

**Public Management, Autonomy, and Performance:
Merging Political and Administrative Notions of Autonomy**

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Abstract

An extensive literature has developed concerning the political relevance of autonomy in the study of democratic governance. Missing from the discourse is an assessment of the impact autonomy has on the performance of public organizations in which it is exercised. We integrate theoretical perspectives of autonomy from political science and public management research to evaluate how, and to what consequence, public managers within agencies translate granted-autonomy into performance gains and losses. We develop a model of multi-dimensional managerial autonomy and empirically test hypotheses on a data set of several hundred public organizations in the setting of public education. Findings suggest that organizations benefit when managers have autonomy to discriminately detach politics and administration. However, if managers discount their capacity to advocate and shape policies, performance may suffer. A comprehensive managerial strategy requires taking into consideration multiple aspects of autonomy, to the advantage of the organization.

Introduction

Does managerial autonomy influence organizational performance? If so, what are the implications for management theory and practice? We take an innovative approach to answering this research question by drawing on various conceptual perspectives related to ‘autonomy’ grounded in two different literatures: political science and public administration/management. The paper proceeds in four parts. First we introduce the political perspective of autonomy, which disproportionately focuses on determinates of the concept rather than performance impacts. Second, we merge the political notion of autonomy with that espoused in the field of public administration, which links autonomy with organizational responsiveness and job satisfaction, and thus performance. Third, we empirically test three related propositions concerning the relationship between autonomy and organizational performance, using a multidimensional model of managerial autonomy and variegated performance indicators. Finally, we discuss findings in light of our expectations, ultimately returning to theoretical and practical implications of this study to public management and performance research.

The Political Notion of Autonomy

An extensive literature has developed concerning the political relevance of autonomy in the study of democratic governance (for example Meier and Bohte, 2007; Carpenter, 2001; Huber and Shipan, 2002; Hammond and Knott, 1996; Taylor, 1995; Evans et al. 1985; Nordlinger, 1981, and Stepan, 1978). The definition of autonomy, traditionally applied to

politics, is the ability of the state to formulate and pursue goals that are not simply reflective of the demands or interests of social groups, classes, or society (Evans et al, 1985). This definition has taken on accessorial meaning within political science, as the literature has burgeoned to consider when various institutional bodies (not just the state) act autonomously from one another, and vis-à-vis society. This literature focuses mostly on the acquisition and exercise of autonomy by executive, legislative, and judicial bodies (Taylor, 1995; Evans et al, 1985).

Over time, this literature has been complemented by studies focused on whether and to what extent public agencies act according to their own goals, which may diverge from those in political authority (Meier and Bohte, 2007; Krause and Meier, 2003; Huber and Shipan, 2002; Carpenter, 2001; Taylor, 1995). In this context, acting autonomously means for agencies to acquire, maintain, and expand their capacity to exercise administrative power according to their determination of who gets what, when, and how (Meier, 1989; extended application of Laswell, 1936).

The capacity to act autonomously, however, is predicated on the general delegation of authority from citizens to their elected officials in a system of representative democracy, which often continues from elected officials to other institutional bodies, like public agencies. This chain of delegated authority can create capacity for public agencies to act autonomously in pursuit of goals that may diverge from those in political authority (Huber and Shipan, 2002; Carpenter, 2001; Taylor, 1995). The application of this concept to bureaucratic politics focuses directly on determinants of autonomy in modern political systems.

Rather than exploring additional determinates, we shift the focus to the impact autonomy has on the performance of the organization in which it is exercised. Specifically, we extend the

application to public managers within agencies, who are in position to translate granted autonomy into performance gains (losses). Our contribution is twofold: 1) a focus on the role of *managerial autonomy* internal to public agencies and 2) the development of an established *link between managerial autonomy and bureaucratic performance* on core technologies¹ and tasks performed by the agency.²

Contemporary research on organizational autonomy focuses on two main facets of the concept (Verhoest et al., 2004). First, organizations are appraised as to their autonomous decision making competencies. This includes the extent to which the agency has managerial and policy autonomy, apart from those externally imposed by political principals. Managerial autonomy is gauged by the degree to which decisions concerning principles of management, managerial procedures, and transactions are externally derived from the governing body (e.g. school board, city council, legislative committee, etc).³ Policy autonomy is the extent to which organizations can make decisions concerning the structure and content of the primary production process (Verhoest et al., 2004). The second facet of organizational autonomy focuses on constraints of the actual use of these decision making competencies, such as structural, financial, and legal autonomy. More attention has been paid to these constraint-elements, rather than managerial autonomy specifically. In fact, managerial autonomy is largely overlooked due to

¹ We are also concerned with management-performance linkages to goals beyond core technologies, since organizations often pursue several goals simultaneously (Rainey, 2003; Goerdel et al, 2006; Meier et al, 2006).

