

*Paul W. Hobby, San Marcos remarks Nov 2, 2007*

Thank you so much for the honor of delivering a lecture that has featured so many of my personal role models, including Terrell Blodgett and Max Sherman – just to name a couple. And the guy who introduced me ain't half bad either. Many thanks to you also Howard for the way you have moved this curriculum into the mainstream of best practices in public administration. When I reviewed the schedule of topics to be covered at this conference, I was very impressed, and struck by the particular focus on measurement of outcomes. It is a truism of management generally that you measure what you want to improve. One of the unique aspects of managing public programs is that success is often more difficult to measure as compared to the private sector because it is often harder for the public manager to identify exactly who their customer is, and then necessarily to generate constructive feedback from that customer. In these remarks I want to explore today some of the other ways that I have found public sector administration challenges distinct from the management issues that for-profit businesses face.

But first let me say that The Certified Public Manager program and the Texas American Society for Public Administration stand for something I believe: That good government is a teachable, acquired skill set...and that government is a permanent institution that deserves the best managers it can find, just as much -- or perhaps more -- than any for profit business. Just yesterday I was in Austin at a day long briefing session for Texas 911 network managers, in my appointed capacity at the City of Houston. I am proud to work with those women and men who live and breathe their essential role in the public safety response system. 911 is a cult, a good cult that I am proud to be part of . Are there any 911'ers here?

During that briefing we spent some time – as you all must – discussing the public sector managers relationship with politics present and politics future.

There are many who confuse government with politics. Let's fix that right here at the beginning: simply stated, government is about what we have in common, politics is about what divides us. Government is factual, and politics is perception; government is the administration of public affairs; and politics is the manipulation of public opinion. I think that history will note that when the political director for the current administration's campaign operations moved into the White House as a senior policy director for

government, an important, painful lesson was learned by all of us about the dangers of mistaking the art of governance for a subset or an extension of political expertise.

Now we all know that in a democracy you can't fully divorce government from politics, because we have this constant form of revolution at the ballot box called elections. Remember what Churchill said "...democracy is the worst form of government except all the others that have been tried." George Bernard Shaw too looked through that same prism and declared that, "Democracy is a device that ensures we shall be governed no better than we deserve."

On a cheerier note, the CPM program and the ASPA stand for the idea that while elections come and go, the orderly and professional administration of the public's business is a sacred continuum. Just as peer review in medicine and professional engineering societies promulgate standards in those professions, the ASPA is the vehicle that disseminates best practices in government. Those best practices are sometimes frustrated in public affairs several reasons:

First is the influence of amateurs. In most professions you need credentials or specific experience in order to be relevant or impactful. Not so in government. You can make a bunch of money and decide that you are going to go get yourself elected, and fix everything overnight through force of your singular brilliance.. It deserves to be said that useful innovation in many things does come from amateurs, because they are not restricted in their thinking by traditional paradigms, so I'm not saying that the influence of amateurs is always a bad thing. I'm just saying that it happens more destructively in government than in other places. By destructive, I mean that amateurs can waste a lot of time mistaking their new idea for *a new idea for everybody else*. Appointed or elected public officials need to remind themselves constantly – I know that I do – that smart people have considered this issue before and the chance that an obvious idea has already been tried is very high.

So, things tend to go wrong when the sacred continuum becomes a quest for easy answers.

The hard work is actually rolling up your sleeves and providing service and information in a consistent and professional manner, because if there were easy answers we would have found them long ago.

The second thing that makes government different is the nature of the problems it is called on to address.

When my father retired as Lieutenant Governor in 1991 he had a little paragraph he would use to make an important point:

He said that when he took office 18 years ago the big challenges facing state government in Texas were education, highways, prisons and healthcare, and as he was retiring the issues were “education, highways, prisons, and healthcare.” He would note wryly that he was leaving with such a deep sense of accomplishment. His point beyond poking fun at himself was that none of the big problems of government are ever solved, they are managed; they are either managed forward by good managers with adequate appropriations; or they are managed backwards by incompetent civil servants who can’t do their jobs regardless of the amount of appropriations.

