Modernisation, Privatisation and the Public Service Ethos in the UK

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Introduction

‘Reform must always respect the powerful public service ethos and it must acknowledge the contribution and skills of those who now work in the public sector. The ethos of public service is as intrinsic to public service as the practice itself, helping to create and manage the expectations and aspirations of all stakeholders’ (Charles Clarke MP, Foreword to the New Local Government Network pamphlet ‘Advancing a new public sector ethos’, May 2002)

The ‘public service ethos’ has been part of the UK public sector culture for a number of decades. Its roots can be traced back to the Northcote and Trevelyan (1854) report into the Organisation of the Permanent Civil Service which laid the principles that have come to shape the notion in the UK public service. Historically, its study has rested on the crossing point of diverse academic disciplines such as organisational psychology, organisation theory, public administration and economics. This partly explains the different terminology often used by various scholars and commentators.

In the field of public administration the terms public service ethic (Buchanan 1975; Chapman 1994; OECD 1996), public sector ethos (Carr 1999; Horton 2006; Hebson et al. 2003) and public service ethos (Pratchett and Wingfield 1994) have traditionally been adopted by researchers, whereas psychologists and organisation theory researchers have favoured the term public service motivation (Perry and Wise 1990). Labour market economists use the term pro-social motivation to describe the preferences of agents and pro-social behaviour and donated labour to describe their actions (Francois and Vlassopoulos 2008; Gregg et al. 2008).
During the last three decades, Labour and Conservative governments have favoured the term ‘public service ethos’ when referring to the concept in formal documents and debates. Here, the deployment of the term ‘service’ rather than ‘sector’ can be explained by reasons that go beyond disciplinary idiosyncrasies. First, the revised phraseology is representative of a widespread shift in the ideology and values that the government would like to see characterising public service delivery. It marks a break with the tradition of bureaucracy towards one of ‘customer-oriented service’ where the public is no longer seen as users of these services, but as customers or purchasers (Brereton and Temple 1999; Le Grand 2006). Proponents of this approach perceive the set of values traditionally associated with ‘ethos’ to be characteristic of a tradition of professional paternalism and argue that this to blame for the ailments of bureaucracy and inefficiencies within the public sector. For them, the ‘public sector ethos’ embodies an anachronistic attribute of the public sector’s culture and is therefore something in need of redefinition.

Second, the substitution of ‘sector’ for ‘service’ is indicative of the conviction held by recent governments that the values traditionally associated with public sector employment can also be upheld by those delivering a public service, but are employed by private organisations. The new ‘public service ethos’ therefore becomes an amalgam of principles associated with both the public and the private sector. The most recent example of the objective to associate ‘ethos’ with both sectors is the seventh Report of the Public Administration Select Committee (PASC) commissioned by the Labour government and published in 2002. The report asserts that a strong ethos is not a public sector monopoly and that many examples of successful private sector provision exist. In particular, it argues:

‘Public sector and public service are not identical. Nor is it possible to sustain the view that public sector workers always display a service ethos, or that private sector workers do not’ (PASC 2002, para. 24)

The report goes on to suggest that due to the difficulty in differentiating between public and private provision in the UK, public service ethos can exist regardless of who is responsible for service delivery. Notably absent in the report is some further discussion of ways in which government agencies can ensure that private contractors
abide by these principles, and the consequences if they fail to do so. Nevertheless, clear within these accounts is the desire to portray the private sector as capable of adhering to public service values. Within this context, the deployment of the term ‘service’ is a response to widespread criticisms regarding the impact of private sector involvement on the public sector ethos and an attempt to overcome scepticism and overt opposition towards market-based public sector reform. Such endeavours have been pursued with more zeal by the government since the emergence of Public-Private Partnerships as the main plank of the public sector modernisation agenda.

These assertions raise three interrelated questions. First, to what extent the distinctive values that have characterised public service employment for many decades remain relevant in a modernised public sector? Perhaps, the public service ethos should be treated as a dynamic concept whose constituent dimensions must adapt to reflect the changing environment within which public services are delivered. Second, to what extent can such values also be upheld by those delivering public services but are employed by private organisations? Although it is recognised that certain values and motives are an essential ingredient of efficient service delivery, proponents of private sector involvement discard the conventional view that the public service ethos is a monopoly of public servants. Finally, does it matter if the defining characteristics of the public service ethos are changing or if such values cease to characterise public service employees? These themes will be the focus of the sections that follow.

