PUBLIC ADMINISTRATION AND THE MBA CROSSOVER: WHAT IS THE CASE FOR MORE SOCIALISATION?

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ABSTRACT

This article sets Masters in Public Administration in the complex context that such executive education is delivered today. It discusses sector blurring, skills capacity building needed as the economy and organisations move away from the old ‘industrial mindset’ and the new mission of social enterprise shared with MBAs. It demonstrates that executive education today needs to develop an ‘open mindset’ and related skills of creativity, leadership and innovation. The article makes the case for greater strategic socialisation between MPAs and Masters in Business Administration which it argues can benefit students from the commercial sector, public service organisations and everything in between.

Keywords - Executive Education, Fourth Industrial Revolution, New Public Management, Public Service Innovation, Masters in Public Administration (MPA)
INTRODUCTION

The relationship between Masters of Public Administration (MPA) and their big cousin the Master of Business Administration (MBA) is less than clear. MBAs tend to dominate in terms of profile, representing Business Schools’ flagship courses and indeed in sheer number. MPAs are rarer and tend to be more interdisciplinary, found in both Business Schools and Politics departments. Both programmes vary in emphasis and content but there is a distinction between them. While these courses are vocational, aimed at mid-career professionals, supporting career growth and management skills, MBAs have traditionally had a more commercial focus, business planning and profit while MPAs support the delivery of public services, policy and not-for-profit management.

Interestingly, the divide between private and public sectors is no longer as wide as it once was and neither is it as polarised. There is fluidity between the two as well as fuzziness with the role of the third sector and civil society is far more pronounced. In economies such as Britain, a public manager is as likely to be commissioning services as delivering them while professionals on the ground delivering such public services might be employed by a not-for-profit (or even a commercial) business. There is a greater emphasis on collaboration and co-commissioning, drawing together stakeholders. Meanwhile management techniques in the public sector have become much closer to those in the private since the 1980s while society’s problems are no longer thought of as the sole responsibility of the state hence the growth of corporate social responsibility programmes and social enterprise. Indeed, there is much less conviction that the state has a monopoly on the best solutions to handling problems which emerge from society as a whole. Innovation does not emerge from a single model and cash is not always the solution (Norman, 2010; Barber, 2011; Levitt, 2017). Public, private and the third sectors face distinct problems for sure but they must also address the great challenges of our time ranging from demographics to globalisation to the fourth industrial revolution. These organisations do not live in their own silos but must recognise that they present challenges to each other and the potential for productive partnership.

Consequently, there are good reasons to bring together learning and development of mid-career professionals at Masters level. Public Administration is too important both
as an academic subject and the professions it supports for it to be an add-on or after thought to MBAs. Public managers need particular skills and space for development which is not always fully reflected in an MBA. But there are real benefits to facilitating a crossover with compatible MBAs where there is a shared core of skills and development and a socialisation between these groups in terms of values. This article is a discussion paper intended to explore the relationship between MPAs and MBAs in order to identify where the crossover is most fruitful for those studying on the respective degrees and makes the case for greater strategic socialisation. Methodologically, it draws on recent debates around the changing economy of the fourth industrial revolution and what this means in terms of a shift away from the so-called ‘industrial mindset’; the consequences for management in organisations of all types; the blurring between sectors and the discernible trend towards social action. The article is then able to view these debates afresh through the lens of executive education in the form of MBAs and MPAs. It is organised as an essay around three topics: challenging outdated divides between both public and private sectors and MPA and MBA courses; the need to capacity build in the fourth industrial revolution; identifying a shared mission around society. It demonstrates the benefits of more socialisation between students on executive business administration and public administration courses in order to develop the new skillsets required in the economy and society of tomorrow.

