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Contested Public Organizations: Coordination, Strategy and the Increasing Importance of Knowledge – Some Lessons from Current Research and Avenues for Future Research

Abstract
Although today's public administrations need to deal effectively with a variety of wicked problems and pressure on their performance is high, understanding the underlying features of how public administrations respond, and how organizational adaptation and management occur, has so far received little attention in academic research. To attempt to address this shortcoming, our own research over the past few years has focused on the capacity and ability of public administrations to generate, select and use knowledge; to coordinate actors, processes, and resources; and to define appropriate strategies for a variety of organizational challenges in order to deal with such problems and maintain legitimacy. While these three key responses – knowledge, strategy and coordination – have sharpened our analysis, this article highlights the need to focus more strongly on the growing significance of information and knowledge for processes of coordination and strategizing. Given the increasing importance of 'evidenced-based' decision making in public organizations, the ubiquitous availability of data and information, the rapid pace of digitalization, and strong societal demand to provide and secure information about administrative action, this article suggests that we need to take a much closer look at the capacities and capabilities of administrations to successfully acquire, process and supply knowledge.

Zusammenfassung
Herausgeforderte öffentliche Verwaltungen: Koordination, Strategie und die wachsende Bedeutung von Wissen – einige Erfahrungen aus laufenden Forschungsarbeiten und Ansatzpunkte für zukünftige Forschung
Obwohl öffentliche Organisationen heute eine Vielzahl an vertrackten Policy-Problemen zu bewältigen haben und unter erheblichem Leistungsdruck stehen, hat die Forschung sich bislang kaum mit der Frage beschäftigt, wie sich diese Organisationen konkret den Herausforderungen stellen und wie sie hierzu entsprechende Managementaufgaben übernehmen. Unsere eigene Forschung versuchte, diesen Mangel zu beheben und untersuchte in den letzten Jahren, wie öffentliche Organisationen Wissen generieren, auswählen und nutzen, Akteure und Prozesse koordinieren und angemessene Strategien entwickeln, um derartige vertrackte Probleme wirkungsvoll anzugehen und gleichzeitig Legitimität zu erhalten. Während die drei gewählten Reaktionsformen – Wissen, Strategie und Koordination – analytisch differenzierte Ergebnisse lieferten, plädiert dieser Artikel indes dafür, sich stärker mit der wachsenden und sich ausweitenden Bedeutung von Wissen und Information für Koordinations- und Strategieprozesse auseinanderzusetzen. Angesichts eines zunehmenden Gewichts evidenz-basierter Entscheidungsprozesse in öffentlichen Organisationen, der allgegenwärtigen Verfügbarkeit von Daten und Informationen, einer rasch voranschreitenden Digitalisierung und eines staken gesellschaftlichen Drucks, sowohl Informationen zu sichern als auch über Verwaltungshandeln bereitzustellen, ergibt sich ein interessanter neuer Kontext. Der Artikel regt daher Forschungsarbeiten

an, die stärker auf die spezifischen Fähigkeiten und Fertigkeiten von Verwaltungen abheben, Wissen aufzunehmen, zu verarbeiten und bereitzustellen.

Key words: public organizations, coordination, strategy, knowledge

Schlagworte: Öffentliche Verwaltungen, Koordination, Wissen, Strategie

As we have stressed in the introductory section, public administrations today are confronted with unprecedented complex tasks across a wide range of issues, requiring sophisticated management skills, complex structures of delegation, discretion, coordination and control, and ever more information and knowledge. As a result, the question of how public administrations can acquire the requisite knowledge, ensure appropriate coordination and devise adequate strategies has moved to the forefront of debate both amongst practitioners and researchers in public policy.

Some Lessons from Current Research[1]

During the past few years, our Research Training Group (RTG) at the University of Potsdam has been studying the interrelationships between 'wicked' policy problems and contested administrative organizations, their inter-organizational settings, and their intra-organizational adjustments. There are three lessons that have emerged from a series of empirical research projects.

First, the distinction we have made between the different types of organizational and institutional responses towards wicked policy issues – knowledge, coordination, strategy – has proven to be very helpful in analytical terms. In order to deal with increasingly complex issues in 'borderless' environments, and to respond to societal demands, public organizations do indeed demand, use, process and supply knowledge. They coordinate and cooperate actively both horizontally and vertically across levels of government, and they continuously review and redesign their operational strategies. These processes seem to occur around the world, although there are significant differences in the capacities, capabilities and political contexts of public administrations.

Second, studying the three types of responses in isolation has proven to be less helpful when it came to describing and explaining changes in real-world organizations. In most cases, public organizations and administrations have faced interrelated challenges along more than just one of these responses. In the case of international tax cooperation, for example, one of the RTG projects shows how new forms of intra- or inter-organizational coordination have required public administrations to engage in new forms of information gathering and exchange with others – and were therefore strongly involved in different types of knowledge creation and management. In other cases, organizations opted for new strategic orientations because of information and knowledge needs.