The meaning and components of public service ethos

Perry and Wise’s (1990) work was central in raising interest in the public service motivation construct. According to them, it ‘refers to an individual’s predisposition to respond to motives grounded primarily or uniquely in public institutions’ (1990: 368). Following this definition, studies have examined the construct as an attitude towards which certain individuals are predisposed and which guides their decision to seek employment in public organisations as well as their behaviour within these organisations thereafter. As Perry and Hondeghem (2008) point out, a distinction has to be made between the altruistic on one hand and the more rational on the other motives that might attract an individual to work for the public sector. In many countries, working for the public sector involves the job incumbent being in receipt of
a number of benefits that are often more generous than those offered by private organisations. These might include higher pay for comparable jobs, flexible work arrangements such as flexitime and job sharing, generous pension schemes, the provision of stability and continuity of employment and family-friendly policies. Although such attributes of public sector employment might well account for its appeal to certain segments of the labour market, they are conceptually different to the altruistic motives that form the basis of public service motivated behaviour. As such, extrinsic motivators associated with working in the public sector lie outside what it is commonly referred to as ‘public service motivation’ or ‘ethos’.

While Perry and Wise’s definition of public service motivation is widely accepted, some complementary definitions have also been developed (Pratchett and Wingfield 1994, Vandenabeele and Hondeghem 2005, Vandenabeele et al. 2006). Economists understand it as helpful behaviour intended to benefit other people unmotivated by professional obligations (Bierrhof 2002). British scholars Pratchett and Wingfield (1994) define ethos as a common set of cultural values and attitudes that are shared by staff across a range of public institutions and agencies and that inform their behaviour within them. Contrary to Perry and Wise, who see public service motivation as a ‘predisposition’, the authors recognise that how individuals interpret such values is also influenced by the environment in which they find themselves in. The role of the environment is also recognised by Vandenabeele et al. (2006) who describe public service motivation as ‘the belief, values and attitudes that go beyond self-interest and organisational interest, that concern the interest of a larger political entity and which induce through public interaction motivation for targeted action’ (2006: 15). The authors recognise that public service motivation depends on the interaction between values embedded within an individual and the opportunity for behaviour consistent with these values. Vandenabeele et al. therefore allude to the role of the organisation as a provider or inhibitor of public service motivated behaviour, a theme at the centre of the debate about the impact of private sector involvement in the delivery of public services.
Although some consensus has developed as to what the public service ethos is, its exact ingredients remain a contentious issue. In their survey of local government employees in the UK, Pratchett and Wingfield (1996) identify accountability, bureaucratic behaviour, impartiality and loyalty as the core elements of public service ethos. Writing from a United States perspective, Perry (1996) describes public service motivation as a multi-dimensional construct consisting of: attraction to policy making, commitment to public interest, compassion and self-sacrifice. To some extent such differences are justifiable. As Vandenabeele (2008) points out, country-specific institutions and administrative systems give rise to context-specific values. In the UK for example, values related to the Weberian bureaucracy have traditionally informed the ethos of public servants but are largely absent from the US tradition. In the case of France and Belgium, public service values are rooted in the tradition of the ‘lois Rolland’ which gives prominence to issues of equality, neutrality and fairness but American notions of self-sacrifice and patriotism are less pronounced (Hondegem and Vandenabeele 2005). Although such cross-cultural, institutional and administrative variations naturally produce different lists of public service values, they also confirm the universality of the construct.

However, variations in the attributes of the public service ethos also mask ongoing debates about its role in a modern public sector. From the beginning of its term in office, the Labour government was quick to embark on its public sector reform agenda and embrace a new language. Although it acknowledged the existence of an ‘ethos’ amongst public servants and emphasised its significance in the context of public service delivery, it was the government’s conviction that the notion of the ethos was in need of modernisation. The subsequent publication of the ‘Modernising Government’ White Paper in 1999 marked a clear shift in the ideology and culture that was to characterize public service delivery (Cabinet Office 1999). Prominent within it were notions of ‘customer service’ and ‘responsiveness to customer needs’. The next step was to redefine ethos and revise its constituent dimensions. To the traditional values of accountability, impartiality and probity the 2002 PASC report also included that of ‘customer service’. Increasingly, notions of ‘customer satisfaction’ and models of ‘customer service’ traditionally associated with private sector management practices have gained prominence in the vocabulary of government officials and proponents of reform. According to John Reid (2004), the
traditional ethos of public service needs to be supplemented by an additional element of customer care’ or as Tony Blair put it ‘in public services, customer satisfaction has to become a culture, a way of life, not an added extra’ (Blair 2002). In his speech to the Social Market Foundation, the then pensions minister John Hutton called for ‘making the goal of customer satisfaction fundamental to the ethos of public services’ (Hutton 2005). The approach of the opposition has not been markedly different. While praising the ethos and professionalism of public servants, the Conservative leader David Cameron has called for more input by ‘consumers’ as a means of improving understanding of what constitutes good public service (Cameron 2009).

