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Public Decisions In Private Networks: The Implication Of Managing Upward, Downward And Outward Relations For Decision Making



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Introduction



- ❑ **Networks defined: NOT computer networks. Instead, the interconnectedness and communication among stakeholders.**
- ❑ **Features of Decision Making in the Public Sector (Nutt and Backoff 1993; Nutt 2005; Hood 1991)**
 - ❑ Decision makers are more expected to seek out views of people;
 - ❑ Collaboration is more important than competition;
 - ❑ More time is required to balance user needs;
 - ❑ More people are involved;
 - ❑ Clarity about the desirability of alternatives decreases; need for consensus increases;
- ❑ **The Rise of Networks**
 - ❑ Decisions are increasingly made in networked settings
 - ❑ Implicit: decision makers form their own networks
 - ❑ Powerful: influence both the process and outcome of decision making (for instance, see O'Toole et al, 2005)

This Research



- **What is understudied:**
 - The interaction among different kinds of networking strategies
 - Their implications for the factors influencing decision making
 - In particular, how does the “upward” and “outward” networking influence the dynamics of decision making
- **Research question:**
 - Does upward networking hinder outward networking?
 - What is impact of network formation? (upward and outward)
 - Who networks outward and upward, respectively?

Data Collection



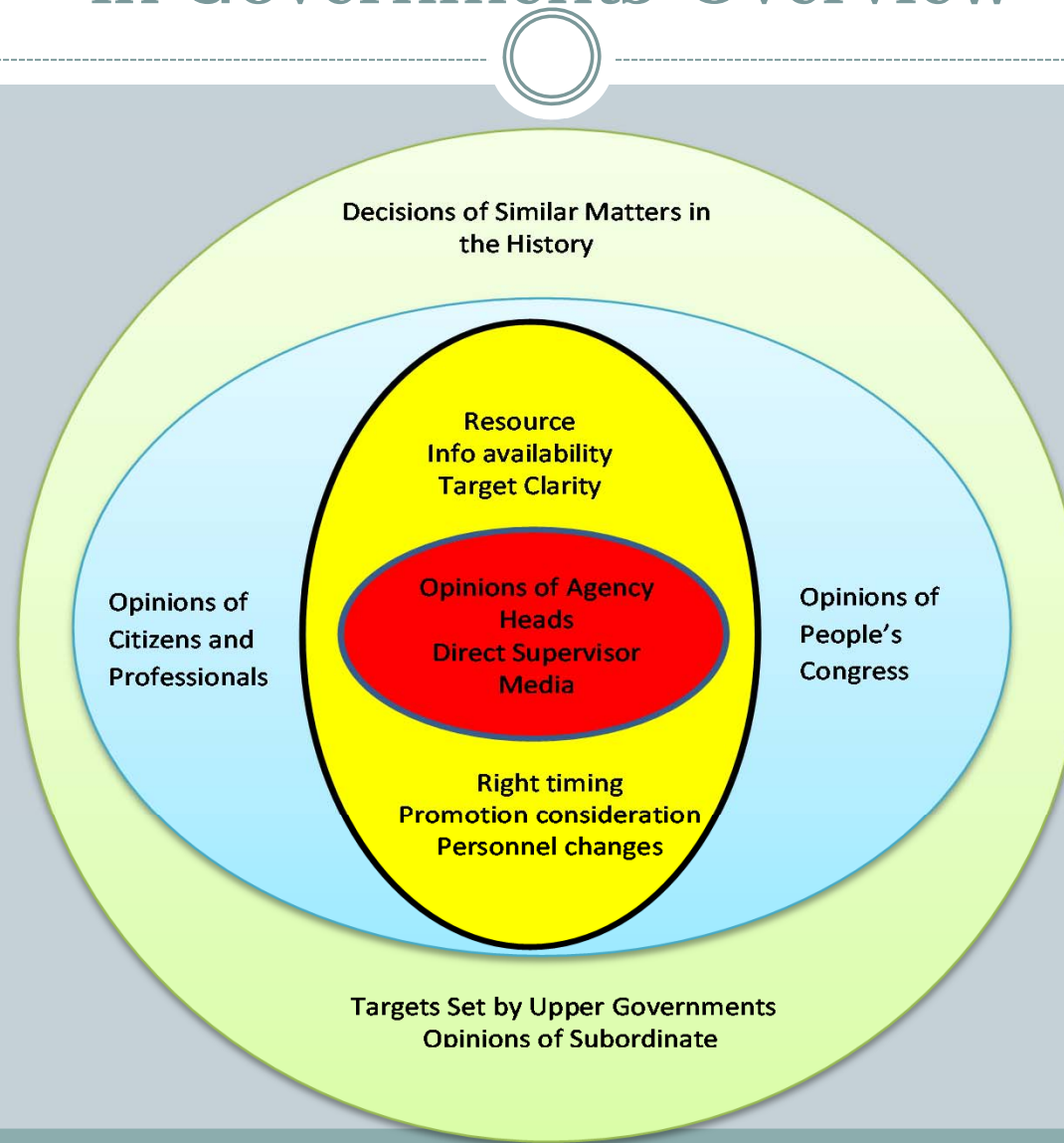
- **Data collection site: MPA programs in Singapore**
- **87 students surveyed, 71 surveys returned, response rate 81%**
- **Survey instrument pretested by four students before being administered to the entire class**
- **Anonymous survey**

Factors Important for Decision Making



- **Factors:** Decisions of similar matters in the history, opinions of subordinate, targets set by upper governments, opinions of agency head, opinions of direct supervisors, media, opinions of citizens, opinions of people's congress, opinions of professionals, resource availability, information availability, policy direction clarity, right timing, promotion consideration, and personnel changes.
- **Factor analysis:** four factors with Eigen value larger than 2.

