a way towards a more robust, consistent and skillful public service that is better equipped to handle the requirements and pressures of our rapidly changing world. It would be foolish, however, to view stewardship as another one in a

long string of self-proclaimed *quick-fixes*. One of the appeals of the concept lies in its rich and well documented history. It is not a fad. Moreover, going the route of stewardship will be anything but *quick*, which is at once a reassurance and a challenge. The public service will have to dig very deep to find the will and courage to venture on the path of stewardship—a path well worth exploring.

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