This has led many commentators to call for a new ‘synthesized’ ethos that draws on the core elements of bureaucratic principles of honesty and accountability as well as more market-based ones such as customer service, customer choice and value for money (Brereton and Temple 1999, Aldridge and Stoker 2002). According to this thesis, the responsibility for determining the standards and patterns of service delivery seizes to rest exclusively with professionals. Instead, the exchange between provider and user is contractual in nature and it is the ‘customer’ that defines expectations and assesses outcomes. Admittedly, re-establishing the needs of the user as the central theme in service provision is a legitimate endeavour. However, this approach can be problematic in practice. According to Fountain (2001), the efficacy a ‘customer service’ culture is based on the premise that customers can use ‘exit’ (meaning switching to other providers if the level of service falls below their expectations). The author however questions the extent to which this is feasible in a public service context. If one is not satisfied with the quality of treatment one receives from the local hospital, his or her ability to shop around for a better service is restricted. In addition to exit, it is vital for ‘customers’ to be able to exercise their ‘voice’. However, this can also be difficult as the exercise of voice assumes knowledge. A key concern therefore is that voice will only benefit informed consumers (or those willing and able to invest in acquiring information) and can thus produce a stratified model of service provision. Because of their superior expertise and knowledge, traditionally public service users relied on professional groups to act on their behalf and safeguard their interests, admittedly sometimes with dubious outcomes. As Besley and Ghatak (2003) point out, although limiting user ‘voice’ may be paternalistic it may stop certain groups from making incorrect decisions. Indeed, the public service ethos was born out of the
very aspiration to overcome problems of information asymmetry, inequity in service provision and unevenly distributed outcomes.

Others see such consumerism as an unrealistic goal. As Needham (2006:856) points out, treating users as customers in the same manner as the private sector does raises questions about ‘the capacity of the government to keep responding to demands that are effectively limitless’. Such a capacity is further constrained by the current economic climate. In a context of mounting public debt that the UK has acquired as a result of the actions the Labour government took in response to the financial crisis in 2007, the ability to increase or even sustain existing levels of investment in the public service has been called into question (Chote et al. 2009). Beyond such pragmatic concerns, Needham warns of the potential trade-offs that the new synthesized ethos might entail. According to her, an ethos based on consumerist principles such as customer satisfaction runs the risk of prioritizing the attainment of individual wants to the detriment of collective objectives. A detailed analysis of the philosophical arguments for and against such a shift is beyond the scope of this paper, but it is worth noting that under such conditions public interest is subordinated to personal desires and thus the concept of citizenship changes from being a ‘contract’ (involving certain rights and obligations) to a ‘status’ (only involving rights) (Borghi and van Berket 2007).

The lack of consensus with regards to the exact attributes that should comprise the public service ethos has led some commentators to describe the concept as ‘ambiguous’ (Pratchett and Wingfield 2004) and ‘nebulous’ (Corby 2000), whereas others have altogether challenged its intrinsic value. According to the latter, the traditional attributes of the public service ethos are associated with inefficiencies, profligacy and poor quality of services. Excessive fixation with the procedural aspects of service delivery has deprived public service users from the superior levels of customer service and flexibility that are characteristic of the private sector (Le Grand 2006). Rules and regulations designed to ensure accountability and due process are often the cause of obstructive practices and bureaucratic processes resulting in services that are not responsive to user needs. In some cases, evoking the public service ethos is described as a means to legitimise the behaviour of public servants, allow decisions to go unquestioned, assert their authority and reinforce their status as
‘gatekeepers’ of the common good (Richards and Smith 2000). For the authors, the public service ethos can therefore be best understood as a Foucaultian concept entailing a system of power and knowledge designed to safeguard the interests of bureaucrats. As such, they make an elegant argument as to why defending the existence of a public service ethos becomes an issue of self-preservation rather than an attempt to ensure effectiveness of public service delivery. In light of such scepticism regarding the functions that the public service ethos serves, it is important to assess its intrinsic value. Such considerations are important in themselves, but they become more so when one wishes to engage in current discourses about erosion or endurance and the role of the private sector in the process. These two themes are the focus of the sections that follow.

