

Transformation/Innovation or Patchwork? Juxtaposition of Public Policy Process and the Role of Leadership in a Chaotic Environment: Is a New Paradigm in the Make?

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***Abstract.** Public Policymaking processes are viewed by some as intertwined relationships of offices, public leaders, and issues, all of which constantly change in a kaleidoscope-like fashion as Gerston (2002) puts it nicely. With historically unprecedented economic debacle now facing US and the world the issue of public policymaking and its implementations come to the fore. At the same time the question of how the leadership of the society at the highest level has played such a decisive dysfunctional role in creating such fiasco and what the potentials are for a turn around occupies everybody's mind. The tenet of this paper is to examine if new efforts and rescue plans, supposedly for bringing some order to the economy, will eventually result in fundamental and long term social and political changes in the very fabric of both public and market systems.*

A corollary to this is whether such long term changes – if materialized – would eradicate the old systems, and move toward a real transformation. Issues like the nature and processes of public policymaking, leadership in terms of power, transparency and accountability will be addressed with direct reference to the approaches adopted by Congress and President elect. An analysis of the new direction of public policy making and institutionalizing a kind of transformative leadership that permeate the whole public administration system is the crux of this paper's argument.

Keywords: public policy direction; leadership factor; recovery plan; transformational leadership; accountability; transparency; emerging paradigm.

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Introduction

The direct economic situation in the United States that was unfolding in the past two years with housing bubble bursting like a big explosion and stretching over like a tsunami over the financial market has caused the nation and the world an unprecedented shock due to its enormity, pervasiveness, and the requirement of huge amount of resources – in some cases even beyond the capability of governments – to cope with it. Some called that the collapse of capitalism the way we know it. Others attributed that to lack of sound and prudent policies and of incompetency of government and its Chief Executive Office, namely the President and his cabinet, overlaid by greed and dysfunctional stock market in general and loose, unregulated derivatives segment of it, in particular. Whatever is or are the cause(s) of such fiasco, attention has once more been attracted, and in very dramatic way, to the role of public bureaucracy in harnessing the unleashed animal called the financial market as the backbone of the free market economy. Ironically in the United States since some 20-30 years ago with the so called champions of free market and privatization policies promoted by former President Reagan and followed through by his successors particularly in an irresponsible fashion by the present US administration and Congress alike created such a phony economic exuberance that apparently everybody, including the financial and economic gurus both inside and outside the US, lost sight of the emerging tsunami. There were, however, few insightful experts who warned since some three years ago that we

were heading towards one of most unprecedented economic fiasco of the century due to national debt and continuous budget deficits to no avail since the so-called top decision makers and power brokers, due to personal interest or inherent negligence common to incompetent people at the top, dismissed such warnings. The expansionist nature of the US government in the past eight years in creating expensive and unnecessary commitments for the nation through such adventurisms like Iraq war and fueling other conflicts in the world as well as un-harnessing the stock market and its affiliates to virtually do whatever they wanted to, led to such a dire situation. One cannot forget the former US President advocating free market theory that may have worked many decades ago unqualifiedly as the best way to achieve economic growth and prosperity. He even pushed for the social security contribution by millions of tax payers to invest in stock market rather than in Social Security fund.

While one can argue that there are many causes for creating such a debacle nationally and globally, this paper attempts to focus on two major causes that, in this author's opinion, played a decisive role in this situations both directly relate to the role of government. First, is the issue of Public Policy, how it is formulated, manipulated and implemented resulting in dire consequences when based on wrong premises and without active participation of public. The second has to do with the issue of leadership in that if the Chief Executive Officer, namely the President, and other key players are competent leaders or just power hungry players using their power excessively in pushing their personal agenda.

The paper focuses on these two issues first, and then it will address if, based on this terrible recent experience, a new paradigm that embraces a different approach and orientation to public policy formulation and implementation is in the shape. If so, what different leadership approach at the national level, and by its extension at the state and local levels, might be merging to give the people the power and the say they should have in dealing with societal problems. Evidences of such new development can be observed by what happened in the recent US Presidential election that will be addressed later in this paper.

The economic fiasco

The failure of US housing sector that came to surface in early 2006 and was mostly ignored by both private and public sectors until the enormity of the foreclosures in millions hit to the surface. The consequences of failure in derivative segment of the market that nobody could even imagine to have such a scope, eventually, led to an economic debacle unprecedented in a century. Banks started to fail starting with investment giants like Leman Brothers, Merrill Lynch, Fannie and Freddie (even though they were quasi-public organizations) and later AIG – the giant insurance company –, caused massive government intervention and rescue plans costing taxpayers hundreds of billions of dollars and counting. That followed with continuation of unprecedented falling home prices, foreclosures wave and failing of major banks like Washington Mutual, Wachovia, and then lending crunch that forced government with huge intervention

in terms of rescuing these institutions and reducing Fed interest rate to a lowest level in recent years, a meager 1%. It did not help much though and the stock market continued to crash. Dow Jones dropped from the high 12,000 to as low as 7,000, and Nasdaq from 2,600 to 1,400s level without getting to the bottom yet. It seems that the failures do not have any end since the whole auto industry is on the brink of being vanished and the large banking system in the world, Citi Corp, needs to be rescued by government to avoid more catastrophes. Many have written on the causes of these problems and what government has to do for correcting the situation. But the reality indicates that nobody knows what the real solution is. As a sample of reactions to the government bail out, here is an excerpt of what Crutsinger wrote about the initial interventions:

