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**Published on:** 01 Oct 2005 - Journal of Public Administration Research and Theory (Oxford University Press)

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# **Representative Bureaucracy, Organizational Strategy, and Public Service Performance: An Empirical Analysis of English Local Government**

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## **ABSTRACT**

The theory of representative bureaucracy suggests that organizations perform better if their workforces reflect the characteristics of their constituent populations. The management literature implies that the impact of representative bureaucracy is contingent on organizational strategy. Our empirical evidence on English local government is inconsistent with the basic theory of representative bureaucracy but supports a moderating effect of organizational strategy. Representative bureaucracy is negatively associated with citizens' perceptions of local authority performance. However, organizations pursuing a prospector strategy are able to mitigate this negative relationship.

Increasing workforce diversity poses some of the most challenging questions for the management of public services (Ricucci 2002). Governments around the world have legislated to ensure that public organizations are representative bureaucracies, reflecting the diversity of the populations they serve (Kellough and Rosenbloom 1992, 245; Selden 1997, 38), and that equality of opportunity is upheld (H M Government 1995, 2000). The

We would like to thank the participants in the "Determinants of Performance in Public Organizations Seminar" for their thoughtful comments. George Boyne and Richard Walker would like to acknowledge the support of the Economic and Social Research Council/Engineering and Physical Sciences Research Council Advanced Institute for Management Research under grant numbers 331-25-0004 and 331-25-006, respectively. Address correspondence to Rhys Andrews at [andrewsr@cardiff.ac.uk](mailto:andrewsr@cardiff.ac.uk).

doi:10.1093/jopart/mui032

Advance Access publication on February 18, 2005

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evidence suggests, however, that many public organizations are unable to meet these expectations (Home Office 2001; Naff 1998). Despite the mass of literature on diversity and its management, little research has addressed whether or not greater public workforce diversity is linked to organizational performance. Several questions remain: If staffing in public organizations mirrors the characteristics of the local population, are resident satisfaction and organizational performance enhanced? Is the relationship between representative bureaucracy and performance mediated by managerial strategies? This article addresses these questions with a study of organizational performance in local governments in the United Kingdom.

The issues of diversity and performance are at the heart of the British government's modernization agenda (Cabinet Office 1999) and are reflected in the programs of diversity that organizations charge with devoting attention to such matters. For example, Trevor Phillips, the chairman of the Commission for Racial Equality, has argued that if workforce diversity is not addressed, Britain's public services will fail (*Guardian*, 17 March 2004). Recent reports into the police force and the National Health Service have concluded that these key public institutions of British society are institutionally racist. Such reports have resulted in government agencies galvanizing themselves into action, and many now document and comment upon workforce diversity (Audit Commission 2003b; Department of Health 2003; H M Inspectorate of the Constabulary 2001).

Although several rationales may be offered in support of diversifying public organizations, including arguments grounded in equity as well as the symbolism of openness and acceptance, much of the policy debate is centered on the theory of representative bureaucracy (Home Office 2001). Representative bureaucracy argues that organizations will be more responsive to the public if they reflect the demographic characteristics of those they serve (Mosher 1982). Much of the policy evidence presented on diversity reflects this perspective. However, a performance-based management argument has increasingly been heard. This questions the assumption that simply reflecting the external environment is sufficient to guarantee success and suggests that organizations need to actively manage workforce diversity (Cox and Blake 1991; Thomas and Ely 1996). These views, initially aired in the generic management literature, are now expressed in the public management field. Riccucci (2002) argues that diversity must be appropriately managed to generate positive outcomes. The English Audit Commission argues that internal organizational management is important "to tap into underused talent in the workforce . . . in order to enhance and improve the quality and effectiveness of our public services" (2003a, 2). Beyond "mainstreaming diversity" or introducing "the best management practice" generally, however, public oversight agencies are unable to specify what forms of management are needed to enhance the productivity of diverse workforces (Audit Commission 2003a). Clearly, the answer to this challenge is of considerable importance.

In this article we seek to address specifically the representative bureaucracy–performance relationship. We argue that public management matters for leveraging the possible impacts that can follow from diversifying. More specifically, we argue that organizational strategy has to be taken into account to explain performance—otherwise diversifying may yield null or even negative service outcomes (Richard et al. 2003; Tsui, Egan, and O'Reilly 1992). The central contention of this article is that the representative bureaucracy–performance relationship is moderated by management.

