**Power and Politics in Organizations: Public**

**and Private Sector Comparisons**

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Political Organizations and Their Milieu

Organizational learning derives most of its knowledge from research on organizations in the private sector, particularly from the study of the firm. Its rich interdisciplinary quality is reflected in the range of social sciences that have contributed to the field’s robust development. The contribution from political science, however, has been minimal (reasons are suggested in the chapter on ‘politics’ by LaPalombara in this volume).

The mutual failure of political scientists to pay more systematic attention to organizational learning and of organizational learning specialists to extend their inquiries into the public/political sphere is unfortunate in at least three senses. First, a general theory of organizational learning is unlikely to emerge unless and until what is claimed to be known about this phenomenon is shown to be the case (or not) in the public/political sphere as well. Second, sufficient evidence in political science—even if not gathered with organizational learning as the central focus—shows that organizations in the public/political sector do differ in significant ways from those in the private sphere. And third, considerations of power and its exercise are so ubiquitous in public/political-sector organizations, indeed they are so central to an understanding of these bodies, that one wonders why such meager attention has been paid to this concept in the literature on organizational theory and organizational learning.

The present chapter is intended to show that the integration of political science into the field of organizational learning will be improved and that knowledge about organizational learning itself will be deepened if increased attention is focussed on two general questions: What characteristics of organizations in the public/political sector distinguish them from organizations in the private sector? And what are some of the implications of these differences for the overall field of organizational learning?

**The Normative Dimension**

The answer to the first question must be that one and perhaps the most salient distinguishing characteristic of public/political-sector bodies is that they are normative at their core. For organizations in the private sector, utility and efficiency are universally accepted as primary values. Theories about them are naturally based on the assumption that these bodies are organized and behave according to rational principles that reflect these values and not other considerations. This assumption, however, remains so central to writing about management that, as shown below, it actually serves to impede almost any serious attention to power and politics in private-sector, for-profit entities.

To be sure, any portrayal of private-sector, for-profit entities as monolithic structures exclusively and rationally oriented to the market and the so-called bottom line is much too stark and oversimplified. Even when this flaw is recognized or conceded, however, organizations in the public/political sector are quite different, so the logic and rationality that may apply to a private-sector body cannot easily be extrapolated to them. These differences are also reflected in the ways in which public-sector organizations relate to the learning process. The fact that they typically carry very heavy and distinctive normative baggage is only one of many dimensions along which differences may be assessed.

Normative considerations are endemic to public/political-sector organizations, first because they are directly or indirectly involved in what Easton (1953) once called ‘the authoritative allocation of values’(p. 129). This phrase is a shorthand way of describing a government’s vast organizational apparatus that engages in a wide range of activities over people. These activities typically include matters over which even the meekest of persons affected will argue and fight with each other, sometimes violently. These contrasts, or differences in preferences (i.e. what government should do or not do), apply not just to the ends of government but also to the means chosen to bring these ends to fruition. In Lasswell’s (1936) brutally unvarnished observation, politics is about ‘Who Gets What, When, How’.

Where organizations are constrained or hemmed in by normative considerations, appeals to logic and rationality do not travel far or reach many receptive ears. Even when political issues appear to be settled and consensus is reached, say, on the desirability of a given policy, normatively driven questions will arise over the mode or method of policy achievement. Because these policies involve things that happen (or do not happen) to human beings, considerations of expediency and efficiency will often take a backseat to normative ideas about goal achievement. In Etheridge’s (1981) words, such normative matters also raise the issue of ‘what should government learn and what should government not learn’ (p. 86). To put it bluntly, learning things about goal-setting or policy implementation that may be rational and efficient but that are palpably unfeasible politically is not only a waste of resources but also a one-way ticket to political bankruptcy.

This and other aspects of public/political-sector organizations to be discussed below make for a good deal of messiness—in organizational boundaries; in the specification of organizational missions and authority; in the functional, territorial, and hierarchical division of labor that relates to policy-making and policy execution; and so on. This messiness cautions against a too-easy extrapolation to the public sphere of agency theory or concepts such as principal–agent relationships. These theoretical frameworks may work quite well for the private sector, where one finds much clearer statements of purpose or of means and ends and where the boundaries demarcating organizations, their authority, and their responsibility are much more unambiguously delineated than in the public political sphere.

To cite the most obvious example (see Mayntz and Scharpf 1975, for example), in the public sphere it is not easy to separate, say, the legislature (as ‘principal’) and the bureaucracy (as ‘agent’) for the simple reason that in many circumstances the bureaucrats not only administer policies but also *de facto* make policies. In fact, the fabric of public policy-making and its administration is typically a seamless admixture of official and unofficial bodies interacting together in ways that make it next to impossible to distinguish principals from agents. This aspect is in part what I mean by messiness.

**Other Dimensions of Differentiation**.

It will help clarify the above exposition if one considers some of the additional dimensions that differentiate organizations in the public/political sphere from those in the private sector. The distinctions drawn are not a matter of black or white but rather one of degree. In every instance, however, differentiation is at least a caution against thinking that differences between the private and public/political spheres are superfluous, misleading, irrelevant, or nonexistent. The dimensions are the organization’s (a) purposes or goals, (b) accountability, (c) autonomy, (d) orientation to action, and (e) environment.

**Purposes and Goals**

Political organizations are typically multipurpose. The public policies they are expected to make or administer will often be quite vague, diffuse, contradictory, and even in conflict with each other (Levin and Sanger 1994: 64–8). What governments do is so vast and touches on so many different aspects of organized society that it would be astonishing if these policies did not have such characteristics. Even where single agencies of government are concerned, their purposes, goals, specific marching orders—to say nothing of their procedures and actual behavior—will rarely be coherent or logically consistent.

Not only are the mandates of government normally quite vague and diffuse (Leeuw, Rist, and Sonnichsen 1994: 195; Palumbo 1975: 326), they may not be known to many of the people who make up the organizations designated to carry them through. It is not unusual for such organizations to have no goals at all (Abrahamsson 1977), or to have goals that appear to be quite irrational (Panebianco 1988: 204–19; 262–74). For this reason rational-actor models, in which it is assumed that preferences are ‘exogenous’ to the organizations themselves, rightly draw criticism when applied to public/political organizations (Pfeffer 1997).

**Accountability**

In the private sector, a timeworn cliché is that those who manage publicly held firms are accountable to their shareholders. As Berle and Means (1933) long ago established, this claim is largely a myth. If the ensuing decades have changed this situation at all, it is only in the influence now exercised over the firm by some of the rather large institutional investors as well as by some stock analysts. Occasionally, even the mass media may influence what a corporation does.

The corporate community’s relatively recent references to management’s accountability to stakeholders does not make the publicly held firm similar to public/political organizations. In comparison with those who are in public office or who manage governmental and other political organizations, corporate managers live in splendid freedom. Paying attention to stakeholders is, like many other aspects of corporate policy, a matter of management’s choice. In the public/political sphere, accountability to a wide spectrum of individuals and organizations is an inescapable fact of organizational life. People in the public/political sphere who fail or refuse to understand this fact spend very little time there.

Public-sector officials, especially those who occupy governmental office, whether appointive or elective, wisely pay attention to and worry about many constituencies, all of which are more or less ready and able to apply sanctions if their wishes or advice are not followed. The vaunted autonomy of the executive branch is much more limited than one supposes (Levin and Sanger 1994: 17). In all democratic systems, what the executive does is subject to oversight by legislatures and to challenge in the courts. And the latter two institutions are themselves subject to checks by still others. All of them are under continual scrutiny by outsiders prepared to intervene. In addition, many activities that are considered legitimate, and even praiseworthy, in the private sphere would subject public office-holders to arrest, prosecution, and possible imprisonment were they to practice them (Gortner, Mahler, and Nicholson 1987: 60–4). Consider, for example, the public’s quite different reactions to words like ‘broker’ and ‘influence peddler’—or the variety of meanings ascribed to a term like ‘corruption’.