President Bush on Tuesday announced a \$250 billion plan by the government to directly buy shares in the nation's leading banks, saying the drastic steps were "not intended to take over the free market but to preserve it". Nine major banks will participate initially including all of the country's largest institutions, he announced, in a move that sent stocks soaring on Wall Street... Some of the nation's largest banks had to be pressured to participate by Treasury Secretary Henry Paulson, who wanted healthy institutions that did not necessarily need capital from the government to go first as a way of removing any stigma that might be associated with banks. It was the latest in a long series of moves taken by the administration and the Federal Reserve over the past several weeks to prop up a weakening financial industry (10/14/08).

On the issue of owning the private companies' share in response to government financial help, Paulson, the Treasury Secretary, says "Government owning a stake in any private US companies is objectionable to most Americans — me included", he added "Yet the alternative of leaving businesses and consumers without access to financing is totally unacceptable." Among government intervention was spending \$250 billion this year on the stock purchases and another \$100 billion would be needed in connection with covering bad assets. That would leave \$350 billion of the \$700 billion program, presumably to be spent by the next president (Crutsinger, 10/14/08).

With the proposal, the United States follows similar plans announced across Europe, almost all intended to inject money into the banks and unfreeze the credit markets. Markets around the world have rebounded on news of the coordinated efforts although temporarily.

Surrounding with many controversies on such drastic measures, Krugman tried to put government unprecedented intervention into perspective. He stated that "Some skeptics are calling Henry Paulson's \$700 billion rescue plan for the US financial system "cash for trash." Others are calling the proposed legislation the Authorization for Use of Financial Force, after the Authorization for use of Military Force, the infamous bill that gave the Bush administration the green light to invade Iraq. There's justice in the gibes. Everyone agrees that something major must be done. But Mr. Paulson is demanding extraordinary power for himself – and for his successor – to deploy taxpayers' money on behalf of a plan that, as far as I can see

doesn't make sense. Some are saying that we should simply trust Mr. Paulson, because he's a smart guy who knows what he's doing. But that's only half true: he is a smart guy, but what, exactly, in the experience of the past year and a half – a period during which Mr. Paulson repeatedly declared the financial crisis "contained," and then offered a series of unsuccessful fixes – justifies the belief that he knows what he's doing? He's making it up as he goes along, just like the rest of us, but Mr. Paulson is demanding extraordinary power for himself (New York Times, 22/9/08).

Regardless how we look at this terrible situation, one can easily see that in the present globalized environment with the ease of interactions created by internet and other advanced technologies, people and institutions alike, for personal gains, will internationally or inadvertently create problems that go beyond the boundary of a single nation. The question is that can the market economy with its traditional tools of oversight, self-control and monitoring respond to such a huge change? The answer seems to be negative judging by the recent events. That brings the new role government to the fore in securing the people's interest and those of nation via different initiatives and mechanisms that go beyond what was being preached before particularly in the past couple of decades in terms of privatization and deregulation, that in fact might be the culprit of the present fiasco. Zomorrodian and Matei have explored some specific information on the amount and type of interventions governments on both sides of Atlantic made like infusion of money into the failing companies, helping financial

institutions and getting some share of their equity, and rescue plans as examples of how deep and pervasive such interventions have been. They emphasized the role of government in not only helping the private sector but actually becoming a partner of them at least for a while (Zomorrodian, Matei, 2009).

The role of government

While in recent years many new labels have been created for Public Administration, when discussing the increasing complexity and dimensions of its issues, agenda, and challenges, as Shafritz and others state, some attempts have been made to link the need for new approach or reformulation of public sector roles and responsibilities as well (2005). It is hard to think that in spite of new proposals in recent years like the New Public Administration Movements as manifested in the works of Polidano and Hulm (1999), Pollitt (2000), and Baaklini (2002) fit the full-fledged fundamental changes for a new “paradigm” using Kuhn’s terminology (1974). On the other hand, at the same time some proposals, mostly coming from the West, pushed for moving towards privatization, deregulation and a host of other initiatives that would put the role of the public sector and government less colorful. Such movement, as indicated in a host of literature on development and comparative administration as well as New PA, seemed to have been the modus operandi of the public administration community in the past two decades to say the least (Zomorrodian, 2007). At the same time, Matei and Matei (2008), analyzing the development of public

