

## GOVERNANCE AND THE PUBLIC GOOD

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The paper examines the control of power, using an account of the public good developed from Aristotle. It identifies three different perspectives on the relationship between governance (the control of power) and the public good: a 'cybernetic' perspective, an 'axiological' perspective, and a perspective of 'critique'. This framework offers a way to scrutinize the exercise of power, and to evaluate the linkages between a political administration and its citizenry. To evaluate an administration's legacy, this framework suggests we should study: (1) how an administration controls power over time; (2) how an administration exhibits virtue; and (3) how an administration creates conditions which enable its citizens to live the good life. Narrative theory is one basis for empirical development of this framework. This contributes to some long-standing debates in management, public administration, economics and political science. It also enables critical examination of a fashionable, though vague, term: 'public value'.

### INTRODUCTION

This paper develops a new account of the relationship between: (1) the control of power; and (2) outcomes in the public sphere. Questions about the former relate to what one might term 'governance issues'. Questions about the latter can be described as concerning 'the public good'. This relationship is explored in several perennially interesting academic debates, and in contemporary accounts of the fashionable, though vague, term 'public value'. There has been a great deal written about 'governance' and 'the public good'. Although these terms are used in different literatures, they are neither defined consistently nor precisely. The rhetorical flexibility in the term governance and in the phrase the public good confers certain benefits. It allows us to reference, in a summary way, broad sets of ideas, problems and relationships at interlocking levels of analysis (Karlsson 2000). However, when trying to apply these terms to a particular problem or domain, this rhetorical flexibility is limiting. In such cases greater specificity and precision is called for, even at the cost of introducing particular senses to phrases that have an immediate or surface appeal at various levels of analysis and to various constituencies (Frederickson 1991). The way these terms are discussed here offers a theoretical contribution to some long-standing debates in management, public administration, economics and political science (see Samuelson 1954; Roxbee Cox 1973; Perry and Rainey 1982).

To contribute to these debates requires an initial statement as to how and where this paper stands in relation to well-established ideas. Prior work on the relationship between governance and the public good can be described in terms of three perspectives. First, the relationship between governance modes and service outcomes raises a series of practical and pragmatic questions to do with the 'how' of organizing the public sector. These 'how' questions concern management, control, and measurement: in short, a *cybernetic* (in the specific sense of 'steering') perspective (see, for example, Jones and Goldberg 1982; Chaudhuri *et al.* 2006). This paper introduces and discusses definition of the term governance from this perspective. Second, evaluating public services involves assessing configurations of outcomes (ends), and steering, but it also involves assessing the ways in

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which particular outcomes are encouraged or prohibited (means). These are ideologically charged, ethical questions: an axiological perspective (see, for example, Bentham 1781; Ross 1980). This paper introduces and discusses definition of outcomes in terms of the economic sense of 'public goods' and the overarching category 'the public good'. Third, political administrations lay claim to the effective management of public services and this forms the justification for the ownership of power. Democratic governments try to balance political with economic costs and face an imperative to persuade constituents that revenue is being spent effectively (Ezzamel 2001) and that they demonstrate good government. One role of the academic community is to subject the claims those in power make to scrutiny: a perspective of critique (see, for example, Starkey 1995; Bache 2003; Jann 2003). These perspectives are different rather than distinct; for instance 'how' questions in administration are also ideologically charged (and are open to scrutiny and critique). However, although these overlap, in order to offer clarity of argument, they are discussed separately here. Having located the paper in relation to extant debates, the sections that follow outline the nature of the theoretical contribution.

## A CYBERNETIC PERSPECTIVE ON GOVERNANCE AND THE PUBLIC GOOD

### Governance

The origin of 'governance' lies in the Greek term *kybernesis* (κυβέρνησις): piloting. 'Governance' has contemporary connotations of steering or stewardship and different writers acknowledge this core sense (Starkey 1995; Jessop 1998). However, there is great variation in terms of how governance is deployed in different disciplines. This can be inferred superficially by considering the different disciplines in which governance is a core term: socioeconomics (Campbell *et al.* 1991; Hollingsworth *et al.* 1994; Hollingsworth and Boyer 1997; Crouch 2006); development studies (Hyden and Bratton 1992; Leftwich 1994); organization studies (Starkey 1995; Jones *et al.* 1997); globalization studies and international relations (Rosenau and Czempiel 1992; Kooiman 1993; Senarclens 1998); political science (Pierre 1998; Pierre and Peters 2000); public administration (Hood 1991; Rhodes 2000) and the study of social policy and policy implementation (Rhodes 1997; Gaudin 1998; Daly 2003). 'Governance' also features as a discrete analytical concept with its own particular connotations. Outside the field of public administration, and over the last decade or so, debates surrounding 'governance' have been most prominent within the burgeoning literature on corporate social responsibility (CSR) and business ethics. The widespread and long-lasting recriminations that accompanied Enron, Tyco, Worldcom, and other corporate scandals, are routinely thought of as failures in 'corporate governance' (Daily *et al.* 2003; Sundaramurthy and Lewis 2003).