² The former component places us directly into the ongoing discussion over the relationship between politics and administration. While we reject the politics-administration dichotomy, we want to contribute empirical evidence linking notions of managerial autonomy to improved capacity for administrative effectiveness, and thus performance.

³ These are largely systemic in nature, not specific managerial efforts.

difficulties associated with identifying and estimating those factors related to the concept. Despite this, these emerging conceptual views provide a foundation for making connections between autonomy and organizational performance. We merge these conceptual views with additional theoretical expectations arising from the multi-dimensional nature of autonomy, coming from comparative politics scholarship.

There have been new developments of the linkage between general bureaucratic autonomy and performance in the comparative politics literature on central banks (Boylan, 2001; especially Christensen, 1999). The base argument is that a consequence of bureaucratic autonomy is the discriminate detachment (not necessarily fully) of administration from politics and policymaking. This capability combined with a specialized, merit-based bureaucracy gives rise to a comparative ‘best instrument’ to secure effective policy execution in a way that simultaneously economizes on costs. Williamson (1996) concurs, especially when assets are highly specific and transactions frequent (as they are across the set of bureaucracies we investigate in this study).

As a result, comparative efficiency and political insularity (resulting from autonomy) are seen as solutions to such tasks. We apply this argument to managerial autonomy and organizational performance and argue that this modern application of Wilsonian conceptions of bureaucratic functioning generates profitable explanations as to how public managers within bureaucracies contribute to performance by way of autonomy. Specifically, we add to earlier analyses of general bureaucratic autonomy (Verhoest et al, 2004; Carpenter, 2001; Bouchaert and Verhoest, 1999) a systematic treatment of how managers within agencies affect organizational performance when two types of autonomy are present: managerial autonomy

related to a) political-engagement and b) autonomy related to introducing change and innovation to improve performance.⁴ These multiple-dimensions of autonomy are consistent with Verhoest et al (2004) which focus on decision-making competencies within organizations.

However, a comprehensive approach linking autonomy to performance across agencies also includes merging the political notion of autonomy with that espoused in the field of public administration; in the next section we discuss the literature on management and autonomy from this perspective.

Public Administration, Public Management and Autonomy

Autonomy, along with related notions of empowerment and discretion, has been a key feature of recent reform movements like the New Public Management and Reinventing Government (Dewitt et al., 1994; Kim, 2002; Olshfski & Cunningham, 1998; Osborne & Gaebler, 1992; Pitts, 2005; Ting, 1996). The past twenty years have seen a worldwide movement toward making government more like “business,” and more responsive to citizen needs and concerns. Such reforms are based on the premise that, because government does not have a “bottom line” or profit-motivated set of goals, it is apt to be less efficient than business organizations. The reforms of the 1990s urged governments to do more with less and to reward entrepreneurial and creative approaches to governance (see, e.g., Osborne & Gaebler, 1992). In

⁴ During these processes, coalitions of pressure groups (Nicholson-Crotty and Nicholson-Crotty, 2004), environmental conditions, resource capacities (Meier and Bohte, 2007), political control (Hammond and Knott, 1996; Wood and Waterman, 1994; Moe, 1989) and even organizational structure (Rainey, 2003) constrain and enable autonomy between institutional bodies and actors (Huber and Shipan, 2002; Carpenter, 2001). For these reasons, any investigation of how managerial autonomy within agencies influence performance must also consider relevant constrains and resources in the environment (both internal and external). We account for these contingencies.

order for such entrepreneurship to be possible, employees have to be empowered to take such steps, and so managerial autonomy has been one means of attempting to make government more effective.

The assumption made is that more entrepreneurship, creativity, and innovation on the part of the government employee will lead to better solutions to complex problems, new ways to cut costs while preserving effectiveness, and an overall more efficient government. It is reasonable to assume that, in some cases, the above scenario does exist, and government employees use their autonomy to make changes and create efficiencies. However, much like the political perspective, the extent to which autonomy actually benefits organizational performance is an empirical one, and one that has not been explored in the research literature in public administration. The questions remains: what exactly are the consequences of managerial autonomy on organizational performance?