administration in the context of Europeanization and globalization, describe the emergent trends towards a European model of public administration. Now with sudden collapse of the market economy in US, followed by Europe, and stretching into Asian and other countries, one has to pause and look back at the authenticity of such movements and attempts to shift the rather traditional philosophy of public Administration to a less regulated market mentality. It is not the intent of this paper to explore the authenticity of public administration models proposed in the past few decades or suggesting that the market economy, the way we know it, is coming to an end. Rather, it takes the position that regardless of what kind of modified public administration theory and public-private partnership have been in place, a different model of market economy will emerge after this unprecedented crisis. Nonetheless, there seems to be a solid fact that the role of public policy process and authentic leadership in the public sector would be the essential ingredients of any viable emerging government system. As an integral part of such development issues like checks and balances, transparency, citizens’ participation and oversight, and most important of all, ethics – not just in prescriptive term but as an indispensable pillar of government and public operations – seem to be the central cluster of any emerging paradigm.

Such changes, nonetheless, must be addressed with the globalized nature of government activities in mind, a topic that has been addressed in the literature and research findings including those of United Nations in the past couple of decades. The

promise of globalizations for economic and social development has not always been positive to say the least, and now with present economic turmoil such negative views might get more rigor and visibility. However, along with such negativism the potentials like expanding markets, huge amount of flexibility, use of advanced information technology and internet, creating economic values in a very efficient and effective way should not be ruled out completely. Point being that globalization had made the business of governments and their responsibilities so complex across the board in coping with the adverse impacts of globalization like environmental concerns, hegemony of powerful countries, and struggle of a majority of developing countries in Africa, Asia, and Latin America in providing a decent life for their citizens. Added to that are fights against poverty, illiteracy, fatal diseases like Aids, as manifested by the UN Millennium report and goals (UN, 2005), are examples of serious global challenges facing all nations. Along the same line are failures of international agencies in helping those countries due to their aggressive, if not dysfunctional, imposition of imported democratization, manifested by the outcomes of misguided one size-fits-all policies. Market liberalization, free trade, defensive budget approaches of international organizations like IMF, WB, and WTO, and impositions by hegemonic powers, among many others, are examples of such dysfunctionality. Ironically new closed knit of globalized financial institutions caused the spread of the recent economic crisis that started in the US and then Europe and other countries through

globalized notorious deregulated transactions know as “derivatives” that seems to be the main culprit of such a world-wide problem.

While New Public Administration Theorists have tried to come up with some relevant and partially contextual recommendations in making the public administration functions and processes more relevant to the new realities of the present time, it seems that both the nature and the pace of real world changes are way beyond such propositions. One can easily take issue with some of these recommendations like for example the excessive and misplaced privatization and deregulation that worked adversely and are major part of the present dysfunctional market economy. On the other hand emphasis on transparency, checks and balances, and oversight, that constitute their very useful recommendations, were unfortunately not taken seriously by many public administration systems. In spite of all different academic discourse and some valid recommendations in coping with 1990s Asian and other crises, recent developments in US, Europe, and other countries proved to be of a different sort of problems. Massive financial intervention by US government in a wide range of financial institutions that goes well beyond providing government backed loans and stretched to rescue plans and even ownership of company shares signals a new era for both market economy the way we know it as well as the role of government. This time either due to obvious globalized nature of the problem – financial crises facing US and Europeans alike – or the enormity of the problem that may result in the collapse of the world financial system, it seems that

inevitably both sides of Atlantic as well as other countries have to come together for a kind of harmonious policy approach to cope with such enormous problem. Examples like attempts by both US and EU countries to formulate programs for reducing the administrative expenditures (Zomorrodian, Matei, 2009, Matei, 2008), and putting the economic crisis at the top of the agenda in Davos Conference, are indicative of such trends (Davos Meeting 09). Considering all this, the two salient issues that stand tall in addressing the new direction of government and the role of public bureaucracy in the light of new economic and global situation deem to be the Public Policy process and the Leadership factor.

The public policy process

Public policy in today's environment is a kind of dynamic process more than before. If we look at the American political scene in the past 25-30 years there has always been a big push for limiting the role of government and giving primacy to the private sector and market to help the economy and put it on the path of progress. Emphasis on "Deregulation", less government, pushing authority to the state and local levels, privatization, as well as other similar measures, all were examples of efforts to give the market a kind of prominence in order to, supposedly, put people in charge of their assets and making decisions about what is right for them.

However, it seems things did not go the right way and problems started to loom since some two years ago resulting the financial system crash in US and Europe as well as

other countries. Such unprecedented event caused many to raise doubts about the market economy's functioning as the best way for economic growth and sustainability and people as well as some governments started to lose faith in market mentality as supreme regulator of the economy. All these caused a kind of reactive measures by the government to safeguard the economy in terms of massive infusion of money into the market and intervening into its otherwise independent functions. Such reactive policies were by no means in line with the dynamic nature of the processes that calls for well thought, well designed, and balanced policy agenda through public participation. Rather it was a kind of firefighting approach that nobody knows what would be the consequences for better or worse. Let us first look at some general definitions of the public policy, its processes and dynamics, the role of citizens in shaping it as well as challenges ahead for this process in this volatile environment.