CHALLENGING OUTDATED DIVIDES

The binary distinction and gulf between public and private sectors has perhaps always been something of a myth. While there are traditionally different mind-sets and attitudes to be found in the public and private sector, they rely on each other absolutely. In very simplistic terms economies in which there is underdeveloped public infrastructure, education and health are less attractive to commercial business and undermine productivity growth. It is instructive for instance that of the 15 different categories Forbes Magazine use for rating countries in terms of business friendliness (Forbes, 2017), every single one is to a large degree determined by or in the public sphere (property rights, innovation, taxes, technology, corruption, infrastructure, market size, political risk, quality of life, workforce, freedom -personal, trade and monetary, red tape and investor protection). And this is not a one-way street since commercial
economic growth generates the income that pays for public services and the unlimited demands of society. Arguably the most potent driver of social progress has historically been the growth of capital, since industrialisation. Bevan (1932, 100) might have been right in his assertion that ‘no society can legitimately call itself civilised if a sick person is denied medical aid because of lack of means’ but that civility and the ‘collective principle’ upon which it was based is dependent on the creation of wealth. The relationship is symbiotic even if unacknowledged. There are major industries and even economies of today which would not be as successful without public support of the past when venture capital could not be attracted ranging from science to the internet. As Mazzucato (2015) has argued, it is so often public investment which has driven growth at the most uncertain phase of the innovation cycle and provided the conditions for private success. Windrum (2008) puts it succinctly: ‘Public sector organisations have played a significant role in the development of many of the technologies that surround us today, ranging from the internet and the World Wide Web to biotechnology’. But more than this, the sectors are not only interdependent but there is also considerable ‘sector bending’ and ‘blurring’ taking place over many years (Dees et al, 2003).

Everything from contracting out to public-private partnerships means that the binary distinction between public and private sectors is no longer clear. Public sector managers commission services, private sector jobs deliver while there are numerous organisations from universities to nationalised banks where categorisation is debatable. Bridging this divide academically has been a challenge long accepted by Barry Bozeman who rejects the equation of ‘public’ with ‘governmental’, instead adopting the idea of ‘publicness’ to articulate the degree to which organisations are affected by public authority – the degree of ‘political constraint and endowment’ as he puts it (Bozeman, 2004). The consequence of this is the case he makes for more generic approaches to management across the sectors. In terms of recent management theory, the flow has been rather one way with the public sector expected to adopt commercial approaches, structures and techniques. It is the basis for new Public Management and why it is present in virtually every MPA in the world. But as Bromley and Meyer (2017) argue, while there are historically separate organisational entities, the blurring between commercial, not-for-profit and government sectors goes beyond the transfer of practices to a clear trend where organisations are evolving in similar ways. Consequently there is a case for more of a crossover in management education not for
expediency but because organisations are becoming more similar. This is an absolutely
central point because it places a responsibility on MPA courses to address such
similarities in delivering education rather than attempting to defend parochialism.

Given this, universities have a particular challenge since Van der Wal and Oosterbaan
(2013) demonstrate the contrasting values and prejudices still present not simply within
sectoral organisations but also among students viewing different careers. Their survey
data reveals that MPA students (unsurprisingly) have high public sector motivation but
that they also hold negative attitudes about commercial business. Private sector
orientated MBA students on the other hand hold negative attitudes about the public
sector and enjoy extrinsic motivations. Such prejudice is unhelpful in and undermines
strategic success of managers and organisations and represents a failure of reflective
learning. It perhaps also echoes the prejudices articulated by one of the trail blazers of
Thatcherism, Keith Joseph (1976), who depicted the ‘wealth producing’ and the ‘wealth
consuming’ sectors of the economy (with a clear preference for the former) and which
have been a mainstay ever since.

The attitude that the public sector is inert and inefficient but motivated by public good
while the private sector is dynamic and innovative but motivated entirely by profit (or
greed), is likely to prevail but Business Schools should not be in the business of
reinforcing these stereotypes. Instead there is an opportunity to recognise the
similarities as well as differences for the benefit of students. This is all the more
important since these attitudes are synonymous with the ‘industrial mindset’ which has
prevailed since industrialisation while the new economy demands a much more ‘open
mindset’. Until now the approaches, which came about as a result of the first industrial
revolution, when the economy mechanised and manufactured, have centred on
productivity growth and even Taylorist ‘scientific’ methods of regulating work. It has
spawned hierarchy and layers of middle management and bureaucracy. Such a
mechanistic approach is rapidly becoming outdated as organisations of all types
recognize the impact of the dawning fourth industrial revolution of artificial intelligence
and technology and the need to replace process and control (Schwab, 2016). This means
that the paradigm shift is from control to creativity; from management to leadership;
and from process to innovation. It is here that executive education programmes like
MPAs and MBAs must shift gear and there are benefits in doing so together as the next section will explore.