As noted by Child and Heavens (in this volume), the universal condition of governmental and other public-sector organizations is that they are subject to constitutions, laws, administrative regulations, judicial decisions, executive orders, and so on. The actions of these persons called upon to manage these organizations are constrained by external and internal *de facto* rules, and limitations (Rainey and Milward 1981). Comparable examples of accountability in the private sector are rare.

Public/political-sector organizations are also for more ‘porous’ than private firms are. The former are easily permeated by organized outside interest groups determined to pull these organizations, and therefore their leaders and managers, in different policy directions. The mass media (often the instruments of powerful interests in civil society) also often make quite explicit and sometimes contradictory demands on them. Because these organizations are presumably representatives of the public and are expected to behave in its interest, the press is expected to be especially vigilant on behalf of the public.

Above all, public-sector organizations in democracies are subject to the influence of political parties. These parties have their own preference orderings of issues and their own sense of the public policies required to deal with them. Their agendas are essentially normative; rarely do they brook qualification or interference on grounds of efficiency or similar considerations (Gortner *et al.* 1987: 65–9). Members of governmental organizations, even when protected by civil service laws, defy political parties at considerable risk. This exposure may be extreme in the United States, but it is endemic to European and other parliamentary systems as well.

**Autonomy**

This condition of multiple accountability, formal and informal in nature (Cohen and Axelrod 1984), implies that political organizations are considerably less autonomous than private-sector organizations. Not only are the formal chains of command multiple and complex, but informal influences and pressures often limit, sometimes drastically, the degrees of freedom open to persons in these organizations. Although managers in the private sector are also not free to act exactly as they might prefer, their organizations (as long as they operate within the law) are immensely more autonomous than public/political sector organizations are.

Two additional characteristics relating to autonomy are worth noting. First, not only the goals of these organizations may not only be dictated from the outside, they may also be dependent on other external bodies to achieve them. Lawmakers need the executive branch, as do the courts, to have their policies enforced. Central governments need regional or local governments. A single policy may require the coordination and collaboration of different governmental bodies, many of which are in competition or conflict with each other. And, as I noted earlier, successful goal achievement may in part also lie in the hands of political parties and interest groups.

Furthermore, governmental bodies or agencies often disagree about goals and policies. Evaluations of how well or poorly organizations are doing will be driven not by objective criteria (assuming they are available) but rather by political ideology and partisanship. Even within the same government, existing organizations will be in conflict over policies, such as in the case of ministries and departments that spend money while others have to worry about deficits, exchange rates, inflation, and so on. Even in highly authoritarian or dictatorial political systems, such factors make organizations in the public/political sphere, if not radically different in kind from their counterparts in the private sector, then certainly different in the valence of the factors that I have been enumerating.

To summarize, the missions of these public/political bodies, their membership, the resources provided for operations, the rewards and punishments for good or bad goal achievement, and often the sheer survival of the organization itself are all matters that typically lie outside the organization itself. Hence, before taking initiatives, persons in political and governmental organizations will make careful internal and external assessments. First, they seek to discover how their superiors or immediate colleagues may feel about a policy or mode of policy implementation. Second, they look to how this policy or mode of implementation will sit with those internal or external forces that can impinge on their professional careers, their economic well-being, or the welfare of the organization itself. Third, they make assessments about what will lie in the way of their ambitions, including, perhaps, their desire to make and enforce given policies.

This basic pattern suggests that these organizations are under enormous pressure to engage in learning. Attention will certainly be paid to other governmental agencies, political parties, labor unions, trade associations, religious or ethnic groups, the courts, the mass media, professional associations, the corporate community, and other political and governmental jurisdictions at home or abroad that may affect the organization’s well-being. The list is very long of constituencies that wield enough power, formal or otherwise, to either dictate or veto certain policies or facilitate or nullify their successful implementation (Dean 1981: 133). Failures to perform calculations of this kind and to learn about these things—and at a reasonably high level of competence—will hobble or defeat the persons or organizations involved.

The corporate community has taken to engaging in somewhat similar scanning in recent years, largely because of the internationalization of the firm. When managers extend their operations abroad, they come to appreciate the value, indeed the necessity, of scanning these new environments for aspects that are not, strictly speaking, directly related to the market. As noted above this scanning has also been practiced at home, for national and local governments have come to exercise jurisdiction over matters that affect the life and particularly the profit or loss of private enterprise. One can generalize this tendency by noting that managers are increasingly impelled to engage in scanning whenever gaps begin to appear between a corporation’s policies and its actual performance. Failure to catch sight of such gaps before the media do can carry severe consequences.

**Orientation to Action**

The conditions described above do not encourage much initiative by public/political-sector organizations. Action tends to be reactive, not proactive, and prophylactic, not innovative. Fresh ideas are typically viewed as threats to a delicate equilibrium between internal and external forces. Few people wish to risk taking steps that might trigger chain reactions with unknown consequences. Conservatism, not risk-taking, becomes the modal orientation to action. Persons in the private sector, and the mass media, lament attitude, sometimes stridently. They overlook, perhaps, that they themselves are partly responsible for the shortcomings that they criticize.

Conservatism also grows out of the fact that these organizations are much more tied to tradition and more deeply institutionalized than is true in the private sector. These traits, too, make them extremely resistant to change. Whether legislatures (Cooper 1975), political parties (Panebianco 1988), or bureaucratic agencies (Powell and DiMaggio 1991; Scott 1995) are meant, the length of time they have been around will greatly condition what the organization is capable of doing, including its capacity to learn and, on this basis, to change. Max Weber’s (1958) reference to bureaucracy’s ‘dead hand’ (p. 228) suggests that this type of conservatism is brought about by the very same characteristics that he associated with legal-rational authority systems.

Some writers have labeled this phenomenon ‘strong institutionalization’ (Panebianco 1988: 53). Others have called it the embeddedness of values, or norms, that affect the cognitive systems of organizations (Herriott, Levinthal, and March 1985), the governmental sphere, therefore, endless examples show that efforts to reform these organizations fail more often than not (Destler 1981: 167–70). This pattern does not mean that the bureaucrats who run these organizations are beyond anyone’s control or that change is impossible (Wood and Waterman 1994). It does mean, however, that organizational change is extraordinarily difficult to carry off, given the magnitude of inertial forces (Kaufman 1981).

The budget process and goal displacement in the public/political sphere are additional factors that impinge on an orientation to action. For instance, not only are public budgets controlled from outside the organizations that depend on these allocations, in the short and medium terms, they can be modified and redirected only minimally, and at the margins. This circumstance is one reason why political scientists who wish to identify the most powerful groups and organizations, within government itself and within civil society, will profile public budgetary allocations over fairly long periods of time.

Goal displacement occurs when the personal interests and expediency of organizational leaders and members come to dominate and replace the purpose(s) of the organization itself. This tendency is ubiquitous in the political sphere. Cooper (1975) nicely summed it up in his observation on the U.S. Congress: He found that institution ‘quite vulnerable to the deleterious effects the pursuit of residual goals [of its members] involves. [These self-regarding goals] distort policy orientations and block institutional reforms by making individual self interest or collective partisan advantage the focus of attention and the criterion of action’ (p. 337). Mayhew (1974) found that the best explanation for the action orientation of members of Congress is the strength of each member’s the desire be reelected. In extreme form, and in many different types of organizations, these characteristics actually result in a transformation of the organization itself (Perrow 1972: 178–87).

**The Environment**

Because the environment of organizations in the public/political sphere is so strongly normative, the policies enacted there are not only temporary but also contested in their implementation every step of the way both inside and outside government. Knowing about these aspects of their environment, the managers of public/political organizations engage in a predictable type of environmental scanning and learning. For example, they learn whether to pay more attention to the legislature or to the executive office (Kaufman 1981). In order to be at least minimally effective in their environments, the organizations involved must learn the ways and means of overcoming the kinds of constraints that I have been summarizing (Levin and Sanger 1994: 66–8, 171–6). Indeed, considerations of organizational efficiency may be and often are entirely irrelevant to decision-making and choice in the political sphere. Successful ‘entrepreneurs’ in this context are the ones who learn how to survive and/or help their policies survive in an environmental landscape full of dangerous surprises and subject to frequent and radical change. The basic knowledge to be internalized is that this struggle will remain continuous and that space for freedom of action will not last long.