Autonomy as Contingent upon the Environment

The research literature on organizations, with an almost exclusively private-sector orientation, has examined issues of autonomy and discretion for some time. Management theorists distinguish between organizations that are vertical, mechanistic, and bureaucratic on the one hand, and horizontal, organic, and learning-based on the other (for an overview, see Daft, 2006; Rainey, 2003). The former tend to be structured hierarchically, with information flowing primarily from the top down. Communication is used as a power tool, with information dispersed only as it is necessary to achieve the top management's goals. Managers at the upper levels tend to preserve control by restricting the empowerment of those below them in the organizational

hierarchy. Conversely, organizations that are horizontal and organic tend to eschew hierarchy in favor of flat structures. Employees at the street level are empowered to make decisions, take risks, and be innovative. These employees tend to have access to all information that is available, and new ideas might spring forth from the bottom up, as opposed to top down. Business organizations have shown a preference in the past twenty years for moving toward horizontal, organic, and learning organization structures.

However, the literature on organizations with a private-sector orientation tends to treat the autonomy-performance link with a bit more complexity. It does not take as an *a priori* assumption, as much of the public-sector literature does, that autonomy is linked to performance. Rather, research has found that whether autonomy and discretion are appropriate in an organization depends on the extent to which that organization exists in a fast-changing and uncertain environment (Duncan, 1972; Gold, 2001; Matthews & Scott, 1995; Sutcliffe & Zaheer, 1998). That is, organizations that exist in an environment where other actors frequently enter and leave, and these entrances and exists cannot be predicted with any accuracy, are best served if they empower employees at low levels to do what is necessary in order to prosper. Since employees at the street level are likely in the best position to react quickly to change, it makes sense to empower them to proceed with their own strategies, rather than require them to go up a hierarchical chain in order to obtain permission.

On the other hand, the private-sector organizational literature tends to show that organizations in environments of relative stability and certainty are best served by maintaining hierarchical structures where important decisions are made by top management (Gulati, 2005; Shirazi, 1996; Sobrero & Roberts, 2001). Since actors in the environment tend not to enter and

leave very often, and it is possible to predict when such movement occurs, there is no reason to organize in a manner that permits quick action or response. Managers do not need to be empowered or autonomous in order to react to environmental concerns, so where does the organization benefit from such low-level discretion? Most assuredly, empowerment introduces at least occasional inefficiencies, since allowing employees to “figure it out” on their own necessarily requires some amount of reinventing the wheel and repetition. Of course, the extent to which this kind of discretion and autonomy results in inefficiencies is an empirical question for which we do not have an answer. However, it seems reasonable that the likelihood of occasional inefficiencies relating to autonomy warrants further inquiry, particularly in the context of a stable environment.

The question then becomes whether government organizations operate in an environment of stability and certainty. The private-sector literature considers the environment as a free market. The shift in organizations toward a structure that invites autonomy and discretion is largely a reaction to the volatility of the economic markets in which many of them operate. Since most business organizations must maintain profit in order to survive, it is vital they find ways to respond to the market in which they do business. If they understand their market to be one of uncertainty and frequent change, then it is crucial for them to find ways to respond. Autonomy and discretion at lower levels permits such response.

What about government organizations? In addition to coalitions of pressure groups, forms of political control, and various structures of organization which constrain and enable autonomy, one could construe their environments in a number of additional ways (see, e.g., Bozeman, 1987; Rainey, 2003; Rosenbloom et al., 2001). On the one hand, government agencies receive

generally stable funding from a centralized funding source. Agencies can spend what they are allotted and must ensure that their expenses do not exceed the amount they are allocated. Agencies can lobby for larger shares of future budgets, or illustrate that their performance warrants a larger slice of the government pie, but there is typically very little uncertainty regarding finances on a day-to-day, or even month-to-month, basis. In addition, government agencies do not appear and disappear with much regularity – agencies tend to stay in place for long periods of time, and dissolving an agency comes only after months, years, or decades of political conversation. Given the above, one might characterize government organizations as existing in an environment of stability and certainty.