In MPA terms, there is a core to Public Administration education which involves the study of public policy, its development and the dovetailing of public management. MPAs are more political and need to develop political astuteness in students. Not-for-profit finance is also different and requires the development of different skill-sets. There are issues which public sector managers are likely to tackle which would not be faced by a manager in the commercial sector –and vice versa. MPAs must be structured in such a way as to engage in these and reflect upon them mindful that this is different from the corporate focus required by those developing careers in commercial organisations. But there are similarities too in the skills demanded of MPAs and MBAs in leadership, strategic thinking and innovation. And it is here that socialisation of these student groups can be more powerful than the separation.

DEVELOPING THE CAPACITY BUILDING IMPERATIVE

The advent of the fourth industrial revolution is and will be profound for organisations and for business education. Digitalisation and artificial intelligence have the capacity to change the world of work and just what people do at work. Technology is becoming able to replace skilled human work, freeing up people to create. The result is likely to be changed organisational structures, with less hierarchy and more specialisation. It is not a new idea but the era that many thinkers have long forecast is upon us: We can no longer manage for excellence by telling ‘people exactly what they had to do and make sure they did it’ (Wheatley, 1997). The Employer Skills Survey (2016), the World Economic Forum (2016), Chartered Management Institute (2014), and a host of other international management organisations have all emphasised the skills required now and in the coming decades. These centre on complex analytical skills, problem solving, critical thinking, creativity, innovation, people skills. Executive education must adapt to these changing needs, more advanced skills based at the expense of outdated knowledge. Degrees must move away from this old industrial mindset allowing students to capacity build.
This means that MBAs need to be much less structured around autonomous business functions (Barber, 2018) while MPAs should be more open to the sort of creativity that allows for commercial innovation. This is an interesting new chapter in the evolution of public management and one where Business Schools have an opportunity to play a valuable role in the success of public services since a charge (albeit unfair) which still stands today is that the public sector is incapable of innovation.

One of the motivations behind NPM in the 1980s was to make public sector organisations more like the private sector - or at least the dynamic stereotype policymakers liked to proffer in contrast to the process-driven slothfulness of public bodies. The ambitions of the Thatcher government were to sweep away bureaucracy and create new mechanisms of public sector accountability (Oliver & Drewry, 1996) emphasising the market as the most efficient way to allocate resources (McCourt & Minogue, 2001). That NPM failed to achieve comprehensive change in public management conventions is perhaps one reason for the widely held attitudes about the public sector (Hood & Peters, 1994). Ironically, public management reform driven by the mission to make public services more like the private sector was not really intended to produce more innovation. ‘New Public Management [did] not replace older frameworks but [added] a new approach to public sector governance ie contractualism’ (Lane, 2002, 3) which is arguably an obstacle to public sector innovation. Nonetheless, that ambition for innovation has been adopted more recently as a way to reconnect public administration to the political priorities of government (Osborne, 2010) and MPAs have a role to play here.

Despite the prejudices, and perhaps because of the blurring discussed earlier, there is a developed literature analysing public sector innovation (Brown & Osborne 2012; Radnor & Robinson, 2000) which has been joined by the related idea of social innovation (Nicholls & Murdock, 2011) which will form the basis of the third section to this article. The evidence serves to dispel the charge that the public sector cannot innovate despite the ‘public sector motivation’. If one considers the changing demands of society over recent decades and the revolution in technology, it can be seen how the state has responded to the changing demands of citizens: this is ‘publicness’. The public sector must innovate and needs people capable of innovative thinking, creativity and leadership.
The public sector should be recognised for its ability to do this and public managers need to be enabled to innovate where this is the necessary response. Moore and Hartley (2008) for instance show the innovative contributions the public sector has made to the governance process while there is the recognition that unlike the more tangible product innovation, service innovations are more qualitative (Hartley, 2005). As academic debate has evolved into ‘New Public Governance’ which emphasises the sort of collaborative working one would associate with the needs of the fourth industrial revolution, there is an acknowledgement that innovation needs enabling management to emerge. Here, greater socialisation in the classroom can be seen as a conduit for capacity building as managers of all kinds accept they are facing the same problems generated by an uncertain world, whether these are economic, social, political or demographic.