Across different literatures, 'governance' has no agreed definition. It has been described as a 'vague', 'pre-theoretical', 'buzzword' (Jessop 1998). Lynn *et al.* (2001, p. 5) point to a 'breadth and ambiguity of definitions'; Bache (Bache 2003, p. 301) states 'its use often lacks definitional clarity'; and Rhodes (1997, p. 15) says it has, 'too many meanings to be useful'. Others describe governance more cynically, as a 'very fashionable' 'neologism' (Pollitt and Bouckaert 2004, p. 10), or 'political catchword' Pierre and Peters (2000, p. 50). This means its 'usage has been both loose and universalising' (Daly 2003). Jann (2003, p. 113) suggests governance is, 'an all-purpose political concept'; this resonates with Bevir *et al.*'s (2003, p. 14) description of it as an 'elastic' term. Difficulties defining governance translate into problems with operationalization and analysis. For example, despite substantial research over time in the field of corporate governance, Daily *et al.* (2003, p. 371, original emphasis)

suggest, 'we know where *not to* look for relationships attendant with corporate structures and mechanisms, perhaps even more so than we know where *to* look'. There are typically subtle, and at times more dramatic differences in the way in which the root term governance is understood and operationalized. Though governance is occasionally portrayed as a systemic, or cultural, phenomenon (Starbuck 2003) much research operationalizes it in rather narrow terms of control, '[c]orporate governance regulates the ownership and control of organizations. . . . It sets the legal terms and conditions for the allocation of property rights among stakeholders, structuring their relationships and influencing their incentives, and hence, willingness to work together' (Konzelmann *et al.* 2006, p. 542). Though studying governance in this sense is vital, it is also limited because a narrow construction of control obscures the broader question of the control of power.

Control is a core theme in contemporary organizational theory but the analytical focus here is often on the wider issue of the control of power, with a consequent emphasis on material, cultural and social technologies of control (Knights and McCabe 1999; Delbridge and Ezzamel 2005). In contrast, in the corporate governance literature, control is understood in terms of the actions of powerful individuals: for instance, the actions of the chief executive, chairman and board members (Jones and Goldberg 1982; Mayers *et al.* 1997; Deakin and Konzelmann 2003). The assumptive paradigm underpinning much of this work is agency theory – a prioritization of individual choice, typically construed as self-interested, rational and utility maximizing. The agency bias reflects a legal/economic perspective, rather than an integrated social science approach. The effects of this bias have been far-reaching, also influencing assessments of accountability in non-profit organizations, and provoking debate as to the role of the academy by directly or indirectly influencing the moral climate for organizational life (Donaldson 2005; Ghoshal 2005). In much of the literature on corporate governance, this bias is expressed in a focus on ownership in its narrowest 'corporate' sense: that is to say on interpreting the organization as an agent and an aggregation of agents. This forecloses a range of alternative answers to what Starkey identified as 'the essential governance question', 'the nature of power, its "ownership", exercise and limits' (Starkey 1995, pp. 838–9). These broader issues are of particular relevance when considering work in the public sphere, and evaluating the contribution of an administration to the public good.

### **Governance and public sector work**

A number of writers identify basic differences between private and public sector work in terms of their association with government, the links to core public services, a 'civic ethic', and the underlying authorizing environment (Moore 1995; Kelman 2005; Morrell 2006a; Pettigrew 2005). It is perhaps surprising then that the way corporate governance is understood is so readily comparable across both sectors, where outcomes are governed by the interplay between individual agents' choices, systems of private contracts, and a regulatory backdrop of constraints and impositions (Mayers *et al.* 1997). In the field of US healthcare, for instance, 'governance' is often reduced to analyses of the structure of governing boards of hospitals, and particularly the influence and representation of clinical groups (Kocher *et al.* 1998; Lister and Herzog 2000; Saleh *et al.* 2002). This has been paralleled to some extent in the focus for healthcare reform in the UK, with the creation of new organizational forms and systems of incentives. Recent UK legislation defines 'Foundation Trusts' as 'public benefit corporations', determined by their accountability requirements and their requirement for representation by 'local communities and front line staff', with autonomy linked to financial performance (HMSO 2003). The effects of

privatization of public services go beyond a simple change in ownership but, as in the case of the Scottish Executive's (SE) programme of prison privatization, they are often justified by a narrow consideration of incentives and costs. In the case of the SE's programme this was insensitive to contextual factors and notions of the wider public, 'a failure to capture social costs or benefits' or even acknowledge basic limiting assumptions about cost over time (Cooper and Taylor 2005).

More fundamental and far-reaching assessments of corporate governance allow space for nuanced and context sensitive accounts (Jackson and Carter 1995; Starkey 1995). In methodological terms, this allows for approaches that differ from the standard cross-sectional or quasi-longitudinal designs using financial data and other performance measures. Instead, through more in-depth qualitative study over time (see, for example, Pettigrew and McNulty 1995), the latter approaches allow more scope to study interaction, process and structures (Roberts 2001). This added interpretive scope is arguably more apposite in the public sector given the complex accountability requirements of public sector officials and leaders, and the formal political environment that authorizes the work of public sector organizations. Instead of focusing exclusively on issues such as associations between board composition and outcome variables (the narrow senses of 'corporate' governance, and of control) to evaluate the delivery of public services and the effectiveness of administrations, we must interrogate the wider institutional framework for exercising power. At its highest level of abstraction, this can be described in terms of archetypal modes for configuring service delivery: networks, markets and hierarchies (Rhodes 1997; Sbragia 2000). This offers a corrective, or compensating, account of structure in contrast to approaches that construe ownership in pure agency terms. It redirects attention to the wider regime which provides the ultimate logic for the 'the nature of power, its "ownership", exercise and limits' (Starkey 1995, p. 839).

Across the public sector as a whole, the most far-reaching and contentious reforms affect governance modes: the ways in which resources are allocated and consequently the determinants of the ownership, exercise and limits of power. Attempts at marketization produce conflicts and tension cross-nationally and in different parts of the sector: for instance, 'choice', voucher schemes, capitation (payment per client treated or served), internal markets, the 'purchaser/provider split', privatization, the commodification of 'science' (Kazancigil 1998; Harrison and Wood 1999; Mrotek 2001; Gibbons *et al.* 2004; Hyde and Davies 2004; Cooper and Taylor 2005; Morrell 2006b). More broadly, the trans-national phenomenon of new public management, and managerialism, can be understood as an explicit attempt to replace hierarchic modes with market-based initiatives, and to replace administration with management (Shergold 1997; Ballas and Tsoukas 2004). In the private sector, markets govern the allocation of resources. However, in the public sector, there is considerable debate as to the appropriate governance mode for resource allocation: hierarchies may be inefficient but they may also preserve equity and a sense of principle; markets may reproduce and pattern inequalities, but competition can encourage efficiency gains; networks may be difficult to scrutinize and regulate, but establishing partnerships and trust may offset some of the costs and risks associated with markets – benefits associated with 'relational' governance (Akbar and Venkatraman 1995; Poppo and Zenger 2002).