It is these qualities—ambiguity, messiness, and continuous struggle and conflict—in the political and governmental environment that lead political scientists to give considerable attention to power and its distribution both among and within organizations. That attention remains intense, notwithstanding that power is an elusive concept invariably laden with all sorts of normative claims about to what type of power is legitimate and what type is not. In political science there is fairly broad agreement (Dahl 1968) that power is the ability, through whatever means, of one to person make another do his or her bidding, even and particularly in circumstances in which doing so is not what the other person wishes or prefers.

Power and Organizations

**The Role and Anatomy of Power Struggles**

Power, and the struggle over it, describe the essence of the political process. Rothman and Friedman (in this volume) note that scholars writing on organizational learning rarely take conflict and conflict resolution into consideration. They add that organizational conflict, even in the hands of authors as skilled as March and Olsen (1976), is not mentioned as one of the factors that may inhibit the successful development of a learning cycle (see also March 1966). This neglect stems in part from the tendency, widespread in both the corporate community and management literature, to consider conflict itself as something highly undesirable and potentially pathological and, therefore, as something to be defeated (Hardy and Clegg 1996: 627–8; Pfeffer 1981: 2–9). It cannot be without negative consequences, either for the theory of organizational learning or for attempts to apply it in the workplace, that such organizations are almost never studied from the vantage point of power and of the competition that takes place to create and maintain control of it or wrest it from others (Berthoin Antal 1998; Dierkes 1988; Hardy and Clegg 1996: 631).

One author (Kotter 1979: 2) noted that the open seeking of power is widely considered a sign of bad management. Indeed, the authors of management literature not only skirt the behavior associated with power struggles but also condemn it as ‘politicking’, which is seen as parochial, selfish, divisive, and illegitimate (Hardy and Clegg 1996: 629). Kotter (1979) found, for example, that in 2,000 articles published by the *Harvard Business Review* over a twenty-year period, only 5 of them included the word ‘power’ in their titles. This finding is astounding. It suggests that power is treated like a dirty little family secret: Everyone knows it’s there, but no one dares come right out to discuss it.

One might imagine, though incorrectly, that the situation has changed for the better in recent decades. An examination of the *Harvard Business Review* with Kotter’s same question in mind shows that only 12 of more than 6,500 articles published in the period from 1975 to mid-1999 contained the word ‘power’ in their titles and that 3 contained the word ‘conflict’. ‘Leadership’ appeared in nine titles. In a sample of abstracts of these articles, one finds, as expected, the term ‘power’ somewhat more often than in the article’s titles. But the term is almost never treated as a central concept that orients the way the researcher looks at an organization or develops propositions about its internal life.

This finicky, keep-it-in-the-closet attitude toward power is puzzling. For political scientists, the question of power in organizations is central for many reasons: because power is held unequally by its members, because there is a continuous struggle to change its distribution, because these inequalities and efforts to change them inevitably lead to internal tensions. A persistent quest in political science, therefore, is to illuminate the structural aspects of public/political management that permits those involved to confront and handle power confrontations without defeating the purpose of the organization itself.

**Is There a Power Struggle?**

The puzzle of inattention to power in the fields of organizational theory and organizational learning is all the more intriguing given that leading organizational theorists, such as Argyris and Schön (1978, 1996) and Perrow (1972), have certainly addressed this matter. For example, Perrow treated organizational traits such as nepotism and particularism as means by which leaders of economic and noneconomic organizations maintain their power within them. Because these organizations are the tools of those who lead them and can be used to accumulate vast resources, a power struggle typically occurs over their control (pp. 14–17). And because of goal displacement that may accompany such power struggles, organizations may well become ‘things-in-themselves’ (pp. 188–9).

It is possible that leading theorists such as Argyris and Schön (1978, 1996) and Senge (1990) have themselves been excessively reticent in treating phenomena such as power struggles within the firm (Coopey 1995). It may be that corporate managers are in denial and therefore loathe to acknowledge that even they, like their counterparts in politics, are playing power games. Firms, and the literature about them, stress the beauty of teamwork and team players. Plants are organized around work teams and quality circles. Mission statements are endlessly reiterated. Human resource managers expend enormous energy instilling the firm’s culture as a distinctive way of doing things. People who excel at the approved traits are rewarded with promotions and stock options. All these practices might be cited as evidence that corporate behavior is instrumentally rational and that the search for power, especially for its own sake, is alien to the firm.

This way of thinking and describing things leaves little room for attention to the power games that lie at the center of most organizational life. Thus, making decisions about corporate strategic plans and the budgetary allocations that go with them; defining of core businesses and the shedding of what is not ‘core’; effecting mergers, acquisitions, and alliances; and carrying out radical corporate restructuring that may separate thousands of persons from their jobs and yet dazzlingly reward others would typically be seen by political scientists as behavior that is quite similar to the kind of power struggles that take place every day in public-sector organizations.

Behind the veil of corporate myth and rhetoric, managers obviously know about this aspect of their environment as well. So do writers for the financial newspapers, where words such as ‘power struggle’ appear much more frequently than they do in the management journals. How could it be otherwise when the efforts at leveraged buyouts, struggles to introduce one product line and abolish others, and differences over where and how best to invest abroad take on the monumental dimensions reported in the press? It would be astonishing if the persons involved in these events were found to actually believe that considerations of personal and organizational power are not germane to them. Nevertheless, as Hardy and Clegg (1996) noted, ‘the hidden ways in which senior managers use power behind the scenes to further their position by shaping legitimacy, values technology and information are conveniently excluded from analysis. This narrow definition obscures the true workings of power and depoliticizes organizational life’ (p. 629).

Attempts to correct the queasy orientation to the reality of conflict and power struggles have been relatively rare. One reason is that not just the actors in the corporate community but also students of such things come to believe in the mythologies about empowered employees, concern for the stakeholders, the rationality of managerial decisions, and the pathology of power-seeking within organizations. Their belief is a pity in that, without doubt, the structure of power, explicit or implied rules about its use, and the norms that attach to overt and covert power-seeking will deeply affect the capacity of the organization to learn (Coopey 1995). In any case, there can be no doubting the fact, however much it may continue to be obscured in the corridors of corporate power, that struggles of this kind deeply affect corporate life its external behavior; and who gets what, when, and how within these institutions (Coopey 1995: 202–5).

**The Benefits of Power Struggle**

Power struggle, of course, is not the only aspect of organizations worth study, and the world of politics is not just Hobbesian in nature. Cooperation is the obverse of conflict. How power is defined and whether the definition reflects left-wing or right-wing bias makes a difference in thinking about or conceptualizing the salience of power in organizations (Hardy and Clegg 1996: 623–5). In particular, it is essential that one avoid any definition or relatively broad conceptualization that does not take into account that, in any organization the existing ‘rules of the game’ even if they are considered highly rational and ‘legitimate’, constitute in themselves the outcome of an earlier (and typically ongoing) struggle over control of an organization’s resources (Hardy and Clegg 1996: 629).

When the ubiquitous existence of power struggle within organizations is acknowledged and put into proper perspective, when power-seeking (even when the impulse is entirely ego-centered and not driven by organizational needs) is accepted as normal behavior, and when it is recognized that no existing organizational structure is entirely neutral, only then can one hope to clarify what kind of single-loop or double-loop learning is likely to occur. For example, Coopey (1995) argued, correctly in my view, that where the distribution of power within an organization is hierarchical and asymmetrical, the type of organizational learning that proceeds in such contexts will tend to buttress the status quo. Their reasoning makes sense not just because, for example, the learning process tends to favor senior managers but also because the kind and quality of information to which those managers have access becomes, in itself, an instrument for exercising and preserving one’s favorable position in the power hierarchy.

In the public sector, double-loop learning is even more impeded and therefore rarer than in the private sphere. The reason is that politics, in both the organizational environment and political organizations, actually infuses every aspect of what public-sector organizations are and what they do. The more important the sphere of action or the issues treated by these bodies and the more public attention they draw, the more difficult it will be to reach consensus. And once consensus is reached, the more improbable it will be that anyone will either want to modify it or succeed in doing so—no matter what the feedback about the policies and their efficacy may turn out to be (Smith and Deering 1984: 263–70).