On the other hand, government agencies frequently must compete with private sector and non-profit organizations to deliver services that were once exclusively and concretely in their domain (Brudney et al., 2005; Fernandez, 2005). Some states and arms of the federal government require government units to submit bids for work, and if the bids do not illustrate cost-effectiveness beyond that of the other bidders, the work goes to a competing private-sector or non-profit firm (Nigro et al., 2006). This shift in government operation has created a quasi-market in which there is more instability and change than before. As government services are increasingly contracted out, actors in the environment are entering and exiting with much more regularity, making it necessary for public organizations to anticipate and react to such changes with more speed. Taking into consideration the advent of privatization and contracting out, it is difficult to clearly categorize the environment of government agencies as stable or unstable, certain or uncertain.

However, given that our study is set firmly in a specific policy setting – public education – it is possible for us to assess the environment in which our organizations operate and make a determination as to its stability. Public schools are some of the least stable government organizations in the United States context, with many accountability programs and initiatives threatening to close schools or cut funding if performance is not achieved. Charter schools, magnet schools, and vouchers have all appeared with increasing frequency in the past ten years, introducing a number of new actors in the external environment of many public school districts. Students are dropping out in increasing numbers and many relatively-new teachers are leaving education for other fields where pay is better and stress is more manageable. Superintendents routinely transfer to other districts after a period of only 5-7 years, leading to leadership changes that are relatively frequent, particularly compared to other organizations. Funding mechanisms that are based on the number of enrolled pupils depends on how many students a school can amass, leading to uncertainty about a given school’s financial situation until students arrive. Given all of these environmental pressures and changes, it seems reasonable to consider public schools to operate in an environment of relative instability. As such, one might expect a position relationship between autonomy and performance in the public education policy setting.

Autonomy and Job Satisfaction

It is possible to consider that managerial autonomy contributes to performance in another way – through increasing the job satisfaction of employees. A multitude of studies, mostly from the private sector, has found that increased discretion, autonomy, and empowerment tend to lead to higher job satisfaction among employees (for an overview, see Cotton et al., 1988; Wagner,

1994). While the link between job satisfaction and organizational performance is a tenuous one (Kim, 2002), the link between job satisfaction and reduced absenteeism, lower turnover, and increased retention is much stronger (Carsten & Spector, 1987; Locke, 1976; Eby et al., 1999). The cost savings associated with these human resource management factors, along with the retained institutional knowledge that goes along with keeping staff for longer periods of time, can be considered aspects of organizational performance.

However, if one were to suggest that autonomy leads to increased performance via job satisfaction, it would be important to use internal process factors as measures of performance. The focus would need to be on the extent to which a positive work climate were in place, a strong and positive organizational culture existed, and conflict among employees was minimal and managed well (Daft, 2006). There is no suggestion in the research literature that other types of performance, such as those involving target population outcomes or satisfaction with government services, can be linked empirically to job satisfaction and, consequently, autonomy (Kim, 2002). Internal process factors involving organizational culture are notoriously difficult to operationalize and measure (Robbins, 1997), making large-N, quantitative research in that area quite difficult. Given the limits of our data, we do not address the autonomy-job satisfaction-performance link in this study, acknowledging that autonomy could lead to organizational gains in some specific areas.

Normative Concerns

Even if one were to accurately and succinctly categorize the environment of a government organization or consider the link between job satisfaction and performance, there remains the normative question of whether front-line bureaucrats *should* be empowered or

autonomous in making some decisions. Bureaucratic discretion has long been an area of debate, since the Freidrich-Finer debate of the 1940s, with few clear means of reconciling bureaucratic discretion with notions of overhead democracy (Finer, 1941; Friedrich, 1940; Meier, 1997; Meier and Bohte, 2007). If government organizations exist in an environment that requires managers to respond quickly to change, then how can one be sure that autonomous managers will respond to such change in ways that are in line with the policy preferences of the target population that they serve? If government employees are responsible for implementing the public policies that are formulated by elected bodies, then it becomes probable that such straightforward implementation is deviated from if managers are forced to respond creatively to environmental shifts. Do performance gains warrant bureaucratic autonomy and discretion, even if it changes the ways that policy is implemented? One might argue for either side, but without empirical support for the theory that autonomy increases performance, such a discussion is moot. This paper seeks to contribute to this area of debate by providing clear answers as to the relationship between autonomy and performance.