The last important reason that government and public administration is different is that public processes are often agonizingly slow, because they are not designed to be efficient, they are designed to be inclusive. But in practice “inclusive processes” can become a crutch, or an excuse, for no decision whatsoever, because for some public managers the least risky decision is not to make one at all. And that omission -- in any kind of management -- is fatal, because execution is usually more important than the decision itself...and there can be no execution in the absence of a decision..

Let me offer two quick anecdotes to make the point; one from the private sector and one from the public sector. Katherine Graham was born to the family who owns the Washington Post, but was not raised to run the company. When a tragic family circumstance left her in charge, she figured she had better learn how to lead a business, and she did very well. In her memoirs she recounts that she asked Warren Buffet to be her mentor (a very good choice), and that the most important thing he ever taught her was that you have to make a decision and get on with it. In the public sector example, some of you remember that my father agreed to step in as Chancellor of the University of Houston System, during a very troubled time in that institution’s history, where he had previously served as a Regent. I thought

he was crazy for doing it, but he did a super job. From time to time during that period I would ask whether he had gotten to the source of the trouble – because it really wasn't obvious at first what was ailing the patient. I asked him the usual diagnostic questions: is it broke? No, he said they have tons of money laying around in unawarded scholarships, vacant endowed professorships, etc...I asked about misfeasance and he said not anything obvious, what about malfeasance?, no, he said I think its really that nobody has made any decisions in a long time, and so everything is backed up waiting for a direction. So he did that. One of those decisions was whether the University should build a satellite campus north of Houston or southwest of Houston, and since they are both high growth corridors for Houston either decision was just fine, but you've got to make one and get started.

Unfortunately, the nature of things is that the bad public manager does more harm than the bad private manager. That is because the bad private manager doesn't undermine public faith in capitalism generally, while the bad public manager does undermine faith in government generally --- and let's be truthful -- it often takes longer to replace the bad public manager.

But let's play with the notion of what the relationship should be between the elected political official and the professional public manager. To my way of thinking, the elected official should prioritize between the various roles that government is asked to play. Elections, theoretically, are the feedback loop that helps him or her to prioritize. Once those priorities are established, the job of the public manager in turn is to provide subject matter expertise about which strategies or tactics have been tried before, which tend to work, which tend to fail, and to manage the civil servants responsible for front line execution of those priorities, strategies and tactics.

The further unspoken -- but legitimate -- covenant between the public manager and the public official is not to embarrass the elected official through sloth, corruption or incompetence in the administration of a given program. Unfortunately, public administrators often want to distance themselves from errors in the field and to deflect accountability through the creation of layers of people and procedures. And I will tell you that in my experience in both public and private affairs, layers are expensive and they tend to inhibit communication of clear goals and objectives. And the tendency when elected officials get embarrassed by the effect of those layers is either to curtail funding or to make legislation so literal that it inhibits the public managers' discretion and creativity to manage towards the desired

objective. The more detailed the law becomes, the less good people want to work in the program, and the more the outcomes become absurd as the literal language of the law is applied to unforeseen fact patterns.

We have seen this unhealthy cycle play out in many areas of public policy, most notoriously perhaps in education. Standardized testing, inflexible admissions laws and arcane funding formulas are some of the obvious examples here.

Many, many times in my life I have seen smart people take appointed or elected office as ambitious crusaders, and come back six months later amazed at the knowledge and the work ethic and the quality of the people inside an agency or department that has a very poor record for customer service. It is true that government functions often seem less than the sum of their parts. Layers – and a reluctance to make decisions (which is a leadership issue) are a big reason why. In addition the public manager has a limited toolkit as compared to his private counterpart. Financial reward for performance or productivity is usually not an option, and incentives built around competitive metrics and marketshare are not realistic, because public agencies are monopolies by definition. There is only one district clerks' office per county.

I believe that it is time government stood up for itself, to distinguish its daily functions from its impulsive political twin. We should come right out and attack that cognitive dissonance that lets people think that they can be against taxes and government without being against cops, and teachers, and firefighters, and soldiers at war. What you people work hard at everyday needs to be defended...