Double-loop learning in the public sphere is impeded also by the formal separation of policy-making and policy implementation, as for example between legislative and administrative bodies. As noted earlier, policies are infrequently the choices of the organizations called on to implement them. In this setting, endemic to governmental systems, certain types of impediments to organizational learning tend to materialize. On the principal’s side, there may not be sufficient time, or technical competence, or interest to learn what is actually going on with policy implementation. The probability is low, therefore, that those who make policy and set organizational goals will ever get information that might encourage a realistic articulation of goals and a rational specification of the means to be used in goal achievement. Organized interest groups are well aware of this gap. As a consequence, their typical strategy is to keep fighting for what they want, not only when alternative policies are up for consideration but also (sometimes particularly) after an unwanted policy has formally been adopted but must still face the vagaries of being carried out.

On the agent’s side, whatever is learned about policy implementation that might urge a change of methods or of the policy itself may never be articulated at all, for to do so might upset an existing political equilibrium. Not only are these equilibria difficult to obtain in the first place, they often also involve an unspoken, symbiotic relationship—often dubbed the ‘Iron Triangle’ (e.g. Heclo 1978: 102)—between a specialized legislative committee, a bureaucratic agency responsible for administering the specialized policies, and the organized interests that benefit from particular policies, particular ways of implementing these policies, or both. Potential learning that would upset this balance of forces finds very rough sledding. The treatment of whistle-blowers, who sometimes go public with revelations of misguided or distorted policies or of bad methods used in their administration, is eloquent evidence of this problem.

One way to overcome the stasis implied by these tendencies is to encourage power struggles, not to obscure them (Lindblom 1971: 21–42, 64–7). Nothing will galvanize the attention of politicians and bureaucrats more than learning that organized groups with a vested interest in a given policy and large numbers of faithful voters are unhappy about a particular aspect of public policy. When these groups lie outside the Iron Triangle, they are far less inhibited by considerations of equilibria then when they are inside it. This single-issue focus is indeed one of the reasons why even small and not well-financed public advocacy groups can sometimes be very effective in bringing about change (Heclo 1978).

The trick is to maximize transparency, to encourage more group intervention as well as prompt the media to provide more, and more responsible, investigative reporting than they usually offer. Today it appears that the Internet is quickly becoming an important instrument for the timely, accurate, and detailed exposure, now on a global scale, of conditions that require correction. The organizational learning implications of this development are potentially enormous. Increased transparency implies, if nothing else, a more democratic, capillary diffusion and sharing of information (see also Friedman, Lipshitz, and Overmeer in this volume). In an organizational context, whether in the private or the public sphere, this fact alone modifies the form, quality, and spread of learning; it also brings about a modification of the organizational power structure itself.

Such modifications also mean that the structure and configuration of conflict will change. In political science this kind of transformation, which widens and deepens competition, is considered to have healthy implications for the overall political system in which competition takes place. That is, benefits are expected to derive from the fact that the ‘market’ becomes, in comparison to the more *dirigiste* state, more Smithian, less concentrated, and less dominated by a handful of competitors who, rhetoric aside, rarely pursue the general welfare but rather much narrower considerations. At the very least, increased transparency and the broadening of the competitive sphere clearly require that political managers develop a set of skills that permit them to meet such challenges and function well within these constraints.

**New Signals from the Private Sector**

Something similar to this attitude about encouraging conflict may be developing in the private sector. Gortner *et al.* (1987) lamented that theories of the organization ‘simply do not deal with the issue of politics, and . . . [that these theories] interpret power as an internal phenomenon usually related to the area of leadership’ (p. 76). But change may be afoot in this respect for at least two reasons. Contributors to this volume as well as writers such as Pfeffer (1981, 1997), Coopey (1995) and Hardy and Clegg (1996) may well succeed in their efforts to raise self-consciousness and broaden and refine theories of the organization and organizational learning to include attention to power and politics. Second, variations and abrupt changes in the environment of business are ubiquitous today and likely to intensify tomorrow. It could not be otherwise in an era of globalization of the firm, in which, more than ever before, firms venture into a wide variety of cultural settings. In addition, managers increasingly come from a wide variety of cultures and professional backgrounds where values and norms are not necessarily carbon copies of each other. An organization’s capacity to read signals about politics and power distributions, outside as well as inside the firm, and to make quick, constructive adaptations to them will represent not just a luxury but also a necessary condition for establishing a competitive advantage in the global marketplace. In limiting cases, this capacity may actually become a necessary condition for survival.

Power-driven behavior within the firm not only is endemic to such organizations but remains salient irrespective of the degree to which the firm succeeds in creating an internal environment that is homogeneous, harmonious, and collaborative—an environment peopled by those who share corporate values and a corporate culture and who stress collective over individual goals (Handy 1993: 123–49). By definition, the firm is typically an organization that places high value on the competitive spirit. That spirit is an aspect of human behavior everywhere and that can scarcely be divorced from the impulse to obtain and hang on to disproportionate shares of power. Improved understanding of the structure of such internal competition also illuminates the relationship between these kinds of patterns and corporate learning (Coopey 1995: 197–8; Hardy and Clegg 1996: 633–5; Kotter 1979: 9–39).

Increased attention to power (even if the term itself is not used) is implicit in the corporate community’s recent encouragement of internal open expression of objections to existing policies and of open competition between units of the company and between its members. Bringing these universal underlying conditions to the surface may be inevitable, given how much more variegated today’s large-scale companies are from those in the past, not just in technology, product lines, and personnel but above all in the great diversity of markets and cultures in which they now operate. The less homogeneous the international firm becomes, the more difficult it will be to mask the fact that corporate life, like political life, involves a good deal of organizational and individual struggle over power.

**Power Linkages and Networks**

Because conflict and power struggle in public-sector organizations are both internal and external, their managers are impelled to search the environment for opportunities to form alliances. Sometimes such alliances are of the Iron Triangle variety, but they are certainly not limited to this form. The idea is to create structural linkages that will improve one’s chances of prevailing.

As public policies become more salient for the firm, the firm too, will experience increased need to expand its own networks beyond those that already exist in the marketplace. Linkages with public bodies, for example, cannot be optimized (as once may have been the case) through the use of consultants and lobbyists. Structures and capabilities consonant with the establishment of direct networks come to replace or supplement these older approaches. Multinational corporations that operate abroad, where public policies represent new risks for the firm as well as new opportunities as well, have often moved in exactly this networking direction. One indicator of this change is the proliferation not just of equity joint ventures (as opposed to the once-dominant fetish of the wholly owned subsidiary) but also all manner of other interfirm alliance, designed to optimize, in overseas local markets, the use of firms and their managers who have extensive experience there.

In the case of U.S. companies, this type of change was also spurred by the passage of the Foreign Corrupt Practices Act a generation ago. At home, one immediate consequence of this legislation was a sharp increase in the number of in-house attorneys employed by American firms. Overseas, it led to a much more intense search for the ways and means of finding arrangements that can somehow enable overseas U.S. firms to engage in corporate behavior that was unexceptional abroad but suspect or even outright unacceptable at home.

The globalization of enterprise, the growth of networks in which the firm becomes involved at home and abroad, also brings about a considerable extension of learning methods and horizons, if not a new type of organizational learning in the private sector. The international firm becomes more sensitized to power configurations and power equilibria. The search is broadened as well as intensified in order to identify aspects of the environment that might impinge on corporate success. The quality of intelligence relevant to business operations at home and abroad is improved, as is the knowledge about the location and means of access to points in the decision-making process that relate to public policies affecting the foreign investor. A keen sense that each environment has its unique aspects as well as dimensions that are general to any environment impels the firm to sharpen its analytical instruments and thereby try to improve its learning. Efforts to create a total quality system come to include not just the production, distribution, and servicing of a firm’s products but also the firm’s ability to recognize power and power struggles for what they are and to attune its learning methods to profit from this new capability.