We thus derive three propositions from both political and public administrative literatures dealing with autonomy and performance:

Proposition #1 Political Insularity and Effectiveness:

Managerial autonomy contributes to agency performance by creating a capacity for public managers to focus more on effective policy execution, rather than politics.

While managers may contribute to performance by focusing intently on policy execution, the discriminate detachment of politics and administration suggests managers retain some role in shaping, advocating, and facilitating policies, even if they do not become politically entrenched:

Proposition #2 Political Insularity and Effectiveness:

Public managers may harm the organization if they go too far in discounting their capacity to shape, advocate for, and facilitate the execution of policy.

The literature from public administration also suggests that managerial autonomy can be beneficial to performance across organizations requiring responsiveness in the midst of change and instability. Given this:

Proposition #3 Managerial Autonomy and Effectiveness:

Managerial autonomy generally contributes to performance, given an environmental context marked by frequent change and instability.

Data and Measures

These combined theoretical approaches place heavy demands on a data set, especially when multiple dimensions of autonomy, as well as controls for environmental resources and constraints are to be incorporated into a common framework. We select the Texas school district data set, an empirical source with a significant number of well developed managerial concepts

that has been used by a large number of public management scholars (Hicklin 2004; Goerdel 2006; Pitts 2005; Fernandez 2005; Gonzalez Juenke 2005, Hill 2005).

Our data are drawn from two sources. In order to examine the effect of autonomy on organizational performance, we use data from a survey of all Texas public school district superintendents collected from 1995-1999. Superintendents, public managers, were surveyed on management styles, goals, and time allocations. The response rate was 55%.⁵ Pooling four school-years of data on performance and control variables produces a total of 2500 cases for possible analysis.⁶ All nonsurvey data are from the Texas Education Agency.

All management studies need to be set in context to permit comparisons across investigations. Although schools and school districts are the most common public organizations in the United States, they have some distinct characteristics. School districts are highly professionalized with elaborate certification processes for various occupations. The organizations themselves tend to be highly decentralized with a great deal of discretion vested at the street (classroom) level. Despite this common structure, the districts themselves are highly diverse. They range from urban to rural, rich to poor, and homogeneous to heterogeneous, as

⁵ A copy of the survey mailed to these superintendents is available from the authors. There is no statistically-significant difference between respondents and non-respondents on ethnicity, gender, education level, income, or experience. In addition, analysis indicates that responding districts were no different from non-responding districts in enrollment, enrollment growth, student ethnicity, student poverty levels, or student test scores. A few small differences should be noted: districts of respondents had, on average, 0.48 fewer students per class than non-responding districts, paid their teachers about \$200 per year more, and had annual operating budgets of \$100 less.

⁶ Missing data on individual survey items narrows this number somewhat in individual equations.

one would expect given that Texas contains eight percent of all school districts in the United States.

School districts in the United States are generally independent⁷ local governments with their own taxing powers; all districts in the sample are organized in this way. The state of Texas, the locus from which our sample is drawn, operates a relatively decentralized system, with most authority residing with local school districts. Each district determines its own curriculum and makes all its own personnel decisions. Consequently, we do not expect that professional norms specific to this policy setting would prevent public managers from supporting or enjoying autonomy. The variables that form the basis of our analysis follow.

Measures

We test the relationship between autonomy and performance using the following performance variables as dependent variables and autonomy and environmental control variables as explanatory variables. Given that our data are pooled across time, we also include dichotomous variables for ‘years’ in order to prevent serial correlation from introducing methodological complications. We regress organizational performance variables on explanatory variables using OLS.

Dependent Variables: Organizational Performance. Public organizations often have multiple and conflicting goals (Rainey 1993, 2003), and this is particularly evident in the policy area of education, where schools must choose the extent to which they focus on college

⁷ Independent means that the school district is not subordinate to another unit such as a city. Independent districts have their own elected board, have the ability to tax and set budgets, and acquire bonding authority by a vote of the residents.

preparation, life skills, basic reading and writing skills, and in some areas bilingual education. The most solid research would therefore test numerous performance indicators. In order to test the relationship between autonomy and performance in a general sense, we use three indicators. For the primary performance indicator, we use the overall student pass rate on the Texas Assessment of Academic Skills (TAAS) test.⁸ Until 2003, all Texas students in the eleventh grade had to pass this exam in order to receive a regular high school diploma, and its results were used by the state to evaluate the performance of school districts. We also consider the average student score on the Scholastic Aptitude Test (SAT) and the attendance rate for each school district. This allows exploration across low (attendance rate), middle (TAAS pass rate), and high-end (average SAT score) indicators.