Gerston (2002) define Public Policymaking as intertwined relationships of offices, public leaders, and issues, all of which constantly change in a kaleidoscope-like fashion. He contends that it is the combination of basic decision, commitments, and actions made by those who hold or affect government positions, and the said initiatives direct the flow of resources that impact the public (p. 3). Therefore, it is in their own best interest that citizens are conscious of policy, and be involved to make a social economic impact on the decision making process. To make the public policy effective, it has to ensure the major role of citizens in formulating it as well as providing sufficient

checks and balances in its implementation. The raising of salient public questions by the populace is a key step to policy development, one that not only brings attention to important issues, but helps open the door for ensuing public debate. And while the ideal is not always forthcoming, this system that allows for active citizen engagement can help sway the promotion of sound regulatory outcomes that balances the needs of all stakeholders by keeping policymakers in check. Of course, putting theory aside, reality is much more complex, but at least in democratic societies this ideal can be striven for.

The shaping of public policy in democracies is distinct in its features than in other forms of government. In the United States individual citizens, organizations, and elected officials are all key players in the public policymaking process. It can also be assumed that the process almost always involves efforts by competing interest groups whose intent is to influence policymakers in their favor. Therefore, it is not surprising that debates often occur over proposed legislation and the allocations of funds. While policy development in a democracy can be complex in nature, very simply put, it involves the raising of an issue or problem to governmental entities, the consideration and debate of various strategies by policymakers, the implementation of decisions through laws, regulations, etc., and the evaluation of a policy's effectiveness after it has been implemented (Gerston, p. 17).

In recent years, several policies have been implemented and promoted with the intent of encouraging patriotism through volunteerism (Gerston, 2003). An effective

mechanism for avoiding dysfunctional conflict and achieving consensus in setting public policy agenda would be utilizing the triggering mechanism. There are four core principles within this mechanism. Evaluating these processes will help to ensure less conflict and a greater opportunity for consensus. The four components are: Scope, define "How Widespread a Problem"; Intensity, identify "How Troublesome a Problem"; Duration, clarify "How Long a Problem"; and finally Resources, analyze "Costliness of the Problem" (pp. 33-36).

Constituencies and the political decisions: There are several groups interested and heavily engaged in the public policy process. They include the political parties, interest groups, lobbyists, big businesses, the media and the public. Each of these groups can have a significant impact on the political landscape and can apply a great deal of pressure to policy-makers. Every individual and group is afforded the opportunity to participate in the policy-making process. There are those who choose to remain silent when it comes to political issues while others have become highly effective at leveraging their power to influence the policy-makers. These influential individuals or groups carefully consider which political policy-making group to influence on each issue. Their strategies and tactics will be significantly different when trying to influence a homemaker as opposed to a Senator on a given issue.

In order to understand each group, the Horn et al. (2004) identified six political policy-making groups. They provide some insight into their agendas, points of view and

decision-making processes. The groups are identified as:

- **Boardroom Politics:** represents the influence that large corporations and companies have on our political process. The private sector has a major influence on political agendas (p. 66).

- **Bureaucratic Politics:** involves 2.8 million federal employees and another 17 million State and local government employees. Most of these individuals are responsible for administering programs and providing service to citizens (p. 89).

- **Cloakroom Politics:** policy making that occurs in the committees, sub-committees, council chambers and legislatures of the nation. This type of political decision-making is “perhaps the most visible, open, chaotic and human” (p. 121).

- **Chief Executive Politics:** is very popular with the American people. The public embraces highly visible and charismatic public figures that demonstrate leadership and a willingness to make decisions. Chief Executives tend to address highly visible issues.

- **Courtroom Politics:** deals with the occasional situation where the courts find themselves in a position to make policy instead of their usual role of implementing policy made by other branches of government (p. 224).

- **Living room Politics:** Individual voters head up the Living room policy-makers. Everyone has the opportunity to have their voice heard through their votes and participation in the governmental process.

The interdependence that exists among these groups creates a support system between these policy-making groups that

extends down to the state and local government levels. Bureaucrats make up another important group of policy-makers in the system. They are referred to as “the fourth branch of government” (p. 7). Horn et al. state that “Overall, one of the greatest of American public institutions is their indecisiveness.” (p. 293). This indecisiveness is caused partially from a fear that their decisions will not be viewed favorably and partially because elected officials are concerned about the opinion of the public and special interest groups. The policy-makers need to stop worrying about themselves and their next election and focus on doing what is right by their constituents. Decisions and policies made with the best interest of the people in mind will speak for themselves.