In the next section we discuss workforce diversity and organizational performance, with particular attention to the literatures on representative bureaucracy and organizational strategy. Methods of data collection are then outlined and followed by a discussion of measures. Results are presented, and their implications discussed. In the concluding section we sketch implications for research and practice.

## **REPRESENTATIVE BUREAUCRACY, MANAGEMENT STRATEGIES, AND ORGANIZATIONAL PERFORMANCE**

To consider the subjects of public management, diversity, and the production of public service results, we focus on the aspects of the literatures on representative bureaucracy and organizational strategy that are relevant to performance.

### **Representative Bureaucracy**

*Representative bureaucracy* is a term given to arguments that public organizations should look like the population that they serve. The initial arguments concerning representative bureaucracies by Donald Kingsley (1944), however, eschewed overall representation and argued that the British civil service performed a vital role of representation because it was drawn from the ruling class rather than the governed. When transplanted to the United States and adapted by Long (1952) and Mosher (1982), the argument took on more egalitarian notions. A representative bureaucracy, the argument went, could fill in the gaps left by the political institutions of government.<sup>1</sup> Scholars of representative bureaucracy recognize that bureaucrats exercise discretion in policy implementation. Where discretion exists, the values of the decision maker become important. One way to ensure that decisions of the bureaucracy are generally responsive to the public would be to recruit a bureaucracy that mirrors the demographic composition of the entire population. “Passive” demographic representation (Mosher 1982) in this way would lead to bureaucrats engaging in “active” policy representation. An extensive literature examines both the composition of public bureaucracies and the circumstances under which passive representation is translated into active representation (see Keiser et al. 2002; Selden 1997; and the literature cited therein).

Generally ignored in the representative bureaucracy literature is the question of whether more diverse bureaucracies are likely to perform at a higher level, as assessed by the perceptions of citizens about outputs and outcomes or by other independently developed measures. Despite this lacuna, there are reasons to suggest that representative bureaucracies might be directly linked to higher performance or at least might provide the potential for managers to use representation to improve performance. First, if the logic of the theory of representative bureaucracy holds, that is, a representative bureaucracy is more responsive to the population, then one should also see public perceptions of bureaucratic performance improve. A bureaucracy that is responsive to the needs and desires of the population should be held in higher regard. Second, even if responsiveness does not improve, some evidence indicates that citizens like to be served by bureaucrats who are similar to themselves in a variety of characteristics. For

<sup>1</sup> In fact, Long (1952) argued that the bureaucracy was more representative than the putatively representative electoral institutions of government, at least in the United States.

example, Thielemann and Stewart (1996) found that AIDS patients prefer services from bureaucracies that are representative of their interests. Such a relationship also suggests that public perceptions of government performance will improve as bureaucracies become more representative. Third, using arguments from human capital economics (see Becker 1993), Meier and associates (Meier et al. 2001; Meier, Wrinkle, and Polinard 1999) present a provocative argument that the objective performance of representative bureaucracies is likely to be better. Because discrimination in hiring will result in trade-offs in the quality of employees hired by the agency, bureaucracies that better represent the labor pool of qualified personnel are more likely to perform better than those that do not. Using this argument, the empirical analysis (Meier et al. 2001; Meier, Wrinkle, and Polinard 1999) shows that minority teachers are associated with better student outcomes for both minority and nonminority students; in short, representative bureaucracies are more effective for all clients. Meier and Nicholson-Crotty (forthcoming) extend the argument further to demonstrate that police departments with more women police officers are associated with getting more women to report sexual assaults and higher rates of conviction for this crime. Thus we have the following hypothesis:

- H<sub>1</sub> Representative bureaucracy will be associated with higher levels of organizational performance.

### **Organizational Strategy**

Some theoretically supportable rationales, therefore, justify an expectation that more representative bureaucracy is related to higher public organizational performance. But what of the strategy adopted by such organizations and their managers? Should we expect this choice to interact with representatives, and can we expect such a relationship to have performance-relevant impacts?