**Private sector involvement and the public service ethos**

Throughout the last few decades the public sector has been bombarded by reform and restructuring initiatives. In a context of dissatisfaction with bureaucratic approaches to public administration, New Public Management has emerged as a response to calls for a more efficient and customer focused model for organising the internal workings of the government. Its doctrinal components include the introduction of explicit measures of performance as well as greater emphasis on output controls and private sector management styles (Hood 1991, Pollitt 1993, Rhodes 1994). The UK was quick to adopt such principles and translate them to policy initiatives. The advent of the Conservative government in 1979 signified the contraction of the public sector via privatisation and contracting out. Public sector managers were encouraged to emulate their private sector counterparts with regards to their human resource management practice, and managers from the private sector were recruited to fill key public sector positions. This approach did not radically change after New Labour was elected in 1997. Performance management and audit systems such as performance related pay, key performance indicators and league tables were extended to cover a wider range of public sector employees and agencies. Employment relations legislation inherited from the Conservatives was preserved and so was the policy of involving the private sector in the provision of public services (Horton and White 1999). Indeed, some commentators have argued that New Labour has gone even further with private sector involvement than its predecessors with the wholehearted adoption of the Private
Finance Initiative (PFI) being characteristic of such intentions (Bach 2001, Sachdev 2004).

Such pressures have raised concerns with regards to their impact on the long-established set of ethical standards and attitudes that have traditionally characterised employment in the public sector and have placed the study of public service ethos at the centre of scholarly and policy debates. Critics of new model of service delivery argue that the established approach to public sector management with its emphasis on equity, fairness and accountability is being replaced by rationalistic and economic considerations. Such an environment places public servants in situations where transparency is threatened and ethical standards are being compromised (Hall 2007; Sachdev 2001). In a context of increasing demands from service users and taxpayers for more and better services, the profit-oriented and cost-minimizing reforms might have been successful in sustaining a functioning public sector but critics argue that they have resulted in a gradual shift in the values of those employed within it (Chapman 1994, Du Gay 2000, Fairbrother 1994). Similar concerns have been raised by the union movement with Unison, GMB and RCN leading the debate. Indeed, the eroding public sector ethos and deteriorating standards of service delivery have been central to their campaigns against private sector involvement in the delivery of public services for more than a decade.

On the other hand, proponents of public sector reform adopt a more sceptical view of the public service ethos and claim that arguments highlighting its importance are evoked by those who are against public sector modernisation as a means to safeguard their interests. For those, the public service ethos is not only an ambiguous concept, but also its by-products are difficult to determine and measure. According to this camp, efficiency, effectiveness and ‘value for money’ should be prioritised over ethical considerations and the values of public servants should constantly evolve and be redefined. In some cases they go as far as claiming that the existence of a unique set of values and standards that everyone has traditionally subscribed is misleading (Mayo 2006).
This debate has renewed academic interest in the motives and values of public servants and has placed the public service ethos at the centre of research that seeks to evaluate the outcomes of public sector reform. Despite this, the extent to which its survival is being compromised by the latest developments in the way that public services are managed remains an under-researched theme. In a context of intense private sector involvement in the delivery of public services and much speculation and debate on the lack of altruistic values characterising its workforce, it is essential to empirically evaluate whether the public sector is distinctive in this respect.