There are, undeniably, difficulties in relying on reference to these modes, and in relying on such a high level of abstraction. It is clear that there are many different variations on 'market', 'hierarchy' and 'network' depending on the type of government, the socio-political context, the type of good or resource being allocated, institutional histories and

identity, professional jurisdiction, and so on. Hollingsworth and Boyer (1997) differentiate between clans, clubs and communities, who on this model would all fall under the rather broad category of network. As well as acknowledging the absence of a definitive type, it is important to note that these modes coexist. For instance, markets rely on a legislative framework (a hierarchical mode) and are rarely perfect, hence trade often depends on some prior connection (a network mode). Hierarchies can be undermined by favouritism (a network mode) or some forms of bargaining (a market mode). Nonetheless there is a stable, surface appeal to these types – albeit at a high level of abstraction. Markets can be contrasted in principle with the hierarchical modes of organizing stereotypically associated with the public sector. Network modes describe relations between agents that are in principle more local and less impersonal than the rules of hierarchy or the profit motive. Having proposed this as a resolution to the problem of defining governance, the section that follows discusses an approach to defining the public good, initially differentiating this from the cognate though potentially confusable term ‘public goods’. This is intended as a contribution to the axiological perspective on governance as set out in the Introduction.

## AN AXIOLOGICAL PERSPECTIVE ON GOVERNANCE AND THE PUBLIC GOOD

### Public goods

In economics, public goods are understood as non-rivalrous (one person’s consumption does not reduce the benefit of another’s consumption) and non-excludable (when one person consumes, it is impossible to prevent another consuming too) (Hudson and Jones 2005). In a paper, according to Pickhardt, ‘conventionally considered as the foundation of modern public goods theory’ (Pickhardt 2005, p. 283), Samuelson (1954, p. 387) defined a public good more eloquently as one that, ‘all enjoy in common in the sense that each individual’s consumption of such a good leads to no subtraction from any other individual’s consumption of that good’. Strictly, these two conditions imply that no market can exist for such goods and, accordingly, governments have to fund the protection or provision of such goods through taxation. However, this definition is extremely demanding and it is difficult to identify goods that totally satisfy both conditions. Accordingly, the phrase public good is often used rather loosely to describe goods and services that are largely or ideally non-rivalrous and non-excludable, and which resist or challenge the power of the market rather than rendering it wholly unworkable. As an illustration, Marquand identifies the following which he carefully describes as ‘goods of the public domain’:

fair trials, welcoming public spaces, free public libraries, subsidized opera, mutual building societies, safe food, the broadcasts of the BBC world service, the lobbying of Amnesty International, clean water, impartial public administration, disinterested scholarship, blood donors, magistrates, the minimum wage, the Pennine way and the rulings of the Health and Safety Executive. (Marquand 2004, pp. 32–3)

Some of these lie closer to the strictest definition of a public good than others. For instance, as a global broadcaster, access to the BBC world service is non-rivalrous. However, this ‘good’ is not absolutely non-excludable. Access (as with libraries) also depends to a degree on cultural capital (Bourdieu 1993), that is, the ability to speak whichever language is being broadcast. These nuances undermine the homogeneity implied in the term ‘public’. Welcoming public spaces are non-excludable in the sense they are open to all. They are only non-rivalrous up to a point, however, since they would have limited capacity (and

presumably be less welcoming when crowded). Subsidized opera is neither non-rivalrous or non-excludable since there is a limit on attendance and those unable to afford tickets are excluded. Some public goods (sometimes called pure public goods) are simply 'there': for instance, fresh air. Governments do not fund provision of these though they may need to regulate externalities that potentially compromise these goods, pollution being an obvious example. In Marquand's list, clean water comes close to the category of pure public good, though ensuring cleanliness requires intervention, and utility companies are often from the private sector. So too does a long-distance walkway such as the Pennine Way in the UK, though that has to be maintained, and was created in the first place.

Each of the qualifiers to the strict category of public good illustrates how the non-rivalrous and non-excludability criteria are limiting. Instead we often rely on a tacit understanding of what constitutes a public good and Marquand's list, and his carefully chosen phrase, denote a series of goods that one would associate with 'the public domain'. In providing references to diverse goods, he offers insight into a reasonably stable category, and a resolution to the problem of the strictness of the definition of public goods. Resisting the illusory appeal of necessary and sufficient conditions (non-rivalrousness and non-excludability) allows a more nuanced and flexible approach to defining goods that are in some senses public. It is an approach where we can point to examples and express category membership using a relational, type-definitional framework; much in the same way we colloquially understand terms like 'table' or 'game' without being able to offer necessary and sufficient conditions (Wittgenstein 1953; Mauws and Phillips 1995). This is not to say there will always be consensus as to what goods lie in the public domain, but Marquand's list is a working solution because all the goods on the list are non-excludable and non-rivalrous to some degree.