Independent Variable of Interest: Autonomy. In order to operationalize autonomy, we use a battery of six questions from the larger manager survey (Figure 1). After reverse coding the first three of these to ensure that the direction of response was consistent across items, we factor analyze values from six questions to explore whether autonomy might be comprised of multiple underlying dimensions, as we theoretically expect. Factor analysis yields two factors (Table 1). The first factor (eigenvalue = 1.508) includes whether the manager remains neutral when the district is divided on issues, whether the manager gave her opinion to the political overseer (school board) only when requested, and whether the manager saw herself as an administrator, not as a policymaker. This factor is termed “board autonomy,” since these items speak primarily to whether the manager sees herself as autonomous from the school board.

[Figure 1 about here]

⁸ In 2003 the TAAS was replaced with the TAKS.

The second factor (eigenvalue = 1.318) includes whether the manager assumes leadership in shaping policies, advocates major changes, and whether she saw her role as a change agent. We call this factor “change autonomy,” since items speak primarily to whether the manager sees herself as autonomous to make changes and introduce innovations. We create variables using both factor scores, and include both autonomy variables in the model separately..., or not. High values of disagreement with these statements are a proxy for perceived autonomy to act on these dimensions. We intend high values to operationalize a view of autonomy which actually constrains change and innovation: when managers disagree as on their autonomy related to certain roles (advocating major changes in school policies, assuming leadership in shaping policies, or acting as a change agent), we expect performance to suffer..⁹

[Table 1 about here]

Environmental Control Variables. As noted in both political science and public administration literature reviews, the extent to which autonomy is linked to performance depends in part on the environment in which an organization operates. Categorizing the environment as stable or unstable, certain or uncertain is beyond the scope of this paper, but we are able to control for a number of factors in the environment that, taken collectively, represent external processes that confound the relationship between autonomy and performance. Since we are using student-driven outcome variables as performance indicators, it is also important to include environmental control variables, given the demonstrated linkages between resources and outcomes (Burtless, 1996; Fuller et al., 1996; Necochea & Cune, 1996).

⁹ Reverse-coding yields similar results consistent with propositions, as well.

In order to control for environmental influences, we separate the potential contributors to performance into two categories: resources and constraints (Tables 2 and 3).¹⁰ To create a control variable for environmental resources, we conduct a factor analysis of the standardized values of eight indicators: average salary for teachers, central administrators, campus administrators, and professional support staff; superintendent pay; and revenue, operating expenditures, and instructional expenditures, all per pupil. The factor analysis derived two factors, on which all of variables loaded (Table 2). The “staff resources” factor (eigenvalue = 2.719), includes all of the pay and salary indicators. The “student resources” factor (eigenvalue = 2.910), includes revenue per student, and operating and instructional expenditures per student. We create a variable for each of these using calculated factor scores, and include them separately in the model.

[Insert Table 2 about here]

Next, we construct the control variable for environmental constraints by conducting a factor analysis of the standardized values of five indicators: the change in enrollment from the previous year; the percent of teachers with less than five years teaching experience; the percent of low income students in the district; the student-teacher ratio; and the teacher turnover rate from the previous year. Teachers, as employees and as street-level bureaucrats, are not explicitly part of the environment. However, we include two teacher-based variables as part of this factor analysis, since these variables point specifically to the district’s difficulty in obtaining and retaining quality teachers. As such, there is some underlying *environmental* factor causing the

¹⁰ A vast literature links resources and constraints in the environment to student outcomes (Burtless, 1996; Fuller et al., 1996; Necochea and Cune, 1996).

district to rely on potentially-under qualified staff, and that factor likely relates negatively to performance. The factor analysis derived two factors, on which the five variables load differently (Table 3). The first is a “staff constraint” factor (eigenvalue = 1.601), which includes the three teacher variables, and the other one is the “student constraint” factor (eigenvalue = 1.430), which includes student-driven variables. We create a variable for each of the factors using factor scores, and include them separately in the model.