As the previous section showed, a central claim made by the PASC (2002:16) report is the ‘public service ethos is not different or superior to the private or voluntary sector’ and there is ‘an implied arrogance’ in suggesting otherwise. Clearly the view that the public sector is exclusively populated by altruists or that somehow all public sector employees are inherently more caring than private sector ones is flawed. Well-known examples of unethical conduct by public servants include those of the Bilston College in Wolverhampton and Halton College in Cheshire, where the National Audit Office revealed cases of financial mismanagement and fraud (cited in Carr 1999). Similar cases have been reported in the NHS (see Wighton 1998) and local government with the most famous being that of T. Dan Smith, leader of the Newcastle Upon Tyne City Council, who in 1974 was imprisoned for accepting bribes from the private sector over the city’s redevelopment scheme. However, we also know that people’s behaviour is often influenced by the environment in which they find themselves in. For example, the introduction of Key Performance Indicators designed has been blamed for bringing in a business-like culture to the public service and often providing incentives for managers to manipulate information in their reports (Chapman and O’Toole 1995). Similarly, the capacity of control and reward systems to shape behaviour is well documented by economists. Kreps (1997) for example finds that one of the outcomes of performance-based rewards is that of signalling to employees that their relationship with the organisation is based on market principles thus inducing the agents to respond in a similar manner. Schick’s (1999) research into the introduction of quasi-markets and targets in New Zealand finds higher levels of opportunism and self-interested behaviour amongst his sample of workers in privatised settings. In short, not all private sector employees are inherently self-interested utility maximisers but individuals adjust their behaviour as a response to
contextual demands and codes of practice, in this case working within a market-based model.

A limited number of studies have focused on comparing the behaviour and motives of public sector employees to those of their private sector counterparts. Using unpaid overtime as a proxy for donated labour, Gregg et al. (2008) find a strong link between institutional structure and pro-social behaviour. In particular, employees in the non-profit sector are more likely than their profit sector counterparts to donate their labour and such propensity to donate labour affects self-selection into sectors. Drawing on two case studies in health and local government, Hebson et al. (2003) explore whether Public-Private Partnership arrangements are associated with an eroding public service ethos. Their findings demonstrate that despite employees still identifying with the notion of doing work that aims in serving the public interest, lines of accountability have been weakened and the traditional values associated with the public service ethos are eclipsing. Although this study addresses some important questions, the conclusions are drawn from a sample of transferred employees and therefore it lacks a systematic control group that would enable meaningful comparisons between the ethos of public and private employees to be made.

Using survey data from public and PFI prisons, the author overcomes such limitations by directly comparing the motives and values that characterise public and private sector working in the delivery of an identical public service. The findings are presented in Table 1. As it can be seen from the table, the sector within which one is employed has a highly significant relationship with most of the dependent variables when controlling for other covariates. On average, private sector employees score significantly lower on the aggregate public service ethos measure. Overall, they were less likely to have a strong desire to serve the public interest; they scored lower in the compassion and self-sacrifice dimensions and were less likely to adhere to the governance values that traditionally characterise public bureaucracies. The interaction variable sectoral status and tenure represents the extra effect of tenure for private sector workers compared to public sector ones. Interestingly, this interaction is also negative and highly significant for the aggregate public service ethos measure as well as for the compassion, self-sacrifice and governance values dimensions. Such a
finding demonstrates that public service ethos and some of its dimensions increase with tenure more quickly for public sector workers than for private sector ones.

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Drawing on the selection-attraction-attrition framework (Chapman et al. 2005; Ployhart 2006), the negative relationship between private sector employment and public service motivation can be seen as the outcome of either or all of the following three processes. First, it can be a selection effect meaning that the private sector fails altogether to attract employees who are predisposed towards public service values. Such an explanation is consistent with the findings of Gregg et al. (2008). Second, although the private sector might initially attract public service motivated individuals, it might fall short of retaining them due to lack of an environment conducive to such values. Therefore, the observed lower levels of public service motivation within the private sector sample could be suggesting that public service motivated individuals have exercised the ‘exit’ option and possibly migrated to the public sector. Third, the negative relationship between private sector employment and public service ethos could be an outcome of ‘crowding out’ of intrinsic motivation. Research has confirmed that placing a financial reward to a behaviour that was previously intrinsically motivating results in crowding out of intrinsic motivation as agents come to viewing the behaviour as a commodity and only engaging in it if financial incentives are being offered (Ryan and Deci 2000; Frey 1997).

