The Development of Public Service Operations Management

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This piece aims to outline the development of a discipline – Public Service Operations Management and will argue the importance of developing an understanding between public management and operations management literature and theory This is reflected through the recent publication of an edited companion which aspires to explore and define bodies of knowledge related to Public Service Operations Management (Radnor, Bateman et al. 2016).

A public service can be considered to be a service or set of services provided to citizens directly through a public sector body or through public financing of provision by private sector, third sector or voluntary organisations. At the most simplistic level operations management (OM) is concerned with managing inputs of processes, people and resources through a transformation process model to provide the required output of goods and services (Slack, Brandon-Jones et al. 2012). Service operations management is concerned with both the output or outcome of 'the service' in the sense of 'customer service' and also the service organisation itself - in the way it configures, manages and integrates its (hopefully value-adding) activities (Johnston and Clark 2008). Operations tasks fall into three main areas; developing an operations strategy, improving the operation and, managing the day-to-day operations (Slack, Brandon-Jones et al. 2012). We argue that these general operations management concepts, tasks and components are relevant to the public

sector but also, that public sector organisations should recognise that they are a service organisation within a complex stakeholder environment.

Operations Management recognising Public Services

Periodically authors and editors of Operations Management journals state the need for more Operations Management research in not-for-profit and Public Sector organisations (Taylor and Taylor 2009). This size of public sector both in employment (5.7 million people in the UK or 19.1% of the workforce[1]) and cost (as a percentage of National Gross Domestic Product (GDP) was 20.5% (US) and 41% (UK), (Pettigrew 2005) justifies OM attention. In 2011 the Index of Economic Freedom reported that Government spending as a percentage of National GDP was 38.9% for the USA and 47.3% for the UK (Index of Economic Freedom 2011). During this same period (2005 – 2011) both the UK and US, as well as other countries, have experienced financial crisis with substantial public debt leading to severe budget cuts across the public sector.

This growing pressure on public services across the western world has led to a focus on increased efficiency. Although the focus on efficiency and productivity initially led many public organisations to consider information technology as a possible solution (Karwan and Markland 2006) the pressure of reduced budgets has meant many organisations have had to adopt alternative management concepts in order to improve their internal operations and processes. In particular, public services including Health (Fillingham 2008), Central and Federal Government (Radnor and Bucci. 2010) and, Local Government (Seddon and Brand 2008) have responded by implementing lean and business process improvement methodologies.

[1] http://www.ons.gov.uk/ons/rel/pse/public-sector-employment/q1-2013/sty-public-sector-employment.html, accessed 18/11/2014

An analysis of the key operations management journals; International Journal of Operations and Production Management, Journal of Operations Management and Production and Operations Management from 1980 to 2014 shows how operations management thinking has evolved over the last thirty years and the role public service operations has taken within this body of work. Of 3607 papers published 114 were explicitly focused on the public sector with a further 140 as mixed public and private. The peak of publication for public sector (including mixed) was 2011, whilst during 1980-1991 only a handful of papers were published. In the past decade there has been consistent publication focusing on public service and mixed public and private, however it may be that the 41% of papers (1980-12014) where no sector is stated did have a public sector element that the authors chose not to identify. The predominant types of papers published were surveys and case studies representing 30% and 31% of the 254 papers. Revealing that most research published is exploring the current state of public service OM. Whereas papers that set the agenda i.e. positional and conceptual, only represent 1.2% and 3.9% of the public service OM papers. This may be due to, difficulty publishing this type of papers or a lack of research in this area, a reflection of the need for greater levels of field data and in-depth analysis to develop new concepts and theory in the area.

Of the 254 papers in public and mixed, healthcare was revealed the biggest sector with 30% of papers. The next largest sector was education with 8%, but papers that examined multiple sectors represented 24% of the papers. In the new edited book (Radnor et al, 2016) chapters were selected to widen the range of sectors to include; uniformed services, social housing, local government, higher education as well as third sector and voluntary organisations.

The challenge for researchers and practitioners is not just how the OM discipline should be more inclusive to the context/sector but also how the context/sector engages with the discipline. As the next section will argue, public sector organisations have struggled to recognise that they are a service based organisation but instead considered themselves in terms of policy and product orientation.

Public Sector Organisations recognising Public Service Operations

It has been argued that the increasingly fragmented and inter-organizational context of public services delivery (Haveri 2006) necessitates asking new questions about public services delivery. It is now no longer possible to continue with a focus solely either upon administrative processes or upon intra-organizational management – the central pre-occupations of public administration and (new) public management, respectively. Rather these foci must be integrated with a broader paradigm that emphasises both the governance of inter-organizational (and cross-sectorial) relationships and the efficacy of public service delivery systems rather than discrete public service organizations. This broader framework has subsequently been termed The New Public Governance (Osborne 2010). This framework does not replace the previous foci, but rather embeds them in a new context, an argument similarly made by Thomas (2012).

A second argument that has been presented is that much contemporary public management theory has been derived conceptually from prior ‘generic’ management research conducted in the manufacturing rather than the services sector. This has generated a ‘fatal flaw’ in public management theory that has viewed public services through a manufacturing lens rather than as service processes. Most relationships between public service users and public service organisations are not characterised

by a transactional or discrete nature, as they are for such products (McLaughlin, Osborne et al. 2009). On the contrary, the majority, whether provided by government, the non-profit and third sector or the private sector, are in fact not 'public products' but rather 'public services' that are integrated into people's lives. Social work, health care, education, economic and business support services, community development and regeneration, for example, are all services provided by service organisations rather than physical products, in that they are intangible, process driven and based upon a promise of what is to be delivered.

We would suggest that the attitude of uncritically applying manufacturing ideas to public service is flawed although, many of the approaches and ways of thinking that helped evolve these original manufacturing ideas are useful. This approach of adapting operations management to the public service environment whilst, learning from existing thinking is exemplified in a number of studies within the book (Radnor et al, 2015). We argue that public services should recognise themselves as services, with distinct service operations management logic and managerial challenges that this implies, and hence reject the potential flaw contained within current, product-dominant public management theory.

To conclude we argue that due to the GDP spend on public services, pressure to reduce this spend and, the response by public organisations in using service operations management concepts drive the need for Operations Management and Public Management scholars to both research and publish on Service OM in the public sector. This has to go beyond merely reporting current practice and needs to develop new theory that can be applied to public sector organisations and public services. We are defining this development as 'Public Service Operations Management'. This new discipline needs to adapt the traditional frameworks and

concepts, developed through manufacturing and private service organisations, engage with the digital and information age and mature on new frontiers, in order to develop concepts and thinking that supports the effective and robust public services.

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