[Insert Table 3 about here]

The measures articulated above are empirically tested with the following model:

$$O_t = \beta_1(A_B) + \beta_2(A_C) + \beta_3(R_{\text{Student}}) + \beta_4(R_{\text{Staff}}) + \beta_5(C_{\text{Student}}) + \beta_6(C_{\text{Staff}}) + \epsilon_t ,$$

[1]

where O_t is a measure of organizational outcomes, A_B is board autonomy, A_C is change autonomy, R_{Student} is a factor score of student resources, R_{Staff} is a factor score of staff resources, C_{Student} is a factor score of student constraints, and C_{Staff} is a factor score of staff constraints.

Findings

Table 4 presents regression results with three performance indicators as dependent variables: the overall TAAS/TAKS pass rate, attendance rate, and average SAT score. The first model tests the link between our two components of autonomy and a school district’s overall exam pass rate.

[Table 4 about here]

This model explains 43% of the variance in TAAS scores and the F-statistic is statistically significant at the 0.001 level. In this model, both components of autonomy significantly contribute to the dependent variable. Board autonomy is positively related to the TAAS pass rate, with a coefficient of 0.482 and statistical significance at the 0.01 level. When public managers are relieved of pressures related to political maneuvering, performance on the organizations core task, the TAAS exam, improves. To put this into context, a two-standard deviation change in the board autonomy variable results in approximately a three point change in the exam pass rate over the full range of data.

Change autonomy is negatively related to the TAAS pass rate, with a coefficient of -0.770 and statistical significance at the 0.001 level. As public managers discount their role in shaping, advocating for, and facilitating change in the execution of policy, performance begins to suffer significantly. Additionally, all four environmental control variables perform according to expectation and are statistically significant at the 0.001 level. Taken together, these results confirm the first two propositions which call for a discriminate detachment of politics and administration, where a focus on policy execution needs to be balanced with exercising autonomy in areas of policy advocacy and innovation.

We extend the analysis to include additional performance indicators, since organizations often pursue multiple goals. The second model in Table 4 focus on the attendance rate across districts. This is considered a low-level measure of performance, since getting and keeping students in school on a daily basis is a starting point for most goals that districts want to accomplish. The model explains 22% of the variation in attendance rate, with a statistically-significant F-statistic of 63.555. Additional evidence of the negative impact of change autonomy

is added to our empirical findings. Superintendents who continue to discount their role as policy advocates and change agents can harm their organization on the most basic of performance standards: attendance. While school board autonomy did not significantly contribute to performance, the four environmental controls remain statistically significant at the 0.001 level and in the expected direction.

The third model links autonomy with the average SAT score earned by students in the school district. This is a high-level indicator of school district performance, given that the SAT is a college entrance examination not taken by many students in most school districts. The model performs well, predicting nearly 50% of variation in the dependent variable. Board autonomy is statistically significant at the 0.05 level and positively related to the average SAT score. The magnitude of this coefficient (3.655) suggests that high-end performance can be substantially improved in those districts where superintendents agree with some detachment of political-engagement and administration. It is revealing that this type of managerial autonomy lead to increased performance across politically salient outcomes like the SAT.¹¹ A manager's capability to separate politics and administration combined with a specialized, merit-based bureaucracy can provide a comparative 'best instrument' to secure effective policy execution in a way that may also simultaneously economize on performance gains across even politically salient performance targets. The environmental control variables continue to perform according to expectation, although only the constraint variables are statistically significant.

The results taken as a whole provide support for propositions articulated above. More importantly, they tell a patterned story of managerial autonomy and performance. One or both

¹¹ The political salience of performance related to college- aspiration indicators comes from parent groups who engage school boards on the amount and type of attention given to success in the area, versus TAAS/TAKS.

dimensions of autonomy -- board autonomy and change autonomy – are statistically related to each of the dependent variables in some manner. Board autonomy is positively related to performance, whereas change autonomy is negatively related to performance.

Given the instability and changing environment in which public school districts operate, it is not surprising to find that managers with autonomy from the school board are those who work in districts that tend to perform well, across a number of performance indicators. This provides support for our propositions that link autonomy positively to performance on the grounds of political insularity.

From the theoretical perspective of public administration and management, public school districts exist in financial and human resource task environments where changes are frequent – teachers come and go frequently, funding sources, while stable, might shift in response to economic changes or student numbers, and other schools might enter into the picture. Therefore, superintendents who have autonomy to act in the best interest of the school district without consulting the board will be in the best position to respond to these changes in the external environment and keep the organization abreast of necessary changes and innovations. If superintendents did not have discretion to make administrative decisions and shifts in policy direction without first getting approval from the board, school districts might not be able to react quickly enough to environmental changes, leading to performance problems.