Models put forward by economists are also particularly useful in explaining such observed differences. According to François (2000), pro-social behaviour is a stable individual tendency that determines one’s willingness to commit his costly labour towards high quality services because he cares about the level and quality of output produced. But whether such a predisposition translates into pro-social behaviour depends on the type of organisation one works for. If one works for a profit-making organisation the incentive to act pro-socially is absent, because she knows that her donated labour will be appropriated by the owners of the organisation in the form of higher profits. Working for a not-for-profit organisation on the other hand means that donated labour is directed towards promoting social welfare, a cause such individuals concur with. As such, the model predicts that public service motivation will be a
characteristic only of those working in not-for-profit organisations like the public sector or charities.

Yet, one cannot help but question whether the debate about an eroding public service ethos is a way to undermine the reform agenda by those who are ideologically opposed to it. In the face of rapid technological improvements, higher standards of living and increased longevity amongst the population, private sector involvement can be vital as a means of financing new public services. As long as reforms improve access and efficiency, does it matter if public service motivated behaviour is absent? Why romanticise bureaucratic models of service delivery if private sector involvement improves performance? A fundamental limitation within some of the existing literature on the public service ethos is that most of these studies take for granted that such values and orientations are a desirable characteristic of employees delivering public services. Implied in these accounts is the notion that a lack of public service ethos is disadvantageous, but some examination as to why that is the case and who is to lose from the erosion of such values is missing. To this I now turn.

The value of the public service ethos

Specific features of the public sector make principal agent relationships different to those in the private sector (Besley and Ghatak 2003, Burgess and Rato 2003, Dixit 2002). Due to information asymmetry, a common characteristic of public sector occupations is that of imperfect means by which effort can be monitored and output can be measured. In standard models of principal-agent relationships, when output is perfectly observable and outcomes are verifiable, the agent’s effort is measured according to the value of the output and the agent is compensated accordingly. However, there is a great deal of complexity and multitasking involved in delivering public services and as a result performance measures can be noisy, expensive to monitor and therefore costly to the taxpayer. Most importantly there are aspects of the job that are important in delivering cost-effective and high quality public services, yet such aspects are hard to include into formal contracts and subsequently monitor their performance (Grout and Stevens 2003). For example, good health care provision involves low or no waiting lists and good education involves schools scoring high in exam results. Measurement according to these criteria is relatively straightforward.
However, we also desire midwives to be compassionate and teachers to be caring. Naturally, if those aspects of the job for which we have good performance measures are included into contracts and those that do not are excluded, the agent will focus her efforts on the former to the neglect of the latter (Brown et al. 2006). This would clearly be a socially inefficient and undesirable outcome. However, what if the employee derives some sort of personal satisfaction from performing these tasks that are difficult to put into contracts because of his or her conviction that they will contribute to more socially beneficial outcomes? If, amongst other things, an individual is attracted to work in the delivery of public service by his or her desire to serve the public interest and is motivated by sentiments of altruism and compassion, then she will be more willing to commit her costly efforts towards attainment of such goals. Under such circumstances, public service ethos is itself an incentive for agents to act according to principal’s wishes as the self-interested choices of agents coincide with what the principal’s goals. If employees delivering public services are public service motivated then both problems of moral hazard and incomplete contracts will diminish, leaving both organisations and the society better off.

Second, as Burgess and Ratto (2003) point out a key feature of public sector employment is that many public servants (such as benefits assessors, police officers, tax inspectors) are in such positions that enable them to make important decisions depending on factors which are not directly observable by their superiors. In such cases, the most efficient way to direct effort, reduce moral hazard and ensure due process is by undertaking audits and formal enquiries of agent actions. Such ways of measuring performance however can be both noisy and costly to the public purse. However, if employees have internalised the objectives of the organisation and they care about the level and quality of output, then monitoring becomes less problematic. As such, public service ethos can incentivize the agents to behave according to the principal’s wishes and help ensure Pareto efficient outcomes for both the organisation and the society as a whole.

Related to this, two characteristics of the public sector, its size and the dominance of professionals also add to the importance of having a strong public service ethos. Public organisations tend to be large labour intensive bureaucracies characterised by many hierarchical levels and high degree of departmentalisation. Their size places
constraints on managerial ability to monitor effort. As such, alternative control mechanisms have to be implemented (Fernie and Metcalf 1998). Amongst other things, cultivating and supporting a strong public service ethos can to some extent be a substitute for costly methods of monitoring and a means to ensure that employee effort is directed towards socially and organisationally beneficial outcomes. Similarly, the high degree of professionalism in the public sector workforce makes monitoring costly. Professional and semi-professional groups have undergone intense and lengthy occupational training and they have expert knowledge in their specialized field. Ensuring that such groups are public service motivated is essential, as subjecting them to strict control over work practices and decision making is a complex and costly process. Given the autonomy that professionals enjoy, a certain degree of reliance on the public service ethos as a form of self-regulation is vital to ensure due process and high standards of service delivery.