MPAs have this mission to support public leaders in facing these challenges, accepting that the public sphere has a more nuanced and greater mission than simply fixing market failure. Public managers are expected to be more strategic than reacting to the inability of the private sector to deliver on the public’s expectations. These challenges require ‘the public sector to have vision and confidence – increasingly missing today’ (Mazzucato 2015, 2). These can only come from the people who deliver and the challenge is one shared with MPAs. After all, executive education at this level is designed not only to develop competence but also confidence in participants‘ ability to adapt to new and emerging situations. It offers the opportunity to step back from the day to day and to understand developments outside the organisation, to make sense of them for their own professional practice and to bring greater strategic vision to their domains.

**RECOGNIZING A SHARED MISSION**

MBAs came under considerable criticism both before and in the wake of the financial crisis a decade ago (Minzberg, 2004; Navarro, 2008). Ethics is something which was rather tacked on to many courses in the past and the observation was made just how many of those implicated in corporate scandals and the banking sector meltdown were holders of MBAs (Starkey & Cooper, 2009). Perhaps one noticeable development to have taken place since is that social enterprise has moved from the periphery to the core
of many MBA courses. As Milway and Goulay (2013) identify, social entrepreneurship has existed in MBA programmes in Europe and the United States since the 1990s but the last decade has seen it become a central feature. By examining the course content of eight ‘top’ US MBA Schools using data from the Bridgespan Group, they calculate an average increase in ‘social benefit content’ at 110% between 2003/4 and 2008/9 and twice as many units in not for profit management. This means that part of the mission of MBAs has moved firmly into line with tackling problems once the near preserve of Public Administration. As they put it, ‘Any program teaching business skills needs to train their graduates to serve both companies and society’ (Milway and Goulay, 2013). The versatility reflects the era both in terms of the demands from students seeking more meaningful achievements in work and from changes at a policy level. This is worth sketching out in brief.

Following a decade of exponential public spending increases in the UK and elsewhere, the financial crisis meant that economies across Europe suffered sovereign debt crises leading to so-called ‘austerity’, a squeeze on spending and a search for a meaningful alternative to the public sector. Prime Minister David Cameron’s coalition, which came to office in 2010 committed to balancing the budget, adopted a positive vision to an otherwise bleak message. ‘Big society’ was short-lived as a slogan and rarely defined effectively but in retrospect represented the change in mind-set about what can broadly be called ‘public services’. At the time, adviser Ian Birrell (2010) described the policy as ‘an attempt to connect the civic institutions that lie between the individual and the state… In political terms, this means passing power to the lowest level possible: radical public service reform… To amplify the devolution of power there must be greater transparency, freeing up the state's information and data.’ The idea survived into government in part because this came out of necessity and at a time of near crisis for public finances - not only in the United Kingdom but also across European Union member states and elsewhere. While, a key motivator was to maintain services and support that communities had come to rely upon while simultaneously reducing departmental spending, there was a wider point of ideology. Here Jesse Norman, latterly a Conservative MP who acquired a reputation as a ‘thinker’ argued that, ‘we have reached the limits of the idea of the state as a remedy for social and economic failure. What is so striking is how impoverished political debate has become on these issues, and how reliant we are on a single and inflexible model of state provision of public
services to solve our social ills’ (Norman, 2010, 6). If the model ever were inflexible, a
decade of squeezed public spending has allowed for a more diverse picture in how
organisations serve society. It can also be observed that the hitherto size and structure of
the (welfare) state, throughout the post war years (including through the 1980s), served
to crowd out private enterprise and as such this represented an opportunity for actors
outside of government to assume a greater role. That is, where the state commanded a
monopoly on particular aspects of public service, other models which might have had
the potential to be more innovative and effective could not emerge. That said,
governments have also been guilty of pursuing the ideology of competition to dismantle
traditional state bureaucracy but replacing it with a sometimes unworkable market
model that was no more efficient. Meanwhile such are the demands for healthcare and
the possibilities that were unattainable in the past, that the NHS is increasingly
assuming an ever larger proportion of public spending. The implications of this are stark
for other parts of the public sector which must compete for funding with health. There
have been notable casualties in the last decade with local government particularly hard
hit. This only increases the need for more innovation elsewhere.