Conclusion

The contribution of public management to performance is difficult to ignore (Meier et al, 2006; Goerdel et al, 2006). This study focuses on how managerial autonomy, specifically, contributes to organizational performance, across multiple indicators. We contribute to

management theory and practice by innovatively approaching the question: *Does managerial autonomy influence organizational performance?* Integrating conceptual perspectives of autonomy grounded in political science and public administration literatures, we find that 1) managerial autonomy is a multidimensional concept, 2) when managers perceive they have autonomy from engaging in political maneuvering, they have a greater capacity to focus on policy execution, thus improving outcomes on various indicators of performance, and 3) when managers discount (too much) their autonomy to change, advocate, and shape policy, organizational performance suffers. This analysis would benefit from future research focused on identifying additional dimensions of managerial autonomy, improving existing measures of managerial autonomy, and integrating multidimensional managerial autonomy into broader formal models of public management, like the Meier-O'Toole empirical model of management and performance.

Figure 1: Managerial Autonomy Survey Questions

Respondents marked the following questions as “strongly agree,” “tend to agree,” “tend to disagree,” and “strongly disagree.”

Board Autonomy (reverse coded):

- (1) A superintendent should maintain a neutral stand on any issue on which the community is divided.
- (2) A superintendent should offer the board an opinion only when his/her opinion is requested.
- (3) A superintendent should act as an administrator and leave policy matters to the board.

Change Autonomy:

- (4) A superintendent should advocate major changes in school policies.
 - (5) A superintendent should assume leadership in shaping school policies.
 - (6) I see my role as a change agent.
-

Table 1: Factor Analysis of Autonomy Variables

<i>Variables</i>	<i>Factor</i>	
	Board Autonomy	Change Autonomy
Neutral if district is divided (reversed)	0.692	-0.151
Gives opinion only when requested (reversed)	0.738	0.155
Administrator not policymaker (reversed)	0.651	0.152
Assumes leadership in shaping policies	0.227	0.525
Advocates major changes	-0.092	0.754
Sees role as change agent	0.035	0.636
Eigenvalue	1.508	1.318
Percent of variance	25.14%	21.97%

Table 2: Factor Analysis of Environmental Resource Variables

<i>Variables</i>	<i>Factor</i>	
	Student Spending	Staff Spending
Operating expenditures per pupil	0.971	-0.102
Instructional expenditures per pupil	0.948	-0.109
Revenue per pupil	0.938	-0.070
Average teacher salary	0.320	0.733
Average central administrator salary	-0.056	0.773
Average campus administrator salary	-0.123	0.706
Superintendent pay	-0.177	0.775
Average support staff salary	-0.193	0.677
Eigenvalue	2.910	2.719
Percent of variance	36.38%	33.99%

Table 3: Factor Analysis of Environmental Constraint Variables

<i>Variables</i>	<i>Factor</i>	
	Student Constraints	Staff Constraints
Enrollment change	0.783	0.323
Percent low income students	0.521	0.393
Student-teacher ratio	0.711	-0.152
Percent teachers with <5 years experience	0.111	0.861
Teacher turnover rate	-0.165	0.760
Eigenvalue	1.430	1.601
Percent of variance	28.60%	32.01%

Table 4: The Impact of Managerial Autonomy on Organizational Performance

Dependent Variables	TAAS/TAKS	Attendance	SAT Score
<i>Independent Variables</i>			
<i>Managerial Autonomy</i>			
Board Autonomy	.482** (.202)	.009 (.018)	3.655* (1.685)
Change Autonomy	-.770*** (.205)	-.036* (.018)	-.951 (1.753)
<i>Environmental Controls</i>			
Student Resources	2.631*** (.270)	.334*** (.024)	1.235 (3.725)
Staff Resources	2.215*** (.251)	.349*** (.022)	3.224 (2.458)
Student Constraints	-3.552*** (.242)	-.136*** (.021)	-19.120*** (2.802)
Staff Constraints	-4.552*** (.236)	-.228*** (.021)	-30.824*** (2.444)
Adjusted R-squared	.43	.22	.46
Standard Error	9.18	.799	64.90
F	175.04	63.56	138.29
N of Cases	2085	2085	1448
Dummy variables for individual years not reported.			
*** p < .001			
** p < .01			
* p < .10			

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