The public service ethos can also have important implications for the attraction and retention of public servants. If an employer offered lower wages than those offered elsewhere in the market then he would have difficulty attracting and retaining workers. According to Francois (2000), public service motivation has a direct impact on how the employee can be incentivized. He argues that if employers can exploit such intrinsic motivation, then the same effort can be supplied by the employee at a lower price to the employer, in this case the public organisation. In cases when individuals are willing to ‘donate’ some of their labour to the organisation, the purchasers of this labour need to pay a lower price to maintain an acceptable level of quality in service delivery. As such, public service ethos can enable public organisations to attract and retain sufficient number of highly motivated employees in times of wage restraint and cuts in public sector budgets. Further, in addition to other benefits such as job security, it can help sustain demand for public sector employment in spite of the prospect for higher long-term earnings potential in the private sector.

Empirical studies confirm that employing pro-socially motivated individuals is associated with various positive outcomes. Naff and Crum (1999) find a strong positive relationship between public sector motivation and individual performance, as employees associate their work effort with better outcomes for the community. Similar conclusions are reached with regards to the contribution of public service
motivation to organisational performance which includes a range of efficiency as well as administrative and operational effectiveness measures (Brewer and Selden 2000; Kim 2005). Further, public service motivation has been linked to lower turnover and higher organisational commitment (Camilleri 2006; Castaing 2006) and other positive employee behaviours such as willingness to engage in whistle blowing as a means to protect the interests of the public (Brewer and Selden 1998).

**Conclusion**

The public sector ethos has been a defining characteristic of the UK public sector for many decades and in order to reflect on its future, one needs to glance at its past. In the 1920’s Sir Warren Fisher, the then head of the Civil Service, argued that the public sector ethos must characterise those working within the government and stressed the distinction between those values and those commonly found in the private sector. Other historical accounts highlight that the notion of ethos was born out of the aspiration to purify the political system by marking a critical break with the past practices of clientelism and self-interested behaviour (Greenaway 1995). Ironically, the concept of ethos emerged as a means of differentiating the culture of the private sector from the public. If one accepts the claim made by politicians and policy makers that the motives and values of private and public sector employees are identical, then the notion of a public service ethos automatically seizes to be relevant. In other words, questioning the distinctiveness of public sector motives is no less than doubting the existence of a public service ethos. This shifts the debate to whether as service users and consumers we should desire our public servants to be characterised by altruistic motives and a sense of commitment to serve the public interest? As the previous section has argued, the public service ethos serves as a corrective to information asymmetries inherent in the public service context. Buying into the mission of the public service produces what DiIulio (1994) refers to as ‘principled agents’ with subsequent benefits to public organisations and service users.

Given the potential for public sector agencies to attract ‘principled agents’ should private sector involvement in the delivery of public services be abandoned? The answer is a qualified no. The private sector can in some circumstances deliver superior outcomes compared to the public. The conditions under which this is
possible are well documented in the literature. According to Grout and Stevens (2003), the capacity to accurately regulate quality is one. Such a capacity would overcome the problem of incomplete contracts as it would enable the public sector to accurately specify the conditions of service delivery. Although this is not always a straightforward task, the private sector has produced better performance and higher levels of innovation when such involvement has been accompanied with a sound regulatory regime (Grout 2008). Second, the private sector can improve performance when public service motivation is not important or else when there is little intrinsic motivation to crowd out (Moynihan 2008). For example, the evidence shows that PFI projects in the construction industry have been particularly successful in terms of quality and value for money (MacDonald 2002). Both these conditions relate to the nature of the services in question and in particular to how strong the public good component of a service is. Yet if we accept that the nature of some public goods and the preferences of those employed in their delivery are such that distinguish them from private ones then provision through the market model is inappropriate.