### **The public good**

When we speak of 'the' public good this is a shorthand signal for shared benefit at a societal level (Shergold 1997). This abstract (philosophical/political) sense should not be reduced to the established specific (economic) sense of 'a' public good (above). There is of course some conceptual overlap between the two concepts: other things being equal, the fair and efficient provision of public goods contributes to the public good, and the unfair, inefficient provision of public goods harms the public good. However, the public good, and other global criteria such as public interest (Patashnik 2003), or 'abstract devotion to the public good' (Tullock 1984, p. 89) are ultimate, 'meta'-categories for evaluating change, or buttressing appeals to particular courses of action (Roxbee Cox 1973). In this sense they provide an overarching normative framework (Shapiro and Rynes 2005). The currently fashionable, though rather vague, term 'public value' is a recent attempt to explicate the public good (Stoker 2006). The originator of the term, Moore (1995), in *Creating Public Value*, proposes that creating 'public value' can be a guiding principle for decision making in the same way that private sector practitioners can invoke a prime directive of maximizing 'shareholder value'. Public value is proposed as the means by which practitioners in the public sector gain similar clarity and consensus as to their basic remit. Such clarity of purpose could overcome some of the difficulties occasioned by working in a more complex regulatory and 'authorizing environment' than the private sector. Whereas (Moore argues), private sector managers have a comparatively clear and well-rehearsed end goal – to maximize shareholder value – it is harder to describe the ultimate purpose for public sector managers, partly because public sector managers have more complex accountability requirements. As public servants funded from taxation and responsible

for discharging policy, they are answerable to a wider and more variegated constituency than the faceless 'shareholders' of private industry. Moore seeks to address both these challenges (lack of clear, overriding purpose; complex accountability requirements) by imaginatively outlining an account of 'public value', and proposing it as a parallel end goal. Just as managers in the private sector try to 'add value' (increase the worth of the company to shareholders), public sector managers can try to 'create public value'.

To illustrate his argument, Moore uses inspiring vignettes that show how problems in public administration have been addressed creatively. The first of these, which opens the book referred to above, is a public librarian's response to coping with increased numbers of what Moore describes as 'latchkey' children. The creative response involves the librarian seeking ways in which to work with this constituency, rather than using the situation instrumentally to argue for extra funding, or responding officiously and banning the 'latchkey' children. Through involving the children in activities and providing them with additional resources at little extra cost (by changing staff rosters for instance), the librarian enhances the value their library creates in that community. This is one of the most celebrated and discussed cases in the book, yet it is important to note that it is a fiction. Moore describes it thus, '[t]he case... is a hypothetical one, stimulated by a discussion in my hometown' (Moore 1995, p. 318). However, this detail is omitted from the actual text and explained only in an endnote, leading some people to misinterpret the text. Bizarrely, and troublingly, this tale and an equally fictitious tale of 'the sanitation commissioner' have been referred to in the academic literature (in a review of the book) as 'descriptions' and 'cases' (Kniss 1998). The imaginary librarian has been put forward as an example of how to implement public value by the National Health Service for Innovation and Improvement (Coomer 2007). Her 'work' is referred to by the Young Foundation in an analysis of New Labour policy where Davis (2005) describes her as a, 'solitary, smart professional'. A *New Statesman* article in 2004 (written by someone at Moore's own institution), described the librarian as Moore's 'favourite example' of someone who 'builds public value' (Crabtree 2004). The concluding passages of *Creating Public Value* also treat works of fiction and empirical cases as identical. In recapping the, 'managers whose problems we have faced', Moore (1995, p. 293) lists the 'reflective librarian' (fictitious) and 'hard-driving sanitation commissioner' (also fictitious) alongside 'bold leaders', 'enterprising heads' and 'determined operational strategists' (empirical). There is no doubt that the cases, real and fictitious, are inspirational and thought provoking. The approach to method, however, is rather nonchalant and a real cause for concern.

There are also a number of theoretical limitations with this account. Moore does not at any point specifically define what is meant by the term 'public value'. This alone suggests there is reason to be cautious about the term's analytical merits and origins. As well as the absence of a clear and unequivocal definition, he neither refers to any underpinning theoretical framework nor makes firm links to an established body of ideas. He offers no theoretical propositions to test or develop 'public value' and no hypotheses or guidance on how to examine the term empirically. In these important senses, his account falls short in providing us with a theory of public value. It is certainly problematic for instance that the central term 'public value' lacks definitional clarity. Kincaid (1997, pp. 257–8) argues that, as a consequence, it, 'can be applied equally well to agency survival and even aggrandizement'. He continues, 'the author needs to fall back, in the end, on moral exhortations to government managers who might misappropriate the lessons'. As well as these intrinsic theoretical limitations, one central premise in the argument for 'public value' is questionable. Moore suggests public sector managers lack a clear remit equivalent to

that of shareholder value in the private sector. However, 'value' or 'shareholder value' in private sector firms is by no means straightforward. While there may be a superficial coherence or gloss in the phrase 'shareholder value', in practice, value is contested (Ezzamel and Burns 2005). The suggestion that public sector managers should look to shareholder value as a comparatively clear remit is somewhat simplistic. Though the phrase 'public value' has an initial appeal, these concerns mean it is also rather vague. When trying to use the term analytically, 'public value' can become as slippery as the catch-all term 'governance', and perhaps in different ways these two terms remain insensitive to analyses of power, and the control of power.

In one sense this is because the constituent element 'public' is contested (see Frederickson 1991). Here, however, I propose to set aside the question of how to define the term 'the public' directly, and instead address what constitutes the good for the public. More particularly, I want to propose a basis for assessing claims about the control of power in the public domain. This can inform appraisal of the relative merits and demerits of different modes of governance and their relation to the public good. Perry and Rainey (1988, p. 184) suggest there are 'multiple, sometimes conflicting conceptions of the public interest'. A number of such senses can be detected in Pickhardt's (2005) wide ranging review of some of the relevant historical and economic literature. In Pickhardt's review the public interest is served by: (1) the benevolence of the governing elite; (2) adherence to the principle of justice; (3) a system of government that combines efficiency with fairness; (4) *Gemeinsinn* or a sense of community; and (5) the altruistic behaviour of citizens both individually and as a collective. At different levels of analysis each of these could feature in an evaluation of public service outcomes and feature in debates about the superiority of markets, hierarchies and networks as governance modes. The actions of an individual public servant, the policy of a public sector group or organization, the national policy of a government ministry or agency, or the actions of a transnational body such as the United Nations or European Union could all harm or benefit the 'public' depending on how that is constituted (Mok 2002). Following Pickhardt, at a national level of analysis, assessment of the public interest could be a matter of a portfolio of different performance indicators, for instance: income differentials, access to core services, educational attainment, levels of crime and violence, electoral turnout, levels of blood and organ donation, and so on.