What has emerged then is a blurring of the lines between public and private sectors,
greater similarity between organisations in different sectors, a need to capacity build by
developing skills around creativity, innovation and problem solving, increasingly
complex social problems and a recognition not only that the private and third sectors
have a greater role to play in society but also that the public sector has a challenge to do
much more than attempt to fix market failure.

The most recent developments in public governance recognize that innovation in public
services can emerge through collaboration (Denhardt & Denhardt, 2015; Howlett &
Kekez, 2017; Bryson & Crosby, 2014). That is the complex problems presented by
society are best tackled not in a prescriptive centralised way but one which co-produces
(Bovaird & Loeffler, 2015) and one where sectors work together. The years following
the financial crisis, meanwhile, have served to focus greater attention of business on
sustainability and its place in society while social enterprises have gained a new
prominence.

It would be perverse given all of this that there were not greater socialisation between
MBA and MPA students with social enterprise a point of explicit crossover. As they
develop to meet the needs of tomorrow, leading courses of both types will recognise a shared mission for their graduates in terms of the impact on civic society and the regional eco system. More than creating better managers, mid-career professionals can emerge from these programmes capable of improving society itself. That many students and professionals from respective sectors remain stuck in the old mindsets, retaining the old prejudices is surely a reason for socialisation in the classroom. This does not mean simply merging courses or adding on a public administration pathway to a bigger MBA but rather a strategic crossover which shares expereinces to develop better creative leaders and strategic thinkers while maintaining those parts of the curriculum that make these distinct and attractive courses. It is important, for instance, that MBAs instill those core commercial skills while public sector finances are very different. MPAs increasingly need greater political astuteness. But there is much more that is shared. Facilitated effectively, the strategic crossover proposed serves to broaden mindsets, draw in different perspectives, and avoid the sort of groupthink synonymous with similar organisations. Public sector, private sector and third sector organisations of all sizes will benefit from this widening of viewpoints since almost all inevitably attract groups of likminded people who see the world in similar ways. Socialisation, then, extends perspective taking making participants more creative and ‘can lead to better decision-making outcomes, which are greatly needed in a complex, fast-paced world.’ (Ku & Brewis, 2017)

**Conclusions**

This article has concentrated on and emphasised three areas of commonality between public and private sectors in terms of executive education for managers working in public service or commercial enterprise respectively. It has not attempted to categorise (exhaustively) all areas of crossover but has concentrated on the similarities in managing organisations, the shared challenges of the fourth industrial revolution with change in mindset, and the new shared mission common to many working in all sorts of organisations. The nature of the disruptive age, the fourth industrial revolution, which
is upon us has the power to reshape organisations of all kinds and the societies in which they operate. This means that there needs to be greater cooperation and coproduction as the divisions between sectors subside. It suggests that the old models of doing things, which have already broken down, are unlikely to be resurrected but in their place the opportunity for public innovation. It also means that the skillset of mid-career executives needs to be shifted decisively towards creativity, innovation and leadership. This is true of organisations across traditional sectors. This is a challenge that executive education must address directly. In discussing this, the article has made the case for greater socialisation between MBAs and MPAs which, it argues, possesses the potential to enhance learning through shared experiences, foster debate and enable capacity building in the very skills needed in organisations of all types. The argument made here is that while those working in respective sectors might retain prejudices about each other, those stereotypes should not be exacerbated in higher education. Rather, there is a genuine potential to enhance learning and skill development through deliberate and strategic cross fertilisation of course participants. This means recognising that similarities are greater than differences but also capitalising on differences in outlook to widen perspective taking in the classroom.

This article has not categorised the differences, however, between MBAs and MPAs and the distinctiveness between them and their purpose must be maintained. They are not, after all, the same course and the article has argued that the crossover must be strategic. There are core elements of Public Administration that are different from MBAs and that distinction must be protected. But the potential power of more socialisation centred on strategic thinking, innovation, creativity and leadership is increasingly irresistible.

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