One of the problems today is that there appears to be a gap between active citizenship and politics. Many individuals in our society tend to think of politics primarily as elective activity. They either have forgotten, or are not aware, that grassroots advocacy has always had a great impact on the political landscape, that participatory politics helps steer the policymaking process. Working for change takes active citizenship that involves time, energy, and effort. As a result, many Americans tend to leave policymaking decisions up to elected representatives. Current apathy toward the political system is another issue in the United States that is also influencing public policymaking engagement today. Participatory government is what our nation is based on; however, its intent was meant to inspire more than just the casting of a vote. Fortunately with an unprecedented level of

participation in the recent Presidential Election, it seems that, through exercising the right political leadership, citizens and young people in particular have recognized that what a heavy cost they have to pay if they remain indifferent and do not participate in the political process in shaping their destiny.

The leadership factor

Much has been said about leadership in the past several decades. Going from Great Man approach to Trait theories, Behavioral theories, Situational/Contingency models, and then stretching them to the Contemporary leadership approaches like Transactional, Transformational, Servant, and Super leadership, all come up with two factors of *leader* him/herself, and the *situational factors* surrounding the leadership environment.

As for the first one, the leader's qualities constitutes the focal point in leadership studies since the ancient time. Popularized by Great man theory, this notion was refined to incorporate new look that those qualities, whatever they might be, that can be learned on the top of leader's inherent traits and predisposition. Examples of such traits have been specifically four of the five general personality dimensions predicted leader emergence and/or leader effectiveness (Emotional Stability, Extraversion, Openness and Conscientiousness). Global leaders because of their high visibility roles are expected to exhibit traits like extraversion, openness, conscientiousness, and emotional stability. Emotional stability is important in leadership effectiveness because it is part of

emotional intelligence. Emotional stability is an important factor in having a global mindset. It is important that a global leader be in control of his emotions and knows how to skillfully control the emotions of followers.

Zaccaro and Klimoski express that leadership performance imperatives are derived from the organizational context, which becomes entwined in this obligation as well as in the content of organization or system's direction (2001, p. 7).

More recently traits have been addressed by a new popular term i.e. "emotional Intelligence" that is considered an integral element of most modern leadership styles like transformational, charismatic and servant leadership.

As for the situational factors in leadership environment, they came into fore since late 1970's and dominated the study of leadership until the present time in that the situations leaders are facing are becoming so volatile, changing, and unpredictable due to changes in politics, technology, economy, culture, as well as many other factors, prompted by the forces of globalization. Such situational factors are determinants of what the modern time leadership has to consider and incorporate them into the adopted leadership approach regardless of personal preferences and even what proved to be successful in the past by a given leader. Situational theories in particular pointed out to factors like the nature of organizational functions, size, type of employee, technology, culture, among others at the organizational level. Added to that at the political and societal level, factors like global, economic, political, security,

cultural as well as other relevant factors need to be addressed in choosing a given approach or style of leadership.

Along with this broad classification as a distinctive contemporary approach “transformational leadership” seems specially to be called for when a system – organization or society –needs fundamental changes and turnaround. At the societal level it seems such transformation applies to massive and fundamental cultural changes, inducing new values and strengthening value systems that have been forgotten or have not taken seriously, and replacing the old with the new ones. As Daft states that Transformational Leader (TL) can take the organization (and any system for that matter) through several major changes by successfully achieving the following:

1. Create compelling vision
2. Mobilize Commitment
3. Empower Employees
4. Institutionalize a Culture of change

(Daft, 2005, pp. 507-508).

Thus Transformational leadership is not only forward-looking, but at the same time can be seen as inspirational and ethical process based on the legitimate values and leader’s credibility that enable the followers to internalize those values.

While traditional transformational leadership considered the change as its main impetus and accordingly the functional qualifications of the leaders were the key, in recent years due to focus on the followers and pressing needs for cultural and behavioral changes as well as the complexity of issues at hand, such leaders must also enjoy qualities that are normally attributed to the charismatic leadership.

Charismatic Leadership as defined by Robbins accounts for how followers make attributions of heroic and extraordinary leadership abilities when they observe certain behaviors (Robbins, 2005 p. 363). Prominent figures in the political, military, and social arenas like Kennedy, Clinton, Martin Luther King, Mother Teresa, and Gandhi on the positive side and Adolph Hitler, Charles Manson and Jim Jones, on the negative sides are examples of Charismatic leaders. A recent example as will be addressed later may be Barak Obama the President elect of the United States.