The research literature on this issue is less clear, primarily because much of the evidence on workforce diversity focuses upon the role that the *external* organizational context plays in influencing diversity outcomes. The limited studies of workforce diversity and public organizational performance similarly demonstrate that the external organizational context, notably the “degree of difficulty,” shapes performance outcomes (Meier and O’Toole 2002; Pitts 2003). While it is important to place the performance of public organizations within their external contexts, features within the organizations themselves are also likely to play a key role in determining performance outcomes in this arena. In particular, the role of management must be considered as potentially critical. A body of growing evidence points toward the importance of management as a determinant of organizational performance, including the elements of human resource management (Lan and Rainey 1992; Weisman and Nathanson 1985), organizational culture (Brewer and Selden 2000; Zigarelli 1996), and managerial quality (Meier and O’Toole 2002).

The “strategic stance” of an organization is also a significant aspect of management. This is the broad way in which an organization seeks to maintain or improve its performance, which is obviously shaped by management (Boyne and Walker 2004). We work from Miles and Snow’s (1978) typology in distinguishing the general varieties of strategic stance available. We are interested in modeling and exploring empirically the

performance impact of representative bureaucracy in public organizations that have adopted a particular strategy.

Miles and Snow distinguish three main kinds of strategic stance: prospectors, defenders, and reactors. Public organizations adopting a prospector stance are outward looking, searching for new market opportunities and experimenting with potential responses to emerging trends in the environment. They are characterized as innovative organizations that develop new products and processes and take risks. A range of empirical evidence on public and private organizations indicates that prospectors are associated with higher levels of organizational performance (Andrews, Boyne, and Walker 2003; Evans and Green 2000; Woodside, Sullivan, and Trappey 1999).

Representative bureaucracy is likely to benefit prospectors and further enhance their performance. Organizations that are more representative of their population in an ethnically diverse society are likely to contain staff with a wider range of values and views. A strategy of employee involvement is central to the prospector's achievement of higher levels of organizational performance (Miles and Snow 1978). Prospector organizations are, therefore, expected to be able to take advantage of an ethnically diverse workforce that brings alternative perspectives on agency goals and strategies. In particular, prospectors actively scan the external organizational environment for opportunities and exploit these via creative approaches to problem solving (Cox 1994; Richard 2000). Similarly, management may be able to tap a diverse workforce to seek alternative production processes that make the organization less vulnerable to anticipated constraints. In short, the evidence from the service sector suggests that managers seeking new opportunities are more likely to take advantage of employee diversity and match it up with new initiatives (Richard et al. 2003).

Defenders, in contrast, focus upon consolidating past gains and improving the efficiency of their existing operations—maintaining the status quo is their *raison d'être*. They are characterized as conservative in their outlook, late adopters of innovations only after they have been tried and tested elsewhere, and focused upon core activities. Empirical evidence from public organizations indicates that this focus on efficiency means that they are associated with neither high nor low levels of organizational performance (Andrews, Boyne, and Walker 2003). Reactors, unlike prospectors and defenders, have no substantive stance because they wait until external environmental pressures are such that they have to act or, indeed, are instructed to act. Public agencies with a reactor strategy are likely to have their formal stance imposed by regulators or legislatures. This reliance upon mandate or directive suggests that when a public agency is instructed to defend or prospect it is unlikely to have the culture and expertise to adopt such a strategy.

Defenders and reactors with diverse workforces may incur additional costs associated with increased coordination and control. Extra costs uncompensated by the kinds of diversity benefits leveraged by prospectors could have a negative effect upon performance (Milliken and Martins 1996). Richard (2000) concludes that organizations that seek to maintain the status quo and focus upon cost-effectiveness find the associated expenses associated with diversity detrimental to organizational performance. While these costs may be high for defenders, they are likely to have an even greater impact upon reactors. Not only do these organizations lack an overall substantive stance, but they may also find the range of views in a diverse workforce to be an impediment to a single-minded responsiveness to external instructions.

The research evidence on strategic stance in public organizations indicates that prospectors outperform defenders, who in turn outperform reactors (Andrews, Boyne, and Walker 2003; Woodside, Sullivan, and Trappey 1999). The argument in this section is, in effect, that diverse workforces are likely to reinforce the impact of these strategic positions of public agencies because the relationship between representative bureaucracy and performance is mediated by organizational strategy. The discussion suggests the following hypothesis:

- H<sub>2</sub> The relationship between representative bureaucracy and organizational performance is contingent on strategic stance.