**Types of Power Distributions and Equilibria**

Although power equilibria are never permanent, they tend to last for a long time. The reform of governmental bodies tends to be greatly resisted because, even when reforms are relatively mild, they threaten existing equilibria (Seidman 1977). As a rule, unless quick and deep change is the goal, it is better for an organization (inside or outside the public/political sphere) to learn how to operate within an existing equilibrium than to make efforts to change it. Indeed, it is almost axiomatic that, where a radical departure in public policy is intended, creating a new organization is far preferable to seeking achievement of these new goals through the existing system (Levin and Sanger 1994: 172–3). Events of this kind, though rare, provide highly fluid opportunities to achieve first-mover advantages as new networks and a new equilibrium are established.

In this regard, it makes a difference whether the overall configuration of the political system is monocratic or pluralist, unitary or federal, highly centralized or characterized by broad delegation or devolution of powers. That is, power equilibria at the microlevels will be influenced in no small measure by the configuration of the larger system in which these equilibria are embedded.

**Pluralism**

Pluralist systems tend to maximize not only the number of individuals and organizations able to intervene in the policy-making and policy implementation processes but also the number of channels through which the interventions occur. Pluralism implies minute and fragmented representation of interests. The underlying assumption is that equality of opportunity, central to democratic theory, should also apply to the policy-making process. It will obviously make a difference which groups prevail in these efforts to exercise influence. It is equally important whether and what kinds of groups can bring some order to the process by aggregating a number of small groups under a single organizational umbrella.

Pluralism also invites much debate. In theory, when consensus is achieved, it is expected to be very strong, precisely because of widespread opportunities that interested parties have for being consulted and hearing the views of others. Again in theory, this system of broad participation should also optimize the discovery both of best solutions and of innovative ideas about public policies and how best to achieve them. It is behind such policies, according to pluralist democratic theory, that one can expect the strongest collective effort to emerge. And given all of these assumptions, consensual policies are likely to be well administered and widely accepted as long as they achieve expected aims. Within this rich mosaic of interactive participation, organizational learning is presumably optimized, as are the efficacious making and implementation of public policies.

There are also negative sides to pluralism, and they are well known to organizational theorists. A plethora of communication channels easily degenerates into information overload. This overload in turn can lead to never-ending debates that wind up in stalemates or paralysis. There may be too much talk, too many options raised, and little inclination, or indeed ability, to reach closure. An even more notable objection to this mode of decision-making is the raised probability that it will produce only lowest-common-denominator outcomes. The need to balance competing forces and to find acceptable compromises implies that only in extreme emergencies can pluralist systems adopt radical measures. Pluralism and the forceful, timely management of issues do not sit easily side by side. Hence, it seems valid to presume that such systems will not work well within a corporate structure that, almost by definition, is expected to be hierarchical and unitary (Hardy and Clegg 1996: 622–6).

**Monocratic and Unitary Systems**

Monocratic and unitary systems are highly centralized. If they permit a broad representation of interests, it is likely to be within a framework that is much more disciplined than that of pluralist systems. Monocratic and unitary systems are able to act even when broad consensus may be wanting or impossible to bring about. Participation from the ground up, so to speak, is not so loose or permissive as to actually tie the hands of or paralyze those at the center.

Compared to pluralist systems, monocratic arrangements tend to be less democratic (not to be confused with undemocratic). They may involve broad, well-articulated participation in policy-making and implementation, but within limits. They tend to be more intolerant of inputs that are judged to be dysfunctional. They are immensely more suspicious of interventions in the formal decision-making and policy implementation process by groups and organizations that are not official, or not officially approved by the government.

The tensions between pluralistic/democratic and unitary/monocratic arrangements are not unlike those found within corporations that move in the direction of empowerment of those located toward the bottom of the pyramidal hierarchy. As I have suggested, this pyramid is not just one of positions and authority but also of command and control. That is, as long as the pyramid remains a pyramid, even slightly, it is a power arrangement governed by rules that, with rare exceptions, are themselves the outcome of a power struggle. Serious efforts to empower persons who have not had very much power, or who through empowerment will come to exercise more of it than in the past, clearly imply a widening and deepening of participation in decision-making both in the making of corporate policies and in their implementation. It is no wonder that changes of this kind, as well as those designed to bring stakeholders meaningfully into such processes, are fraught with complications and that they usually degenerate into not much more than lip-service platitudes (Coopey 1995).

Monocratic and unitary political systems, such as those typically found in Europe and elsewhere outside the United States (and to some extent outside Great Britain), accord very high status to the state writ large. Those who manage the state are more inclined to redirect, minimize, and, if necessary, override interference from civil society when this interference threatens to paralyze government. Reasons of state, as the justification is often called, will lead to closure of debate and then to public action, presumably in favor of the community as a whole. In monocratic systems, popular sovereignty and broad participation by the masses or by organized groups will not be permitted to place the state and its overriding welfare at risk. This attitude is similar to the posture of senior corporate managers who are scarcely about to tolerate modes of empowerment or participation that might cast serious doubt on the company’s mission, the rationality of its basic long-term strategy, or the company’s very survival. Nevertheless, in the corporate sphere, as in the sphere of the state, the powers available to managers must be and often are used to end an aura of legitimacy not just to existing rules and policies but also to the outcomes that derive from them (Hardy and Clegg 1996: 630).

**Federalism**

Federalism adds another facet to this discussion. As a political concept that stands in opposition to that of unitary structures, federalism implies a division of power on the basis of territory. A much-touted advantage of federalism is that it permits the bringing together, under one central authority, of territorial units that differ quite markedly from each other in many ways. This would include, say, the size of their population or territory; their racial or linguistic make-up; and a wide range of social, economic, and even political conditions.

Federal systems represent ways of organizing and managing diversity. In the realm of politics, experience has shown that these systems are therefore much more viable means of managing large nations than are highly centralized unitary systems. In fact, most of these nations are of the federal, not the unitary, variety—even the Soviet Union and the People’s Republic of China in their so-called totalitarian heyday. Federalism also maximizes the amount of experimentation (with different laws, institutions, electoral arrangements, administrative organizations, and the like) that can take place under a common political roof. This umbrella-like structure permits, indeed encourages, the search for best practice in institutional form and relationships and in policy-making and implementation.

This feature of federalism encourages, permits, and, indeed encourages self-conscious learning. In the United States, for example, there are formal organizations designed to provide the individual states and major cities with information about the potentially innovative or effective approaches that each may be taking to, organizational procedures or public policy. Similar information-sharing institutions also exist at the international level. This institutionalized learning is designed in the broadest sense to raise the quality and lower the cost of governmental services.

In a federal setting the political center shares a number of powers with other territorial units. Except in restricted areas, it cannot pretend to be the exclusive holder or exerciser of power and authority. Even where in formal terms the political center’s authority may be exclusive and where policies are expected to be uniformly administered throughout the system’s territories and subunits, considerable local variation must be permitted. Unitary systems, by contrast, permit much less flexibility of this type. The central authority within such systems exercises nearly exclusive authority to make system-wide policies, and it is also expected that these policies will be uniformly administered everywhere. Any deviation from centrally established policies, indeed any policy-making within subnational units, proceeds only with some sort of authorization by the center. As often said in France, if one wishes to know exactly what children might be doing at a certain hour of any school day, it is sufficient to consult the manual issued by the appropriate ministry in Paris.

The unitary form is highly analogous to the world-wide business firm, including firms organized by product group or division, in which authority and control are concentrated in a single, central organization. The preceding, post-war development of the multinational corporation, at least in the United States, proceeded for the most part on the basis of this model. It was thought that the revolutions in jet travel and electronics made such centralized control both desirable and feasible. That is, these changes in the speed and facility of travel and communication were said to make possible the global extension of the so-called Sloan model of the corporation, a model that had worked so well within the United States.