Several characteristics of Charismatic leaders identified by Conger and Kanungo, as reported by Robbins are ability of these leaders to articulate visions; taking personal risks, sensitivity to the environment, sensitivity to the followers and unconventional behavior meaning engaging in behaviors that are perceived as novel and counter to norms (2005) Thus in a sense Charismatic leaders are more or less change agents like Transformational leaders but with a stronger sense of dedication that may go beyond the limited boundary of a given system like an organization. Although Charismatic leadership seems to have been around since the dawn of history, a major difference in its new conceptualization has to do with the charismatic qualities and abilities that can be learned and the fact that such traits are not confined to exceptional people who are born with them. In fact a major issue in contemporary leadership theories across the board has to do with Emotional Intelligence (EI) as mentioned before. These qualifications that can be learned, developed and natured denote to the

ability/readiness of leaders who are charismatic, transformational, and are able to appeal to their community or society for major change and redirection. As Robbins reports, key components of EI consist of Self-awareness, Self-management, Self-motivation, Empathy, and Social skills, all giving the leader sufficient proficiency in interacting with the followers, relating to them and inspiring them toward worthy end (pp. 368-369).

The Issue of Power: At the heart of the leadership is the issue of power. Traditional leadership was considered to be the mere exercise of power. The same notion applies today too with a caveat that the sources of power have shifted drastically from formal, position-based, to other more intrinsic and enduring ones. Different types of power have been classified into three major categories. The “Position Power” in which the leader gets his or her power through position whether it is in the organization or a political institution. This is also called the legitimate power in that it is given to the individual based on the virtue of the position or the office held. Such power as Daft (2003) states – Legitimate, position Power – comes from a formal management or leadership position and varies in terms of amount that normally is tied to the hierarchy. Thus CEO’s and Executive Directors, usually at the very top of the organizational, have more power than other management positions just because of the spot they hold in the organization. The same thing is true in public sector what Van Wart (2005) refers to, that department heads have more power than the subordinates, and division directors and secretaries or ministers

more until you get to the pinnacle of the pyramid that of the President or Prime Minister who has the most authority due to the office she/he holds. The second source of power is “Personal Power” that either has nothing to do with the position power or builds upon it. As we move away from the hierarchical directive styles of leadership, the application of power seems to be moving from position to personal and from the quest for compliance to “identification” i.e. understanding the reason behind following a particularly path prescribed by the leader, and eventually to “internalization” that has to do with adopting the very “values” that the leader espouses and making them their own. The latter is more in line with several major styles like participative, servant, charismatic, super, and transformational leadership approaches, all moving towards empowering the followers. The third source of power comes from “Coalition and Alliances” with others. Leaders do this both for achieving goal and establishing mechanisms for joining forces in terms of capabilities (pooling resources and know-how) and or consensus and agreement (issues dealing with diversity and pluralism) as well as achieving synergy in attaining the power and ability that otherwise would be lacking for such an attainment. This last part is more relevant with the issues of public administration and at the same has great implications for achieving checks and balances, safeguarding ethical principles and timely accountability. Like any other phenomenon when it comes to power all these sources and their relevant mechanisms might unfortunately be misused by unethical and self-serving leaders. There are many

evidences of misuse of position power, and expanded power gained thru collision and alliance for attaining personal goals and agenda in private, public and international arenas, mostly refer to as corruption. While most examples of leaders who are relying on their personal power and charisma are positive both at the organizational and political/societal levels, there are instances for leaders who misled the followers toward illegitimate and even destructive goals based on either extreme ideology or personal whims. The expression that “power corrupts” stands tall at all time and calls for reliable mechanisms for checks and balances. Corruptions are not limited to the misuse of power and in some cases based on untested ideologies of decision makers. Adopting untested policies, ambitious goals for personal aggrandizement to satisfy person egos, and incompetency and lack of know-how at the pinnacle of executive branch might also be culprits of unfortunate consequences. In retrospect, the move for excessive privatization of government functions that “began most notably in the 1980s during Reagan administration in the US, and the Thatcher administration in the UK” (Shafritz et al., 2005) and then spreading world wide without sufficient monitoring mechanism are examples of such deviation. Such unleashed efforts, while providing some short term gains brought many destructive consequences like the Asian Financial Crisis in 1990s, two recessions in US, in early 1990s as well as in 2001, and eventual the big one, today’s Financial and market crises, all due to the assumption that a free rain market has the ability “Smith’s invisible hand” to correct its failures.

The issue of trust, ethics and transparency: It is now a common theme that most of recent malice in financial crisis has been to a large extent due to lack of transparency, misuse of trust, and lack of ethics in those who made decisions and had leeway to serve their self interest at the huge expense of the public and the country. Such lack of transparency apparently was due to factors like excessive deregulation, failure of regulating agencies to even enforce the existing laws and regulations, as well as complacency –if not cover up – by their allies in public sector. Part of it can also be attributed to poor leadership of the high executive office due to its incompetency, directive approach to leadership, believing in the executive office as the supreme decision maker. The present crisis has called for an immediate attention to urgency of systems that ensure accountability, legitimacy and ethical behavior at both national and international levels. Lack of transparency and exceeding the boundary of legitimate power by public officials across the globe, including the misuse of power by executive branch whether intentionally or due to incompetency, and problems in lacking oversight resulting in corruption and lose of public confidence in both corporate governance and public institutions, all major challenges callings for different approaches to leadership and governance. One would imagine that after scandals in private companies a few years ago exemplified by notorious cases like World Com, Global Crossing, Tyco, and Enron, both private sector and government had learned their lessons and would take corrective as well as preventive actions. We just realized a few

years later that such situations were just the tip of iceberg and public regulating agencies and oversight mechanisms were not either in place or too obsolete to deal with those problems, all denoting to the very fact of government – executive – incompetency.