However, any approach reliant on performance indicators faces difficulties since consideration of the public good invokes axiological (fundamental, ethical) questions and not simply technical or cybernetic ones. For instance, how would one decide on the relative weighting of these indicators other than with recourse to some normative principles (could they even be commensurate)? Theorists are likely to arrive at different accounts of the good if they begin from different starting assumptions. For instance, Nozick (1974) argues that if individual liberty is sacralized there is a compelling case for free market principles (something of an elision if one concedes that markets are not 'free' but are themselves generative social structures dependent on order, and constitutive of control). Alternatively, if concerns of the good are at a societal level and concern justice, there is a case for subordinating the principle of liberty for all (Rawls 1971). Differences such as those reflected in Nozick's and Rawls' divergent accounts of the good for society underline that, at their heart, questions about the public good remain axiological. To try to define this more precisely, an influential normative account of ethics – virtue ethics – can be used to develop an account of the good. This offers two direct advantages. First, it offers some clarification and is therefore itself more open to critique and interrogation than vaguer formulations of the public interest or public good (such as 'public value').

Second, in methodological terms, it offers a description of the control of power that is not agency centric, but which considers how actions are situated and constituted with reference to context over time. In combination with the proposed account of governance modes outlined above, a virtue ethic account of the good offers space in which to develop a powerful approach to evaluating the normative claims about the configuration of public services: a perspective of critique. This includes greater sensitivity to context and an improved account of the control of power over time.

## A PERSPECTIVE OF CRITIQUE ON GOVERNANCE AND THE PUBLIC GOOD

### Virtue ethics

In an Aristotelian account of the good, the aim of analysis is to move beyond a list of good things, to an overarching conception of what is the good. Aristotle, 'believes that the right place to start an inquiry into well-being is to take note of the multiplicity of good things, and then to move beyond a mere listing of them' (Kraut 2002, p. 51). This approach may offer scope to move beyond Marquand's list of goods of the public domain discussed earlier (fair trials, safe food, clean water, and so on). Marquand's list indicates that there is an entrenched diversity in considering the public domain. This may have benefits, but it also closes off the goal of having a more broad ranging assessment of the extent to which a political administration contributes to the public good. To pursue the Aristotelian goal of an overarching conception of the good is to open up the space within which a more broad ranging assessment is possible. A coherent account of the public good is a precondition for critique because this avoids the rather thin analytical senses of terms such as 'public value'. Irrespective of the intentions of the originator of the term, 'public value', can serve as rhetorical cover for instrumental and self-serving rationalizing. In contrast, there is a well established account of what 'the good' means in political thought, most clearly in Aristotle's account of virtue.

Virtue ethics can be traced at least as far back as Plato and Aristotle and the 5th century BCE. Two of their most famous works (*Republic* and *Politics* respectively) also address the most suitable ways in which society should be organized (Ross 1980). As well as having historical relevance, virtue ethics has contemporary appeal (MacIntyre 1984; Nussbaum 2001; Grint 2007). It is a different tradition to the more abstract and impartial modes of utilitarian or Kantian ethics because it draws attention to the individual as a moral agent, and to their context in the widest sense. It can be thought of as a narrative ethic since it considers the implications of actions in terms of an agent's environment and personal history, as well as the future implications of that action on the agent's moral worth, or character. Virtue ethics prioritizes the cultivation of *arête* (ἀρετή): virtue, or moral excellence; through following good habits and acting in accordance with the pursuit of the good. Evaluation of someone's character and moral excellence can only really be done at the end of their life, though it is a constant struggle to meet standards of excellence. In the sense that virtue is only ultimately assessed on one's death bed, it is a teleological account (Morrell 2004a). As illustrated below, when this approach is applied to evaluating governance and the public good, this encourages us to evaluate the control of power over time.

This section draws in particular on Aristotle's account of virtue as advanced in the *Nichomachean Ethics* (NE). It is here that the most influential attempt to move beyond a listing of good things, and towards an abstract account of the good, is developed. Aristotle argues that there are many things which are deemed to be good. Further, he

argues that although these are diverse, they are also interconnected. To develop a systematic account of the good, he suggests we need to understand the way in which these are related as well as to develop a hierarchy of good things. He suggests that different activities 'aim' at different good things, 'the end of the medical art is health, that of shipbuilding a vessel, that of strategy victory, that of economics wealth' (*Nicomachean Ethics* I, 1). These can be understood as proximate ends, which is to say each of these ends is in themselves subordinate to other activities and ends. Health is not an end in itself, but it enables other activities; a ship is used for other activities which have their own ends; victory may be a precondition for peace, which is necessary for political administrations to pursue other ends; wealth may enable development and so on.

Aristotle suggests that there is an ultimate good at which all activity aims: a final end, or *telos* (τέλος). He describes this ultimate good for mankind as *eudaimonia* (εὐδαιμονία). This is typically translated as happiness, though it is important to note that for Aristotle happiness is not a state of mind or disposition; rather, it is an ongoing activity. Simply put, it may help to think of *eudaimonia* as a verb, rather than a noun. In rejecting the definition of happiness as a disposition or temporary mood, Aristotle (*NE* I, 7) furnishes us with the famous metaphor, 'one swallow does not make a summer'. He goes on, 'a short time does not make a man blessed and happy'. Instead, *eudaimonia* consists in 'activity of soul exhibiting virtue [arête]'. *Eudaimonia* is sometimes rendered as 'flourishing': activity where we pursue those things that make us distinctively human. Evaluation of whether one has successfully aimed at *eudaimonia* is only finally realized at the end of one's life.