**Feedback and Learning**

No matter whether the basic structure is pluralistic or monocratic, federal or unitary, the need for feedback from which the center can presumably learn is universal. Federal systems, because they produce many streams of information, may be more open but less efficient than unitary systems. Unitary systems, although in theory narrower and easier to control than federal systems are in terms of information-producing channels, are at high risk of having information delayed, distorted, or misdirected. It is apparent, however, that the center often deludes itself into believing that, with a highly disciplined and centralized organizational weapon at its disposal (like the Communist party under Stalin in the USSR or the Chinese Communist party under Mao), it can both learn and control what transpires at the periphery (Hough 1969). The fallacious assumption in this instance is that a centralized and highly disciplined organizational instrument, such as the Communist party, can prevail irrespective of whether the overall system is of the federal or unitary configuration.

**Pluralism and Federalism in the Firm?**

A pluralist and federal model of the polity ill fits the generally held image of the firm and of other private-sector organizations. Decision-making of the kind represented by the typical firm can scarcely follow a pluralist model to the letter, at least not without a rethinking of a great many well-established notions of what a world-scale company should be and how it should be run. Within the firm great emphasis is placed on clear lines of authority, both horizontal and vertical. The global firm still tries to instill a single corporate culture so that the hierarchy of values, the operational norms, and *the modus operandi* will be essentially the same wherever its branches and units may be located. This model leaves little room for pluralist inputs and local diversity.

Pluralist democracies and federal systems thrive (most of the time) on their multicultural dimensions. Rather than eliminate diversity, it is honored and encouraged. In the corporate world, much of what is claimed about decentralization, ‘planning from the bottom up’, and individual empowerment often is spurious. Senior managers in the corporate world are rarely able or inclined to practice the decentralization or the broad and deep participation that they may preach. More often than not they use the considerable powers at their disposal not to encourage debate that leads to consent but rather to mobilize consent itself (Hardy and Clegg 1996: 626).

In the public/political sector, a key test of how seriously the center wishes to encourage diversity and favor empowerment lies in the practice of devolution, as opposed to decentralization. Devolution, typically practiced on a territorial basis, substantially reduces the powers of the center over the periphery, sometimes drastically. The strongest indicator of this reduction is the empowerment of the periphery not only to make policies but also to tax or otherwise raise capital in connection with these policies. Such transfers, in turn, encourage high levels of competition between the subnational units of federal systems, sometimes creating very difficult problems at the center. Devolution increases pluralism. When hierarchy is replaced by something composed of rather free-acting units, managers need to develop skills that are germane to these changed circumstances. It is one thing when a person’s position makes it possible to mobilize consent and conforming behavior; it is quite another story when both of these things must be generated within the context of a relatively open, participatory, and fluid system of reaching consensus on what should be done and how best to do it.

It is possible that the globalization of enterprise will force an increase in genuinely federal arrangements on the firm, a shift that would certainly imply moving away from a strict unitary, hierarchical model and award one that is genuinely more participatory, even if more difficult to manage. Charles Handy (1996) stated that such a change may be taking place (pp. 33–56), although even he suggested that the application of federal principles to the corporate world will, perhaps inevitably, be imperfect (pp. 109–12). The creation of similar federal structures, even ones remaining distant from devolution, requires a new look at many of the most canonical ideas about how best to organize and manage the profit-seeking enterprise. On close inspection, the sometimes spectacular downsizing and other changes in corporate structures since about 1990 do not appear to have brought about radical operational changes in hierarchical structure. In both the public and the private sectors, centralized control of organizations dies hard.

Nevertheless, the federal thrust in many of today’s global firms should not be underestimated. In the truly global firm, where multinationality is not just a label, traditional arrangements for strategic plans, corporate finance, and capital budgeting—which are still basically monocratic and unitary in nature—will gradually be revised. It is misleading to think, as so many corporate managers still do, that the continuing electronic and information technology revolutions will permit efficient global control from a single, geographically distinctive center. Experiences with joint ventures, as well as the corporation’s growing need to sharpen its attention to local markets and their customers and to local politics, have led to heightened interest in federal arrangements. In fact, as cross-border arrangements, especially nonequivalent ones continue to multiply, there is some speculation that the future global firm will be confederal and not just federal. This formula implies that increased autonomy among the far-flung units of such firms is better than monocratic, unitary structures as a way of organizing for tomorrow’s global enterprise. If devolution is indeed the configuration destined to characterize the truly global firms, then the earliest and most telling signs of it are likely to come from the megamergers that began to accelerate as the twentieth century drew to a close.

An important concomitant of any such transformation would be changes in both the ways in which these corporate bodies learn and the kinds of information they seek. These changes, if and when they occur, will perhaps decrease the universal lament among regional or local units that the center does not take variations in local conditions sufficiently into consideration in its decision-making. Managers are likely to experience a marked improvement in their ability to make salutary adaptations to a marketplace that, in the years ahead, will be increasingly characterized by rapidly mutating conditions that not only mark or reflect diversity but actually create it. Global firms, well-organized to deal with such challenges, are the ones that will have tomorrow’s competitive advantages.

Any such transformation should also encourage attention to the concept of power within the organization. Ongoing and endemic power struggles can be glossed over and even concealed when organizations are hierarchical and monolithic, particularly when they operate within a single or highly similar cultural context. When the firm expands geographically and begins to move in a pluralistic or federal direction, a fundamental rethinking of the place of power and of power-struggle considerations in the organization and management of enterprise will inevitably attract the attention it obviously deserves.

Lessons in Learning From the Public/Political Sector

Public/political-sector organizations experience not only thorny problems with learning but also rather strong pressure to endow themselves with capabilities particular to this sphere. The main pressure is to develop the kind of leadership that the public/political milieu requires (Fairholm 1990: 153). That such leadership does develop is an important indicator of instrumental learning. This kind of learning can also bring about changes in policy (Bennett and Hawlett 1992). As Heclo (1974) noted, alongside conflict within and between bureaucratic agencies, a good deal of collective attention to nagging problems also is the rule (pp. 1–16). This in turn brings about a great deal of political learning on the part of all concerned—bureaucrats as well as those with whom they interact (Heclo 1974: 284–326). As a further consequence, often across vast spatial distances, high levels of cooperation and collaboration are reached in finding solutions to common problems.

Both inter- and intranational diffusion of this type of learning has long been known to exist among functional specialists in public administration. As noted earlier, it is even more distinctive in federal systems than in unitary systems, in part because of the experimentation by and competition that this form encourages between governmental units. There may be less of this type of learning in the private sector than in the public sector, no matter how the firm is organized, because so many discoveries, including those involving management know-how, have proprietary and potential rent-producing characteristics. For this reason, information is typically stringently guarded rather than shared.

**The Question of Leadership**

Like power, the concept of leadership remains elusive (Sadler in this volume). Nevertheless, much corporate learning effort centers on the search for the right man or woman to assign to the tasks at hand at every level, beginning at the top. In the public/political sphere, the right person is in general one who can operate effectively within organizations that display such characteristics as the following:

1. They are nonhierarchical.
2. They do not produce or control their own internal resources.
3. They have, at best, limited control over their personnel, especially those people located at the most senior levels.
4. Their mission is defined and imposed from outside.
5. The lines that separate them from other organizations that are involved in and sometimes essential to their mission are unclear.
6. Their actions are subject to continual official and unofficial scrutiny, objection, and potential reversal for nonobjective, politically motivated reasons.

As I have shown, these and similar constraints define the existential condition of most organizations in the public/political sphere. If neither neat, clear, and widely accepted organizational boundaries nor and hierarchical instruments of command and control, on the other, are feasible, how does one lead?

**Leadership Qualities**

The ability to handle horizontal relationships within the organization as well as among other bodies with which the organization interacts (Kettl 1988). The effective leader must understand and be able to exploit the differences between hierarchy and equality, between formal and informal methods of communication.

More than ever before, horizontal relations challenge the manager to transcend formal rules (Barnard 1938). In informal channels, many of which lie outside the organization itself, the status of an individual on an organizational chart does not count for much and provides little guidance (Bailey 1988: 52–9). Anyone who has worked in government or in large-scale organizations in the private sector comes to appreciate the critical importance of the ‘back-channel’ aspect of organizational behavior. In the public/political sector these channels are more complex, less encapsulated, and potentially more explosive than in the private sector—and they require delicate and refined qualities of managing interpersonal relationships.