Historically, we have been moving through a cycle in which government is despised for its worst tendencies rather than managed to minimize those tendencies. Candidates who love to kick the dog of government have had great success in packaging those negative messages to get elected. Grover Norquist, great scion of the ultra conservative movement, famously said that his party's objective was to shrink government until it was small enough to strangle in the bathtub. But kicking the dog rarely makes the dog perform better, it makes the dog sullen and defensive. The other party, the Democratic party of the New Deal and the Great Society, has not found the voice to articulate the point that while government, at its core, is about helping people, and about smoothing economic cycles for the benefit of all,

but that modern history has revealed some essential truths about the practical limitations of government, and the migratory nature of tax base. For some Government has been the answer to every problem for some progressives, who are somehow tone deaf to the public's admonition that government is a part of the solution, but that no great society ever lived by government alone. A shared sense of values, active faith-based communities, private educational institutions and healthy financial markets that can compete globally for capital are also essential parts of the symphony that harmonizes into a great civilization. Public resources are limited, and borrowing to pay for our current services from our children's checkbook is simply wrong. Any manager who is not making hard choices in the allocation of existing resources is not a manager at all.

As cynicism has played out in public affairs. One pattern that I have seen develop over the last ten years or so is the user-pay for service model for accessing public services. That concept has not gotten much mainstream media attention that I have seen. Obviously the reason this is happening is that politicians are afraid of general tax hikes, and the public likes the idea of minimizing politicians' discretion in the allocation of dollars. That development poses some interesting questions for public managers that you may have explored at the ASPA. Citizens have always paid bus fare to access public transportation, or to file a legal document or to buy a building permit, but it has gone much farther than that. Toll roads are the most obvious example, but there are many more as government tries to maximize non tax revenues. Raising tuition so that covers a much larger part of the cost of public education is a biggie. As a result, many more agencies are now having to implement retail payment systems, revenue accounting and direct customer service, than ever before. Where you outsource and where you develop those functions internally are never easy decisions. Whether user pay is a regressive form of revenue generation I will leave to smarter people at institutions like this one, but it may actually help some agencies understand who their customers are and communicate with them better.

As I near the end, allow me to shift gears and talk about solutions to the situation we find ourselves in. That is, we have a political system that cannot digest complex questions effectively. Moderates of both parties are pariahs because they lack ideological purity, and therefore the dollars of the extremist factions who fund political primaries, and their message is too evenhanded to attract sensational media attention. I surely don't have all the answers, but I do know that there is a tonality that has to change, because in

truth, there is no moral divide in this country. The red state/blue state paradigm is a function of the winner-take-all structure of the Electoral College. There is not much difference between a *values voter* or *no values voter*; there is an honest difference of opinion about what the role of government should be...conservatives want small government on the other guy's issue, and big government on their issues, like immigration and abortion. Liberals want small government on the other guy's issue and big government on their issues like healthcare and the environment ...

The significance of that morally neutral analysis is that it enables civil debate. As we see in the Middle East, it is hard to come to any reasonable compromise when the two sides consider each other spiritually or genetically inferior. One of my role models in public service was George Christian, who late in life said that the most important advice he would give to young people in public service was that they should try not to hate anybody. Civility is not just a matter of good manners; it is essential to good governance in democratic republic.

As public managers, I encourage you to remind all of your constituencies that compromise is not a bad word; it is the very backbone of a democratic republic. America is still an example for the world that a multi-cultural multi-racial society can flourish. If we allow government to be the device that allows us to invest together for the future and to pull us all closer together we will continue to be that example. On the other hand, government that becomes a delivery mechanism for narrow dogma and ideology, will spawn hate and prevents compromise. Again, we need look no further than the Middle Eastern societies that live by irreconcilable ideologies to see that extremism is not a friend of liberty.

Let me close with a quick story to underscore that point. Right before the millennium, Y2K and all of that, I was watching a discussion led by the lady who was then head of the International Red Cross. The panel consisted of Walter Annenberg, former Ambassador to the Court of St James, and the largest private benefactor of public education in history, and Bill Gates – you know who he was. As her final question, the moderator asked what each of these gentlemen considered to be the largest challenge of the new millennium. Bill Gates piped up with something like “that everyone would achieve their full potential through software” or something similarly Microsoftian. Walter Annenberg waited for Mr. Gates to finish, then extended his hand to cover the interviewer's hand and patted it gently

saying “decency dear, the greatest challenge of the new millennium is to treat each other with decency.” He’s been right so far.

Thank you for your attention and for the daily functions you manage that keep us safe and provide opportunity for progress in this great state and nation.