In other words: while we were able to distinguish three different organizational responses analytically – knowledge, coordination and strategy – to deal with wicked policy issues, it could be both interesting and challenging to study how these responses relate to each other and how, for example, a specific combination of responses becomes prominent

at certain stages of organizational change and adjustment. Moreover, we would expect such flexible and combined organizational responses to differ significantly between public administrations in OECD and non-OECD countries.

Third, and as an extension to the last lesson, the findings from our research would suggest that in today's rapidly digitalizing environments, 'knowledge' may play a crucial role for public administrations' organizational paths and choices towards coordination and strategy. Knowledge seems to be of critical importance both as a result of, and a prerequisite for, coordination and strategizing. In the absence of sufficient knowledge about wicked policy issues and feasible solutions, for example, public organizations often need to engage actively in "new modes of governance" with a variety of non-state actors, either on a temporary or a more permanent base (*Beisheim/Fuhr* 2010). These initial observations have led us to interesting new avenues for public administration research.

The Increasing Importance of Knowledge – Some Avenues for Future Research

Max Weber once stressed that 'rational' public bureaucracies derive their power of legitimate authority essentially from knowledge. Modern public organizations still do. In contrast to the early 20th century, however, they are increasingly facing the challenge of dealing with very different kinds and sources of contested knowledge, and they are not the only ones who 'know'.

In today's public organizations, knowledge is contested in multiple ways. First, public organizations have lost some of their exclusive capacity to generate and distribute information and knowledge because they are increasingly challenged by a more diverse set of public, public-private or completely private actors that generate knowledge, both at national and international levels. Second, knowledge use, interpretive power and sensemaking of public organizations have faced similar competitive pressures, both within their own realm and vis-á-vis citizens. Third, while access to information and knowledge by public organizations has improved dramatically, largely through technical developments and digitalized personal, multi-level, international and transnational interactions, there appear to be increasing problems of selecting and agreeing on what is actually useful for their operations. And fourth, there has been a unprecedented growth in the number of regulatory agencies for scientific and technical information. Situated at the interface between science and policy, these knowledge organizations bundle and translate knowledge on wicked problems, such as climate change, biodiversity and food safety, for public organizations.

The ambiguous roles of information and knowledge in supporting processes of coordination and strategizing within and among public organizations offer highly interesting and relevant research topics. Three distinct areas, or interfaces, can be defined:

- Public organizations require information and knowledge from the societal context(s) in which they operate (knowledge demand);
- Public organizations make continuous use of information and knowledge; they process it internally and share it (or do not share it) among themselves (knowledge use and management);

– Public organizations actively provide information and knowledge for citizens, target groups, and society at large (knowledge supply).

Public organizations and their knowledge demand

Distinct from *Weber*'s ideas on bureaucratic development, today's public organizations have better access to information than ever before and can increasingly draw on new external sources of knowledge and expertise e.g. via Think Tanks, NGOs and other non-state actors. This has different implications: external knowledge is expected to improve the problem-solving capacities of public organizations, as well as their strategic and coordinative functions. In complex policy areas, however, particularly the ones that go beyond national borders (such as climate change, environmental and energy policies and international migration), knowledge is usually contested as there are different, often conflicting positions about which evidence to draw on and which solutions to pursue for resolving wicked problems (c.f., *Irwin* 2015). There is also criticism regarding the growing influence of non-elected bodies and advisory groups on public organizations' decision-making, and their move towards an "expertocracy", with serious impacts on democratic legitimacy and accountability (*Weingart* 1999, *Holst/Molander* 2014, *Daviter* 2015).

Driven by the developments of information and communications technology, public organizations increasingly tend to make use of 'big data' that is provided incessantly through social media and communication networks. While most of them are still experimenting with such options (*Al-Ani* 2015, *World Bank* 2016: Ch. 3), other organizations have already been using such information, regularly and intensively, particularly for the purposes of national intelligence, but also for surveillance of criminal and violent/ terrorist groups. With increasing supply of information, and easy access to it, demand for such information by public organizations is likely to increase (*Economist* 2015). This could open new options for increasing organizational performance (see below) but could also violate civil liberties and democracy (*Huysmans* 2016*)*, and undermine the protection of privacy. How are such conflicting demands being reconciled in practice?

Consequently, and in terms of knowledge demand, how do public organizations:

– Tap expert and external knowledge resources;
– Select what is useful from a ubiquitously available knowledge;
– Agree upon and consensualize dissenting knowledge;
– Learn from uncertain and contested knowledge;
– Make better use of 'indigenous knowledge', and discern what the implications are for the use and reuse of genuinely 'Western' scientific knowledge and expertise.

Public organizations, knowledge use and management

Unlike the workings of a rational-legalistic, continental European public administration, both the discourse and practice of New Public Management (NPM) strongly emphasize 'internal markets'. NPM stressed managerial freedom, performance, contracts, accountability, and client-orientation in OECD countries in the 1980s and 1990s (*Pollitt/Bouckaert* 2004, *Kuhlmann/Wollmann* 2013), and in the developing world in the 1990s and 2000s (*Fuhr* 2004, *Manning/McCourt* 2013).