Aristotle's account of ethics is interwoven with his account of politics, since he describes politics as the 'science of good for man' (*NE* I, 1). A benefit of considering the connection between Aristotle's virtue ethics and contemporary accounts of the public good is that Aristotle's account of ethical behaviour can be applied not only to individuals, but to institutions too, 'though it is worthwhile to attain the end merely for one man, it is finer... to attain it for a nation or for city states' (*NE* I, 2). In relation to the public good, the implication of this analysis is that political administrations exist to create the conditions within which citizens can live the good life. They provide, or regulate the provision of, public goods, but these are only proximate ends. The role of politics is to achieve excellent administration, and an environment in which citizens can flourish. Furthermore, the actions of the state should also exhibit virtue. This analysis suggests that one can evaluate the claims or legacy of an administration in relation to the public good by assessing: (1) how it controls power over time; (2) how it itself exhibits virtue; and (3) how it creates the conditions within which citizens can live the good life. This offers a simple but powerful mode of critique, one that is rooted in a coherent account of the public good.

### Public administration and the public good

Two illustrations may be helpful here. First, let us consider the legacy of the UK Conservative governments 1957–64. An examination of the period, shows that the UK Prime Minister, Harold Macmillan, and his successor, Alec Douglas-Home, formed cabinets that were remarkable cliques. Macmillan exhibited what would now seem astonishing nepotism when he gave government posts to 35 family members, employing 7 of them in his cabinet (Marr 2007). Both he and Douglas-Home displayed a fondness for including Old Etonians in their cabinets. These crude versions of network governance: by old school tie, and by nepotism, were jarringly out of synch with the liberalization of the early 1960s. This entrenched an elitism that heightened the impact of the Profumo affair (see Coates

2001) and the legacy of this Conservative era is hypocrisy, deceit and scandal: vices antithetical to the public good. With reference to the simple analytical framework proposed above, these governments failed to contribute to the public good in each regard. The way they controlled power over time was through reliance on nepotism and cliques (crude forms of network governance). This meant they were out of touch with their citizenry at a time of liberalization. These vices meant they ruled as an isolated and distant elite, in contrast to two core ideals underpinning Aristotelian society: (1) a common education for all; and (2) masses and the elite ruling together (Kraut 2002). In undermining confidence in the institutions of the state, and being so demonstrably unrepresentative, they damaged the link between government and civil society. The gulf between the ruled and the ruling elite was prejudicial to pursuit of the good life.

Second, as a more contemporary example, in evaluating the Blair era of government, we could draw some parallels between his style of 'sofa government' and the cosy networks enjoyed by Macmillan and Douglas-Home. The more distinctive strands in this New Labour administration have been the arrogation of powers to No. 10 and the influence of unelected advisors. The result has been an erosion of civil liberties: (1) curtailing freedom of speech and the right to protest; (2) establishing DNA databases and affording police the power to swab people against their will; (3) persisting with an unpopular ID card agenda; (4) curtailing rights to trial by jury; and (5) extending the rights of the state to detain people without trial (Porter 2006). The government also pursued a war that was morally and legally questionable in the face of unparalleled public opposition. These measures, the 'sofa government' tag, and the pursuit of war, describe a particular way in which power is controlled over time: a presidential style inconsistent with the UK's model of democracy, or with Aristotle's view of the plurality (the mass and elite ruling together) (see Kraut 2002). Each of the measures that curb liberty, and the war itself, has largely been justified with reference to the threat of terrorism. Guarding against a terrorist threat should be a proximate end, something governments 'aim' at in a number of ways (including that of an enlightened foreign policy). The only reason for doing that is so that citizens can pursue the good life. If this is compromised by curtailing liberty and creating a climate of fear, and by increasing the power and influence of the state, then an administration is not aiming at *eudaimonia*, but totalitarianism.

Illustrating this argument with the above cases may appear to present a problem. It can seem uncomfortably close to the method used by some to promote the concept of 'public value'. I have questioned the use of celebratory vignettes so critics of this argument could suggest it is incoherent to rely on a similar device here. However, this account, and its use of illustrative cases, is different in important senses. These cases (the governments of Macmillan, Douglas-Home, and Blair) are understood in relation to a particular theoretical framework. 'Public value', in contrast, is theoretically 'poor' in the sense that there is no clear attachment to an underlying body of theory or history of ideas. There are no identifiable propositions or suggestions for empirical development, and no unequivocal definition. Though it has clear origins, and an inventor, there is no clarity in the term 'public value'. As a result, it is an extremely pliable concept. This pliability makes it open to being used entirely instrumentally by those in power, or those willing to serve those in power. In contrast, there is more consensus over, and shared understanding about, what the good means. In discussing the good, we have recourse to a rich body of ideas and literature that underpins our notions of democracy. Second, the original account of public value may be theoretically poor, but this is compounded because it is also methodologically bankrupt. One signal of this is the equivocation of fiction and description in the use of 'cases'.

Additionally, Moore (1995) offers little if any discussion of the basic, standard cautions that social scientists are expected to observe. There is no discussion of validity, reliability or bias; no account of how potential alternative interpretations were evaluated and discounted; no acknowledgement that interpretations and interpretive frameworks themselves create 'data' through processes of framing and construction; no in-depth consideration of, or identification of, counterfactuals; in short, no genuine discussion of method.