Emerging-paradigm

The recent US Presidential election, among many things, revealed that people at the time of crisis will stand and defend their rights, and in this case their survival. In light of looming economic crisis, it seemed that there were some legitimate as well as a few undue promises by each side of the presidential campaign on promises, capability of their selected leader, and what they can do for the future of the country. For example Republicans, while mostly ignoring issues and policies, looked at their presidential candidate as a veteran leader with lots of personal qualifications, but totally ignored their inexperience, untested, and unformed vice presidential nominee. Democrats took their case mostly by addressing the issues and policies that according to them were handled poorly, if not disastrously, in the past 8 years of the Republicans Administration. They also emphasized the role of leadership justifying that the leader should act as a change agent, have a transformative personality and should not fit the profile of traditional leaders who mostly depend on their repetitive experience.

Regardless of such positions, as a student of public policy and leadership, this author thinks that the two issues of public policy process and leadership go hand in hand. Good policies are needed to reflect the

realities facing the society and people's needs, with both short and long terms implications at the national and global levels. At the same time the competent and progressive leadership that can materialize those policies with a kind of build-in flexibility and effective mechanisms for ongoing monitoring and corrective actions are called for to be manifested by a visionary, inspirational and transformative leader. The connectivity of these two elements is like the link between Strategy formulation and strategy implementation in the business world and the role of leadership in that process:

Strategic Leadership has also a decisive role in the implementation process. The role of top leadership in that respect is both symbolic and substantive. Two authors argue that leader's action and the perceived seriousness of his or her commitment to the chosen strategy (or policy) significantly influence the intensity of subordinate managers (administrators) commitment to the implementation of that strategy (Zomorrodian, 1998, p. 34).

To support and reinforce such commitment, expanding advocacy, outside government groups, like NGOs, activist groups, unions, etc., like for example "Repower America", an environmental advocacy group, play a decisive role if we want the country wants to maintain and enhance the enthusiasms and participation of majority of people in the political process. Such efforts definitely should target changing the political culture. As Horn et al. indicate "One of the major themes in *Politics* is the powerful influence that political culture has over the policy making process"

They make it clear that political culture often leads powerful government players to make symbolic statements and actions that in reality carry little weight in actually changing a particular situation. They continue to state "...The thrust of such arguments is that administrative policies, either purposefully or unwittingly, are designed not to solve problems, but to appease or legitimate certain interests and to provide an institutional forum in which recognized interests can compete for influence over policy" (p. 106).

Being fully aware and cognizant of such inherent nature of political culture, President elected Obama decided to create the Economic Recovery Board in white House, headed by highly respected Veteran, Paul Volker, to bring outside people together from academia, business, labor and others to critically evaluate the administration's economic policies and provide rigorous feedback to the President (Press Conference 11/26/08). This is on the top of the two existing boards, The National Economic Council headed by Lawrence Summers, and as director and Christina Romer as chair of his Council of Economic Advisers coupled with appointment of Timothy Geithner to be his treasury secretary (Press conference 11/24/08).

With such initiatives even two months before taking the office, Obama proves not only to understand what is at stake, but also that some major transformational changes are badly needed in terms of political culture, opening the doors of government to outsiders for critique and contribution, avoiding "group think", a symptom of malfunctioning government experienced in the recent administration as well as a few in the past. He directly asserted these points in

his interview with Barbara Walters when her tried to justify the creation Economic Recovery Advisory Council by say that this council's purpose is to "rigorous analysis of econ recovery plans, using outside members by business, labor, academicians, bring fresh and outside viewpoints, and to avoid group think" (ABC 20/20: 12/26/08)

It so ironic that even in the face of the biggest economic crisis in the past 70 years with such dire social, political, and even global consequences, serious divides still permeates the political environment. Conservatives who are mostly responsible for the past 8 years mistakes and misleading the public repeatedly are lamenting those fundamental changes are moving the country towards socialism and even Marxism. Nothing is far from the truth. One can see such assertions from the Right wing Republicans like Paul Grant of Georgia, Rush Limbaugh, and Ann Gouter who call the President's elect policies and direction as radical and Marxist, some nasty political gimmicks. Regardless of partisanship, one also wonders how the main stream press and not just conservatives and hate media, have lost the real mission of critical analysis of the events and fell into trap of complacency and compliance with what the existing administration is preaching. This is part of the political culture that needs to be changed drastically by removing the iron fist of medial Mongols who can fire independent journalists and reporters due to their alliances with a given political party or systems. Media needs some revolutionary changes too. Bringing fresh, independent and courageous journalists and reporters might bring the lost confidence in such powerful instrument of

democracy along with fundamental changes in government and providing people with real education and information about the realities of serious crisis facing the nation and the world.