Highly desirable in this milieu are individual qualities such as perception, empathy, discretion, subtlety, flexibility, and decisiveness, which are translated as needed into acts of mediation, diplomacy, negotiation, advocacy, opposition, and persuasion. Implicit in these latter skills is a mastering of myriad modes of direct and indirect communication. This mastery, in turn, requires an acute and refined capacity to read the environment and learn from it (Rose 1993: 77–117). Myths about the man at the top actually being in control are almost useless. Ideas that derive from overly simplified principal–agent models are even worse. The leader must know and learn the productive exploitation of the distinction between having power and exercising it (Coopey 1995; Dahl 1968: 413; Gross 1964, Vol. 1: 49–72).

Bureaucrats sometimes do respond as through, for example, they are the agents of legislative bodies. Wood and Waterman (1994: 77–102, 150–4) bore this statement out, but they also illustrated the complexities that accompany environmental scanning and adaptation by governmental bodies involved in given policy areas. The legislature may wish to dictate policy as well as to control its administration. The bureaucrats have minds of their own, and they are inclined to exercise considerable discretion whenever they can. As the authors put it, ‘Bureaucracies also have powers in their own right, and sometimes use that power to alter outcomes in their relations with other actors’ (pp. 126–7).

Whether based on the formal distribution of power and authority or on the definition of roles expectations about these interactions may cause one to miss the point completely. As one leading American political scientist observed, the essence of leadership in politics is to bring about group cohesion directed toward goal achievement through the exercise not of power but of influence (Burns 1978; Handy 1993: 133–49).

**Ability to mediate**

Where conflict is the norm, the shrewd mediator is unusually endowed. The ability to encourage a search for balance among conflicting interests and to locate a point of equilibrium that will bring a working truce into being is as valued in the political sphere as it tends to be rare. For leaders of political organizations, finding the ways and means to mediate conflict among the outside groups that I have mentioned may well be a necessary condition for being able to operate at all. Without this leadership capacity, contention over the organization’s policies can easily lead to paralysis (Gross 1964, Vol. 1: 49–72; Sandole and van der Merwe 1993: 131–57, 176–93).

**Ability to compromise**

Horizontal power relations also require the leader to be flexible and to have a propensity to compromise. Both the fragmentation of power implicit in horizontal relationships and the myriad agencies and other organizations that make up the realm of government and politics, represent *de facto* pluralism. The notion that in this setting one can have one’s way or impose a ‘one best way’ is entirely unrealistic. Rather, one must search for compromise that will not involve lowest-common-denominator agreements or place at risk the organization’s goals. These dangers complicate problem-solving, but they also can and do impel a search for the type of organizational learning that such complicated circumstances require (Kriesberg 1998; Wise 1994).

**Ability to give minorities a voice**

The need for compromise, however, also underscores that in essentially all political organizations it is prudent, indeed essential, to give minorities a continuing voice in the making and execution of policy. Majorities are rarely permanent, and the more durable they become, the more they tend to stagnate or atrophy. Today’s power holders may be replaced, sometimes abruptly, by those over whom they exercise power. Leaders soon learn that only fools treat organizational conflict as a zero-sum game or ride roughshod over today’s minorities. It is more than prudent to assure minorities a ‘voice’ option. This arrangement will encourage a required minimum amount of loyalty to the system (Hirschman 1970).

Thus, in well-run public/political-sector organizations, those in power go to some pains to guarantee not only that minorities will be heard but also, and perhaps above all, that they will share in the distribution of privileges and benefits that the organization controls. This collaboration in the sharing of material and symbolic rewards often goes under such derisive names as ‘pork barrel’ and ‘log-rolling’ and is frowned upon. Leaders of public/political-sector organizations that engage in such practices fully appreciate that, without it, life would be immensely more complicated and that failure would always be a short step away.

It is also arguable that the treatment of minorities in this way not only is essential to organizational equilibrium but also may serve to improve the performance of the organization itself. Minority roles can be arranged so that they provide a stream of information that may often be at odds with the kind of information the majority is getting. Aspects of misguided policies or inappropriate or counterproductive methods of policy implementation may be brought to the attention of the majority. This kind of learning raises the probability that corrective single-loop or double-loop learning will ensue, for organizational actions that incorporate inputs from the minority are likely to be much more consensual than otherwise.

Something similar to providing minorities with the voice option occurs when the firm introduces new or improved procedures that permit criticism of existing policies. Adversary styles of decision-making create a distinctive format for structured learning. Such learning, it might be recalled, is likely to work optimally in situations where the overall organization is more federal than unitary in character.

**Ability to mobilize support**

Diplomacy, skill at negotiation, willingness to compromise, and due care for the interests of minorities may not be enough, however. Leaders must also be adept at mobilizing support, outside as well as inside the organization. In the political realm, this quality is considered the *sine qua non* of effective leadership. It implies that one has learned to transcend negotiations and mediation and reached a higher level of leadership that brings about fundamental change (Burns 1978). The ability to mobilize, when needed, the appropriate constituencies is an essential aspect of this leadership quality. In political power struggles, the stakes are often such that competitors will take high risks in order to prevail. In these moments one’s well-nurtured constituencies must be called upon to lend support. Such mobilization requires planning. It cannot be activated at a moment’s notice, as needed, without such preparation (Wood and Waterman 1994: 104–7, 145–54).

Ability to build coalitions

Mastering this type of complexity also raises the need for yet another leadership skill, namely, that of consciously and systematically building coalitions (Levin and Sanger 1994: 76–8). This capability is especially desirable where sharply diverse interests, including territorial ones, must be reconciled. One sees this need unfold dramatically in national parliaments composed of many political parties. The more diverse the interests or territories involved, the more skillful the leadership must be at creating at least a minimum-winning coalition (Levin and Sanger 1994: 76–8).

Coalition-building implies cooperation with allies but on occasion with competitors or enemies as well (Axelrod 1984). This orientation to conflict can produce remarkably useful forms of single-loop learning, which bring about changes in collective action—but without necessarily requiring a relinquishment of long-term goals (M. Deutsch 1994). The prospect is particularly attractive in the political sphere, where the abandonment of such goals by leaders almost always creates major problems for them.

Learning in the Future

**Similarities and Differences**

Many of these characteristics of leadership and patterns of organizational behavior will be found in the private sector as well. People who see similarities in organizations, in whatever sphere they may be found, are basically correct in their perceptions. The point is to look for the nuances that may be distinctive in both the private and the public/political spheres and to weave these nuances into what someday may become a robust general theory of organizations and of organizational learning.

Evidence from both spheres shows the types of benefits that organizational learning can bring. They include cost reductions in the delivery of public services (Levin and Sanger 1994: 90) and increased effectiveness of goal attainment, a product of learning that has been documented in the public-administrative sector many times since the appearance of Selznick’s (1949) landmark study of the Tennessee Valley Authority. It is also known that, where governmental bodies are concerned, a great deal of copying takes place which by definitions means that the quest to learn is both deliberate and instrumentally motivated. This transfer of knowledge, for better but sometimes also for worse, encompasses the widest range of institutions and organizations in the public/political sphere: from constitutional conventions, executive offices, legislatures, regulatory agencies, judicial bodies, and bureaucracies to political parties, interest groups, and other organizations that make up the polity in civil society.

Evidence of beneficial learning in the governmental sector comes from both sides of the Atlantic (Furubo, 1994). One overall conclusion from this work is that single-loop learning far outpaces the double-loop variety. Government organizations may be eager to improve policy implementation but may hesitate to do so where double-loop learning might be indicated, for they might not have sufficient freedom to act on the substance of policies. It is one thing to tinker with or change the methods used in the implementation of public policies but quite another to attempt a shift in substance. The literature on public administration and policy studies provides ample evidence that such tinkering does occur in many different political settings. Despite the array of obstacles I have reviewed, it remains true that creative leaders indeed manage to effect changes, particularly when it comes to improvement in the methods of delivering certain public services. And, this kind of single-loop learning should continue apace as some of these services are privatized.