This combination of theoretical poverty and methodological bankruptcy is not a happy one. Part of the reason social scientists who study administration take care over method is that they are rarely recounting events that are widely known. The cases above (of Blair, Macmillan, and Douglas-Home) are unusual, and different from management vignettes, in this instance, because they interpret the broad sweep of recent political history. Alternative interpretations of these governments are available (see, for example, Marr 2007; Shaw 2008). However, in most studies of strategic administration there are no other sources for the stories researchers relate. Readers need information about method to form judgements as to the validity and reliability of the argument and inferences. To ignore method is to foreclose scrutiny and that is a problem with any account – such as of public value – that is normative, has no clear theoretical foundation, and lacks definitional clarity. With this caution in mind, the paragraphs that follow offer suggestions for empirical development of the framework advanced here. This shows how the theoretical account of the good can be informed by, and inform, practice.

### Empirical development

In terms of a broad epistemological framework for research, interpretivism offers perhaps the most promise to develop these ideas empirically. Interpretivist approaches to public administration allow for more flexibly employed theory and a greater opportunity to 'shuttle' (Wright Mills' phrase) what he referred to as the 'ladder of abstraction' (Wright Mills 1959): that is, to examine both the macro-theoretic questions of society and the state and the micro-theoretic questions of motivation, preferences and choice. These advantages are important here, since the Aristotelian model involves understanding the relationship between an individual or 'agency' notion of the good life and a shared or 'structure' notion of the good society and state. In terms of a particular methodological approach within interpretivism, narrative theory is appropriate in examining how we understand this relationship (Barry and Elmes 1997; Morrell 2006a). Narrative theory emphasizes the important status of stories and storytelling across different media and in different settings. Narratives are vehicles for interpreting change, making attributions, justifying and explaining behaviour, and summarizing complex scenarios. They assist inferences and decision-making processes as part of the process of sensemaking which influences how we act in the world (Weick 1995). This approach has two further advantages here. First, it is in sympathy with the ethical framework underpinning Aristotle's account of the good. Attributions of virtue (or vice) are retrospective and involve accounts of actions over time. In this sense they share key structural similarities of narrative as: (i) 'symbolic presentation' (or representation) of (ii) 'a sequence of events' (Scholes 1981; Genette 1982; both in Rudrum 2005); the combination of the events themselves and the way in which they are interpreted and relayed makes for a narrative. Second, narrative theory offers a way to understand the relationship between the individual pursuit of *eudaimonia* (activity of the soul exhibiting virtue), and the shared notion of the good society and state. For citizens, part of whether they act virtuously is defined by their interaction with the state: whether they participate in deliberative decision making and

respect societal constraints, for instance. Indeed, Aristotle sometimes defines the good citizen and the good state relationally (Kraut 2002). However, as well as relying on shared norms, whether someone is virtuous depends on interpretations that are sensitive to the particular context for their actions. In Aristotle, as Emirbayer and Mische identify, 'a concern for situated judgments supplants any simple belief in the unproblematic application of universal norms' (1998, p. 995). This concern with situated accounts underlines that context is crucial to determinations of virtue. Narrative theory provides a useful set of tools for analysing such accounts by examining the ways in which a sequence of events is interpreted and presented; studying what is valorized or denigrated, what is downplayed or de-emphasized, what is omitted and what is included. This care about alternative accounts, and concern with the way in which stories are relayed, is in marked contrast to the celebratory case studies that are associated with public value.

Using narrative, there are a number of ways to explore the move from the individual to the shared. Examining individual 'scripts' may be one way to do this (Schank and Abelson 1977). Scripts are shared knowledge structures that assist inference and allow us to navigate social complexity. They summarize cultural knowledge and reflect community norms that people are expected to fulfil (Morrell 2004b). There are parallels with the everyday sense of script – though these knowledge structures are not necessarily deterministic. There are also links with well established literature in social psychology relating to presentation of the self: Goffman's account of social interaction drew extensively on theatre as metaphor. Individual scripts about what is good, fair or just; or about what can be reasonably expected, will mediate people's interactions with social institutions. They will be part of an individual's own narrative about a particular scenario. In this sense, they can become a means of understanding the relationship between structure and agency. Scripts are conceptual inventories that are event or scenario-based, and their role is to assist choice (so they shape individual action). However, they concern well-known contexts and cultural knowledge (so they concern social structures and institutions). They may be particularly appropriate, then, in examining ideas of what is 'good', since ethical appraisal is often based on shared norms. Hence they may be one way to examine empirically the problem of how we can scale up from an individual account of the good, to a society based on those principles. They may also be a way to evaluate the legacy of an administration.

There is an opportunity in exploring these issues to look for the themes, motifs and markers that resonate at these different levels of analysis. In terms of actual methods or techniques of data collection/construction, direct questions about what would be a good society might prompt the sort of active deliberation that is not typically in play when making scripted judgements. This is because scripts are largely pre-conscious. It could be more appropriate to explore their role tangentially, rather than through asking directly by means of an interview or focus group. One such method would be through less invasive techniques: for instance, ethnography and observation (Rhodes 2005). Another alternative would be to look for themes, motifs and markers in extant documents (relating to policy and procedure; memos) or other artefacts (clothing; signs; furnishing; décor and the built environment) or in routines (procedures; rites and ritual).

### Limitations

There are a number of generic limitations with using Aristotle (Morrell 2007). There is the danger that an analysis developed from one aspect of his ethical philosophy can be prejudicially appraised given that some of his beliefs in *Politics* are unpalatable (for example, the necessity of slavery, patriarchy and the subjugation of women).