Despite serious criticism during the last decade, however, NPM practices have not fully disappeared. Although more recent reform discourses now focus on "Post-NPM" measures (*Van Dooren/Bouckaert/Halligan* 2010), the information-, evidence-, and knowledge-related key concepts of the NPM-era continue to be a priority in the reform agenda for

many public organizations around the world (*Cummings* 2015). Moreover, the digital revolution has led to demands for a stronger orientation towards e-government and even e-governance (*World Bank* 2016).

Public organizations are expected to produce "better results on the ground" essentially through better management and extensive use of knowledge (*Ferguson/Burford/Kennedy* 2013) i.e., through the use of performance information, indicators, monitoring and evaluation. Organizations are expected to disclose information about organizational inputs, outputs, and outcomes as well as the coordinative mechanisms of evidence-based decision-making (see below). Particularly in public organizations dealing with social assistance programs, or international development, monitoring and evaluation reports and meta-evaluations abound. But it remains unclear what is really being used, and productively rechanneled, into daily practice, and how.

Several interesting research questions emerge from such developments:

- Which efforts towards performance management, performance measurement and performance data have been really useful in terms of overall performance and accountability.
- Under which conditions are public organizations able to learn from uncertain and contested knowledge.
- What have public organizations really learnt from, and what did they actually do, with their overabundance of monitoring and evaluation reports.
- Conversely, how (and to what extent) do public organizations use information and knowledge from social media, infrastructure planning, or crisis and disaster management.
- What are the challenges, for example, for government intelligence agencies in terms of sharing or shielding classified information, or making use of surveillance data.

Public organizations and their supply of knowledge

While in a Weberian bureaucracy knowledge was once key to its societal power and influence, modernized and modernizing societies around the world have witnessed a gradual erosion of their former, exclusive expertise. Privatization policies and restructuring of the public sector have caused former public 'information monopolies' to retreat and give more room to a variety of non-state and private actors. Not only have public organizations lost some of their explicative, interpretative and sense-making capacities and capabilities – which has contributed to increasing skepticism and distrust among citizens vis-à-vis government and administration and their ability to manage and deliver what matters most to the public i.e., security and welfare. Citizens often feel that they are deliberately excluded from knowing more about the use of "their money" given, for example, the frequency of cost overruns and mismanagement in large public investment projects (c.f., Flyvbjerg/ Holm/Buhl 2002).

This also holds for public organizations beyond the nation state i.e., for international organizations, particularly in the UN system, and their former (almost unquestioned) expertise regarding global public and collective goods, such as the environment and a stable climate, global welfare and a "world free of poverty", global health and protection from diseases, security, etc. Some of them, therefore, have gradually added to their generation and provision of knowledge (*Fuhr/Gabriel* 2004) such as, for example, the World Bank's "Open Data Initiative", a strategy to "orchestrate" knowledgeable actors, and help to build global "knowledge bridges" between them.

Paradoxically, public organizations are asked by other public organizations and, above all, by citizens, to be accountable and transparent, and provide knowledge and information on their operations, more than ever before (*Wewer* 2014, *De Fine Licht* 2014). While there may be a clear lack of accountability and openness in public organizations in many non-OECD countries, experience from the OECD suggests that public managers increasingly feel overwhelmed by the extent of such requests. And while in terms of technology such societal demands are easier to meet year by year, they challenge inter- and intra-organizational processes of coordination and strategizing considerably.

Consequently, and in terms of knowledge supply, how do public organizations:

- Deal with their loss of interpretive and sense-making power? Which counter-strategies do they apply.
- Deal with competing centers of knowledge? How do they adjust.
- Deal with multiple information requests regarding operational performance and accountability.
- Reconcile legitimate demands for secrecy and confidentiality with equally legitimate demands for more transparency.
- Learn from digitalized services for citizens and the private sector? What has proven to be feasible and in which contexts.

As these initial questions indicate, the answers to most of these puzzles are likely to depend on the specific societal – in particular: institutional – contexts in which public organizations operate.

One interesting and critical question in this context is whether the use of knowledge in public organizations will gradually become more institutionalized through processes of coordination and strategic interaction by the key actors involved. This scenario would likely lead to increasing clarity and agreement about the use of this knowledge and enhance standardization and formalization of practices. Alternatively, the use of knowledge might lead to further fragmentation of stakeholders, and to gradual de-institutionalization. This scenario would probably imply that roles, authorities, explanations, interpretations, justifications are becoming ever more contested. It could also result in increasing uncertainty, disorientation, more demand for new explanations and justifications, more uncertainty about outcomes, and likely even less coordination and strategy.

Given today's globalized, transnationalized, multi-actor, multi-level environments, and rapidly expanding information and knowledge flows about wicked problems, public policy departments around the world are likely to find plenty of opportunities for interesting research. Being knowledge generators themselves, chances are that they will also be asked more vehemently to assume responsibility and to increase the likelihood of the first scenario – and to contain the second.

Note

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