A problem mushrooms in the public/political sector when a policy change of the double-loop type is indicated. Of course, this predicament is also true of the private sector: It is universally more difficult to modify ends than to modify means. In the public sphere, however, changing the goals of an organization typically, often instantly, triggers debate over the ends of government because, as I have shown, these ends are what public policies reflect. Debates over such questions immediately bring into play the messiness that leaders of public-sector organizations are called upon to decipher and manage.

There is an additional nuance worth repeating. For reasons already explored, bureaucrats in the public/political sector may have learned very well, and they may know exactly what should be modified, either in method or in the content of policy. But they are handicapped not just because control over policy may lie outside their capacity to act. The mosaic that is almost always the public policy realm may well imply that those who administer given public policies may be unable to assess the tradeoffs that would be involved were either single-loop or double-loop learning to be applied (Wilson 1989: 349).

Before the benefits of organizational learning can reach optimal levels in the public/political sector, learning activities must be more self-consciously pursued than they are at present (Hedberg 1981; Rose 1993: 7–12, 16–18, 19–49). Both principals and agents in the public sector should shun practices that displace their energies when it is learned that something needs changing because methods are wrong or because the policy is misguided. Energy displacement is guaranteed, for example, when errors lead those involved to try to fix blame or to find scapegoats as opposed to working for amelioration (LaPorte 1975: 348–52).

Ways need to be found to lower the valence of three additional and ubiquitous factors that impinge on public-sector organizations and perhaps on the private-sector organizations as well. One is the hostility that is certain to be directed against any information, however objective it may be, that threatens existing distributional arrangements. This problem places a high premium on the ability to show that the application of single-loop or double-loop learning will have positive-sum effects—no easy task!

The second problem, which poses great difficulties as well, is the necessity of reducing he probability, very high in large-scale organizations of all kinds, that those who need and could most productively learn from and use information will never get it (K. Deutsch 1963: 146–62). Information is knowledge and, as so many experts on organizations have pointed out, knowledge is also power (Hardy and Clegg 1996: 622–4, 633–7). In any organization the people who control the kind of information that is produced and, equally important, over those who see this information and when wield enormous *de facto* power within such structures. The ability to ration and direct information is the obverse of information glut or overkill, but it is no less potentially inimical to organizational health.

The third problem carries some irony for the field of organizational learning. It is that the evaluation of programs, the search for additional information, may become a way of delaying the adoption of a policy or stopping it in its tracks at the implementation stage (Henry 1990: 122–4). The old saying about the appointment of committees being the best means to organizational paralysis applies to information-gathering and evaluations as well.

**Prospects for Learning**

Charles Handy has pointed out that ‘in an uncertain world . . . we are going to need organizations that are continually renewing themselves, reinventing themselves, reinvigorating themselves. These are the learning organizations, the ones with the learning habit’ (Handy 1995: 45). If private-sector organizational trends of recent years persist, the structure of the firm is also likely to be ‘flatter’ than it has been, with fewer layers of management separating those at the apex from those at the bottom of the pyramid. This reduction of hierarchy implies and probably even requires, broadened participation in decision-making. Participation, in turn, should vastly enhance system transparency, increasing the diffusion of information and therefore reducing the chances of its being used narrowly as an instrument of power. Widened sharing of information should also reduce problems of span of control, the almost certain and highly unwanted outcome of reforms that make organizations ‘leaner’ and ‘flatter’ than in the past. Any restructuring of enterprise that moves in this general organizational direction will require much more attention than is currently given to developing the kind of leaders and leadership that the ‘learning organization’ requires (Coopey 1995).

According to Pinchot and Pinchot (1993: 39–50), such basic change supports the notion that the future belongs to the ‘intelligent organization’, which is more sensitively attuned to the market and less attached to and encumbered by outmoded bureaucratic practice than other kinds of organizations. This change implies, indeed it requires, the withering of the kinds of public/political-sector organizations that I have been describing. Examples in the United States, Europe, and Latin America of governmental functions that have been radically changed though their ‘privatization’ lend credence to this expectation.

I have a slightly different sense of the future. In my view the truly intelligent organization in the private sector will have abandoned some of the mythologies that persist in management journals and corporate boardrooms. The omnipresence of power within organizations and the struggle over its exercise (Pfeffer 1992; Pfeffer and Salancik 1974) will be more widely acknowledged than it is today. Power-seeking in the corporate sphere, recognized as indeed a form of politics (Coopey 1995), will no longer be considered deviant or pathological managerial behavior. When this change in attitude comes about, more of what has been learned in the public sector about the management of complex organizations will perhaps find its way into theory and practice in the private sector as well. Among the benefits of revealing the struggle over power will be the recognition that it is nothing more than the reciprocal of the exercises of power.

Some of the trends now apparent in the corporate sphere give mild reason for thinking that this transformation is already under way. Pinchot and Pinchot (1993: 64–74), for example, predicted that tomorrow’s intelligent organization will consist of many smaller ones, perhaps tied together in a federal or confederal structure. If this prediction holds true of the global firm, then these authors are correct in saying that styles of management will have to change, though not necessarily in the traditional market-centered direction. Managers will have to learn to scan the environment differently, work hard on horizontal relationships, and hone their skills at coalition-building and compromise.

Above all, these managers of the future will construct different information and learning networks inside and outside the firm, ones designed to bolster their own organizational capacity. In short, comparative advantage will be in part the result of incorporating and rendering operational some of the leadership qualities reviewed in this chapter. This observation may be just another way of saying that the intelligent firm and its managers will have to become much more political in their perceptions and other sensibilities than their predecessors have been. The intelligent firm and its managers will also have to be much more willing than in the past to recognize that all such networks, indeed all organizations at their core, are really about who gets how much of what is valued and scarce—about how and when this distribution happens and to what effect.

These considerations also imply a research agenda for political science. The testing of organizational theory and of theories and hypotheses of organizational learning needs to be expanded and accelerated in the realm of public/political-sector organizations, where it is only barely under way. This testing will not only provide needed modification and deepening of knowledge in this area. It will also decrease the descriptive or anecdotal nature of the knowledge that political scientists have about organizations and will make that knowledge more systematic than it currently is and easier to integrate into the field of organizational learning than it has been.

This new research can especially be encouraged in such constituent fields of political science as policy studies and public administration, which are already to some degree interdisciplinary and integrated into the literature on organizational theory and organizational learning. But these efforts should not stop there. In the era of the globalized firm, these giant organizations will be, indeed they already are, major actors in the international sphere. Knowing how and what they learn and then comparing such insight with how and what is learned on the public/political side of the international organizational sphere should have the highest priority for the academic community and policy makers alike.

Other subfields, such as political parties and interest groups, should also be on this future research agenda. This is simply not enough systematic knowledge about the kinds of things these organizations learn, about whether or not such learning proceeds in a self-conscious way, and about the uses to which such knowledge is put. Illumination of any of these dimensions might also be fruitfully utilized by those nations (still growing in number) said to be in transition. They are not necessarily headed toward democracy or, for that matter, toward market economies as they are traditionally understood. If experts can teach these nations something about the economic marketplace and about how the organizations found in the marketplace learn and utilize knowledge, then why not recognize that this effort is both needed and possible in the political sphere as well.

Attention to organizational learning will, I believe, also help improve the understanding not only of the emergence and spread in Western politics of the so-called Third Way, but also of the future implications of this momentous change. Adopted by many former left-wing political parties and more or less accepted by a number of key interest groups associated with them, this new departure promises to bring major transformations in the political systems of many countries. This phenomenon would not have spread as it has without a good deal of learning that is centered in organizations. It goes without saying that the particular configuration that the Third Way takes on in each country will be organizationally centered. It will also bring into existence dynamic interactions, some of them perhaps brand new, among the kinds of organizations that are found in the public/political as well as the private spheres.

In order to look at these phenomena more systematically than in the past, we should use the concepts and theoretical questions that derive from work in the fields of organizational theory and organizational learning. They encourage more of the cross-fertilization and interdisciplinary knowledge that presumably represents a widely shared ambition.

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