The Circles of Decision Making in Governments-Overview



Networks-Overview

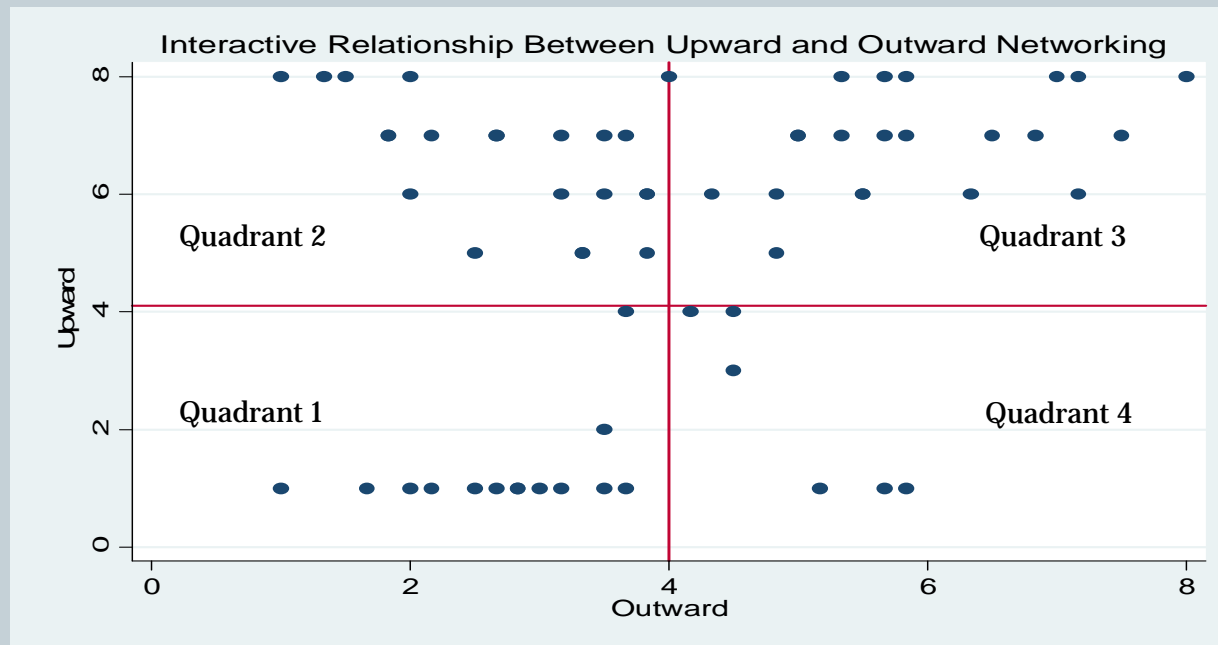


- **Definitions:**
 - Upward: superior
 - Downward: subordinate and colleagues
 - Outward: Peer, citizens, nonprofits, media, private companies and government-owned companies
- **Findings**
 - Overall, once every three weeks, on average, initiating contacts with the network stakeholders.
 - Upward: once every four weeks
 - Downward: twice every week (most frequent)
 - Outward: once every quarter (least frequent)

Interaction: Crowd out vs. Complementary



- Hypothesis: upward networking crowds out outward networking.
- Finding: Overall, positively moderate relation, significant at 0.05 level, not crowd out.



Implications of Networking on Decision Factors



- **Performed Kruskal-Wallis equality-of-populations rank test**
- **Finding:**
 - The upward-outward interaction relates to the importance of the opinion of citizens and people's congress in decision making.
 - Quadrant #4 (more outward less upward) produces the highest value for participative decision factors, followed by Quadrant #3 (more outward more upward)
 - Other decision factors are not statistically significantly influenced by upward-outward interaction.

People in the Network



- The characteristics of people forming different networks
- Multinomial Logit Model, including gender, civil servant status, rank, education level, tenure in the party, and age.
- Findings (relative to quadrant #1, low upward and outward) :
 - Age decreases the possibility of moving to quadrant #2 (higher upward networking and lower outward networking)
 - Being civil servant, higher rank, and longer tenure in the party increases the possibility of moving to quadrant #3 (higher networking level for both upward and outward)

Preliminary Conclusion



- The circles of decision making among Chinese government officials studied remain dominated by directions from the top.
- However, networking upward does not hinder networking outward. The importance of media and citizens is catching up.
- The interaction of networking outward and upward most likely influences whether government officials deem the opinions of citizens and people's congress as important. Initiating communication with citizens and people's congress is a direct indication for the importance of these two stakeholders in decision making.
- People who are senior on the job are more likely to network, especially outward networking.
- Implications: To achieve participative decision making that includes citizens: ask government officials to actively reach out or wait until they become relatively senior ranking!