Notwithstanding that the ethical is always the political, and vice versa, this paper tries to draw sparingly on his account of the good in the *Nicomachean Ethics*. This does not entail that we adopt wholesale his vision of the ideal society in *Politics*. It is however a basis for a more coherent definition of the public good, and consequently a better vehicle for critique than vaguer formulations such as 'public value'. One more particular problem with virtue ethics is that it can be hard to define which virtues are appropriate, and also what order of precedence they should take. So, for example, should compassion be more important than prudence? It can be difficult to 'read off' a course of action on the basis of a virtue account, but resolving issues is partly a matter of considering the context. In this sense, consideration of the narrative, together with particular scripts, may be extremely valuable. Part of the appeal of a virtue account is that it offers scope for local and contextualized accounts of worthy action. This is in accord with narrative constructions of behaviour and sensemaking, but a marked contrast to the grand, impersonal systems of (say) Kant and Bentham. The emphasis on sensitivity to context has made some contemporary scholars more sympathetic to virtue ethics in preference to accounts that presuppose absolute standards of the good. This is partly because universal assumptions can become dogma and close off the potential for sophisticated dialogue about moral problems (MacIntyre 1984).

A boon of the virtue ethic account in the context of this paper is that it is possible to describe each of the governance modes discussed earlier in terms of associated virtues. Each governance mode can be understood as the context for the control of power within which different characteristics are prized. This leads to a multilayered account of the governance mode/virtue ethics nexus. Simplifying somewhat for the sake of illustration:

- in market-mode, virtuous organizations compete successfully, while virtuous individuals are entrepreneurial;
- in hierarchy-mode, virtuous organizations have 'good' (unambiguous, appropriate, comprehensive) procedures; virtuous individuals follow these without prejudice;
- in network-mode, virtuous organizations are collaborators; virtuous individuals develop and sustain effective relationships.

In addition, however, we must consider the limitations of these abstract descriptions of the control of power. It is worth noting that this account of the public good, based on virtue, does not incorporate Kantian maxims or other principles. Hence it would seem a narrow attribution of 'virtue' could be assigned to administrations or individuals who committed horrific atrocities. A wonderfully competitive market could exist for something that should not be subject to marketization – the fair and universal provision of healthcare may be an example (Morrell 2006a). Hierarchies could have watertight procedures and rules, but these in themselves may be inequitable or authoritarian. Aristotle does have a response to this. One can note that the modes for controlling power (markets, hierarchies, networks) are proximate, and they can only ever aim at other ends. An efficient market or well ordered hierarchy are in themselves not good things. They only become virtuous if they enable other ends to be pursued (and by extension, the ultimate end of *eudaimonia*). Hence virtue refers to actions in accordance with the good, which would preclude atrocities, inequities or a basic incoherence between the control of power (perhaps markets) and the domain over which power is exercised (perhaps healthcare provision).

It is questionable whether this analysis resolves a basic problem with an unqualified account of virtue: some principles certainly seem necessary to check perverse readings of virtue by an administration. Kantian principles, such as a 'duty of care', feature – at least normatively – in many parts of the public sector (Timmins 1995); indeed, they are closely associated with some of the virtues associated with ideal bureaucracies: impartiality, equal treatment for all (du Gay 2000). However, there are problems with relying on the presence of what might be an apparent given, such as a 'duty of care'. Resources are finite and it may be impossible to satisfy Kantian imperatives in an under-funded service. In Aristotelian terms, the proximate ends of rationing in one public service may be clear; it may be hard, however, to see whether this jeopardizes or enhances the possibility of an administration pursuing the public good across a portfolio of services. Challenging though this issue is, it illustrates another two benefits that a virtue account of the public good has over Kantian norms. Whereas one can 'aim' at virtue because there is the possibility of choosing the least worst option, Kantian principles may offer no room for compromise. Additionally, Kantian norms are imperatives: insensitive to contextual contingencies.

## SUMMARY AND CONCLUSION

This paper offers an account of the relationship between the control of power and outcomes in the public domain. This is constituted in a new definitional framework for analysing the interaction between governance and the public good. It is proposed as a theoretical contribution to some long-standing debates in management, public administration, economics and political science (Samuelson 1954; Roxbee Cox 1973; Perry and Rainey 1982). This account also has implications for the fashionable, though vague, term 'public value'. The debates within these fields, and the various positions taken within these debates, were characterized in terms of three different, though overlapping, perspectives on the problem of the relationship between governance and the public good: the cybernetic perspective (how to), the axiological perspective (values) and the perspective of critique (concerning power). The relationship between governance modes and service outcomes raises a series of practical and pragmatic questions to do with the 'how' of organizing the public sector. Discussion of public sector outcomes involves evaluating particular configurations of outcomes (the ends), but also the ways in which particular outcomes are encouraged or prohibited (the means). These are ideologically charged, 'ethical' questions that prompt consideration of normative theories of conduct. Claims to effectiveness in the delivery of public sector outcomes inescapably relate to power and politics. One role of the academic community is to scrutinize the case that those in power make. In this paper the terms governance and the public good are analysed and defined. Using an account of the public good developed from Aristotle's *Nicomachean Ethics*, the paper forms the basis for a clearer statement of the relationship between the control of power and outcomes in the public sphere. I put forward some suggestions for developing the theoretical framework describing this relationship. To indicate how this theory could be informed by, and inform, practice, I advocated using narrative theory. This approach emphasizes how narratives are central to sensemaking. Behavioural scripts about the good could be one way to examine the interaction between individual accounts of the good and shared norms. The simple framework presented here serves as a means to scrutinize the exercise of power, and its relationship to the public good. In evaluating the legacy of an administration, this framework suggests we study: (1) how it controls power

over time; (2) how it itself exhibits virtue; and (3) how it creates the conditions within which citizens can live the good life.

## ACKNOWLEDGEMENT

I would like to thank three anonymous reviewers and Rod Rhodes for their comments. Thanks also to John Benington for encouraging my interest in this area, and to Jonathan Davies for his comments on an earlier version of this paper.

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*Date received 8 June 2007. Date accepted 31 March 2008.*