In spite of these difficulties and challenges, one can see evidences that the American government in moving towards a new paradigm. A new model that promotes and brings Transparency, Ethics, and Responsibility to the government operations, and taming the unleashed market economy by institutionalizing reasonable checks and balances through appreciate oversight and monitoring mechanisms. One can hope the new President proves to be a true transformational leader who not only imitates and promotes such new direction, but is able to sustain it. There is a place for optimism by looking at his initial appointments to the high offices along with the judgments extended about his qualifications by respected political, military, and social veterans and champions of change like Kennedy and a host of other Democrats and Republicans alike. A good evidence of this is what Collin Powel stated in his interview with NBC when he supported Obama's candidacy. He said, among other things, that Barak Obama has a vision, understand the issues, has judgment and in short is a transformational leader (NBC 10/19). While from the academic viewpoint such political support might not mean much what differentiate Powel's opinion from the others is that he comes from a totally different ideology and values base, and such endorsement affirms Obama's role as transformational leader. It is ironic that the Obama camp in spite of their main slogan,

Change, and late "Change we need" rarely address the nature of the change as transformational.

However Obama in his victory speech addressed clearly a few major elements that normally transformational leaders attend to, not to mention that he also blends such qualities with traits and abilities of a charismatic leader by presenting the harsh realities and difficulties facing the nation as well as a vision that embraces hope and responsibility:

... I know you didn't do this just to win an election and I know you didn't do it for me. You did it because you understand the enormity of the task that lies ahead. For even as we celebrate tonight, we know the challenges that tomorrow will bring are the greatest of our lifetime – two wars, a planet in peril, the worst financial crisis in a century... The road ahead will be long. Our climb will be steep. We may not get there in one year or even one term, but America – I have never been more hopeful than I am tonight that we will get there. I promise you – we as a people will get there... For that is the true genius of America, that America can change? Our union can be perfected. And what we have already achieved gives us hope for what we can and must achieve tomorrow (Obama Speech 11/4/08 Grand Park Chicago, Illinois).

Whether Obama can really start a kind of revolution to put the role of government into the right perspective and expedite the move towards the new "paradigm" of government and public administration remains to be seen. Based on his actions some two months before he take the office and with assertion that the question is not

about big or small government, and rather it is about a “smart “ government seems to be encouraging. His efforts in changing the political culture and getting away from the irrelevant slogan of overzealous privatization advocates that “no way the government does anything right and no way that market does any wrong” as well as motivating young generation to join public service for the sake of serving people are the main elements of a new way of thinking and a different system of responsible government. The three major pillars of new paradigm must be to institutionalize a vial system for participative public policy, a transformative leadership across government as well as private sector, and built-in mechanisms for transparency, checks and balances, and responsibility.

Post script

Since this research paper was completed a couple of months ago new evidences show that in fact the “new paradigm” with regards to public and global policies by Obama is in the shape as his initiatives and events surrounding them are taking unprecedented changes in a very fast pace. Just in the first ten day being in the office, Obama took many gigantic steps to reshape not only the US public policy agenda and processes, but targeted the global image of US and a total redefinition of its policies and approaches. Looks he walks his talks!

On the domestic side:

- He put together one of the strongest cabinet in recent history in a very bi-partisan fashion.
- He restricted the lobbyists activities and made it much stricter for while House staff

to get involved in such activities even after leaving their jobs.

- He approached the opposition party by going to Capitol Hill and have a face-to-face dialog with them over his Recovery Plan.
- He proposed an ambitious \$800 plus billion Recovery Plan to ignite the credit market and housing recovery.
- He has made the government activities very transparent and created a web site so that the public can see expenditure items in the recovery plan.

On the global/international front:

1. Appointed the most visible and strong personality, Hillary Clinton, to the State Department with new agenda.
2. Immediate intervention in Palestinian/Israeli conflict by assigning a veteran politician, George Mitchell, as a special envoy.
3. Re-stated that troops will be pulled out from Iraq in 16 months.
4. Appointment of veteran Richard Holbrooke as special envoy to Afghanistan/Pakistan.
5. Executive order of closing the controversial Guantanamo Bay Prison in one year.
6. Explicit commitment to honor the international law in dealing with wars and conflicts across the board.
7. Interview with Al-Arabiya TV addressing the Muslim World that U.S. is no longer their enemy and extended a hand for friendship to them, and most important of all declaring that:
his approach is not piece-meal, but an all inclusive, holistic one for coping with both domestic and global problems in order to deal with and remove root causes of such problems lingering for years, exasperating during the previous administration.

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