More recently, the government has been keen to involve the not-for-profit sector in the delivery of public services. Politically it is not a controversial idea and theoretically it makes good sense. Contrary to the private sector, mission alignment between public sector agencies and non-profit organisations is not problematic. According to Francois (2003), non-profit firms have a greater capacity to obtain donated labour compared to for-profit ones. Similarly to public sector employees, non-profit ones are thought to be motivated by and altruistic considerations and therefore care about the level and quality of services produced (Perry and Wise 1990). Empirically the evidence is limited but largely confirms such assumptions. Gregg et al. (2008) find higher levels of donated labour in not-for-profit firms compared to their profit-oriented counterparts. Whether non-for-profit employees also adhere to broader public service values such as accountability and due process is yet to be proved.

With regards to preserving a public service motivated culture, both the government and the opposition have been treading between rhetoric and reality. On one level, politicians from all parties acknowledge the existence of a common set of values that underpin public service institutions and the important purpose such ideologies have
served throughout the years. They also appear keen to see these values preserved. But policy initiatives and manifestos send different signals. New Labour’s public service reform programme has been dominated by targets, key performance and more recently user choice. In light of the forthcoming election, the latest manifesto titled ‘The Choice for Britain’ argues for the establishment of user rights and entitlements against which the performance of public agencies will be evaluated (Labour Party 2009). Conservatives have pledged to abolish the PFI but preserve private sector involvement in the delivery of public services, as well as to increase choice and accountability of professionals to users. Implicit in such policy initiatives is the belief that public servants cannot be trusted and therefore the organisational context within which they operate and the rules of the game need to be adjusted to incentivise them to deliver. Leaving aside the validity of such assumptions, policy-makers should be reminded that policy initiatives have the capacity to distort organisational missions. This has implications not only with regards to who is attracted to work for the public sector, but also their levels of public service motivation thereafter. If we wish pro-social behaviour to be an attribute of our public servants then we need to reconsider the direction towards which the existing policy paradigm is taking us.
References


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Table 1: Parameter estimates

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Public Service Motivation</th>
<th>Attraction to policy-making</th>
<th>Public Interest</th>
<th>Compassion</th>
<th>Self Sacrifice</th>
<th>Governance Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector Employee</td>
<td>-.205 (.034)*</td>
<td>-.262 (.163)</td>
<td>-.375 (.003)**</td>
<td>.145 (.280)</td>
<td>-.466 (.000)**</td>
<td>-.176 (.204)</td>
</tr>
<tr>
<td>Not a trade union member</td>
<td>-.371 (.000)**</td>
<td>-.224 (.103)</td>
<td>-.324 (.005)**</td>
<td>.532 (.000)**</td>
<td>-.189 (.049)*</td>
<td>-.506 (.000)**</td>
</tr>
<tr>
<td>Organisational Tenure</td>
<td>.041 (.000)**</td>
<td>.015 (.282)</td>
<td>.021 (.023)*</td>
<td>.038 (.000)**</td>
<td>.061 (.000)**</td>
<td>.063 (.000)**</td>
</tr>
<tr>
<td>Never worked in the private sector before</td>
<td>.165 (.097)</td>
<td>.338 (.019)*</td>
<td>.206 (.035)*</td>
<td>-.009 (.931)</td>
<td>.343 (.001)**</td>
<td>.050 (.639)</td>
</tr>
<tr>
<td>Male</td>
<td>-.055 (.256)</td>
<td>-.049 (.268)</td>
<td>-.073 (.268)</td>
<td>-.149 (.03991)</td>
<td>-202.064 (.0099)</td>
<td>-.207 (.007)**</td>
</tr>
<tr>
<td>Age</td>
<td>.008 (.138)</td>
<td>.016 (.110)</td>
<td>.014 (.046)*</td>
<td>.001 (.142)</td>
<td>.003 (.640)</td>
<td>-.005 (.530)</td>
</tr>
<tr>
<td>Private Sector Employee*Org. Tenure</td>
<td>-.064 (.000)**</td>
<td>-.039 (.163)</td>
<td>-.037 (.046)*</td>
<td>-.079 (.000)**</td>
<td>-.071 (.000)**</td>
<td>-.053 (.009)**</td>
</tr>
</tbody>
</table>

R² | .593 | .177 | .398 | .409 | .532 | .464 |

**Note:** Dependent variables: Public service motivation, attraction to policy making, public interest, compassion, self-sacrifice and governance values. N =420. * p < .05. ** p < .01. *** p < .001