## **DATA AND METHODS**

The study is conducted on major English local authorities (London boroughs, metropolitan boroughs, unitary authorities, and county councils). These entities are governed by politically elected bodies with a Westminster-style cabinet system of political management. They are multipurpose authorities that provide education, social services, regulatory services (such as land use planning and waste management), housing, libraries, leisure services, and welfare benefits. An advantage of studying these public organizations is that a wide range of consistently reported secondary data is available on them. Secondary data used in this study cover population deprivation and diversity, workforce diversity, and organizational performance.

Primary data on strategy were collected via a survey of authorities. Separate Likert scales were used to assess their location on different dimensions of strategic stance, because organizations can pursue a mix of strategies simultaneously (Bowman and Ambrosini 1997a; Boyne and Walker 2004; Whittington et al. 1999). Multiple informants were surveyed in each organization. This approach avoids the limitations of elite surveys that focus on chief executive officers and overlook the range of different perceptions of strategy within organizations (Bowman and Ambrosini 1997b; Walker and Enticott 2004).

The survey was conducted electronically (for details of the pilot, see Enticott 2003). Informants had eight weeks to answer the questions within the file, save it, and return by e-mail. During the survey period, three reminders were sent to those informants who had yet to complete it. Our multiple informant data were collected from staff at the corporate and service level in each organization.<sup>2</sup> Two echelons were selected because attitudes have been found to differ between these positions (Aiken and Hage 1968; Payne and Mansfield 1973; Walker and Enticott 2004). In each authority, questionnaires were sent to up to three corporate informants and also four managers in each of seven services. The maximum number of responses received was twenty-three.

Data were collected in summer 2001 from all English local authorities. The sample consisted of 386 authorities and 4,184 informants. Eighty-one percent of authorities replied (314), and a 56 percent response rate was achieved from individual informants (2,355).

<sup>2</sup> Corporate officers included the chief executive officer or head of paid service and corporate policy directors with cross-organizational responsibilities for service improvement. Service officers include chief officers who are the most senior officers with specific service delivery responsibility (for example, director of social services, director of waste management) and service officers who are first-line supervisors (for example, head of school organization and planning, head of business efficiency, head of benefits and revenues).

**Table 1**  
Descriptive Data

	Mean	Minimum	Maximum	Standard Deviation
Consumer satisfaction	59.5	36.0	76.4	7.43
Service performance	67.2	46.7	88.3	8.57
Ethnic diversity	2,497.2	377.2	8,296.6	2,278.3
Deprivation	26.3	4.9	56.2	11.4
Ethnic workforce ratio	0.42	.032	1.11	0.238
Prospector	5.04	3.71	6.14	0.545
Defender	5.57	2.86	7.00	0.807
Reactor	4.83	3.33	6.00	0.585
<i>N</i> = 80				

This analysis is conducted on eighty authorities, with 846 informants. The sample falls because (1) we focus on the 150 major authorities and (2) when we match secondary and primary data, information is incomplete for some cases. For example, not all authorities provide secondary data on representative bureaucracy, a number did not report customer satisfaction data, and others did not complete all survey items.

## MEASURES

Table 1 lists descriptive statistics for each of our measures. The variables are explained next; we cover performance first, followed by the set of independent variables.

### Dependent Variables

We use two measures of organizational performance: customer satisfaction and a composite indicator that covers a range of service outputs and outcomes. Customer satisfaction is chosen to reflect the representative bureaucracy arguments about responsiveness to citizens' requirements, and the composite indicator is selected to capture the breadth of organizational performance. The two performance variables measure different dimensions of performance and do not produce a high enough intercorrelation to create a single scale.

Customer satisfaction in English local authorities is recorded as an indication of the "corporate health" of councils, thus providing a snapshot of their "underlying capacity and performance" as accountable democratic institutions. Specifically, it is a Best Value Performance Indicator (BVPI) that measures the "percentage of citizens satisfied with the overall service provided by their authority" (Department of the Environment, Transport and the Regions [DETR] 1994, 24).<sup>3</sup> Councils use a sampling frame to garner the satisfaction data by mail from a representative range of local residents (DETR 2000a, 12,

<sup>3</sup> Best Value Performance Indicators are based on common definitions of key data that are obtained by councils for the same time period with uniform collection procedures. In addition to corporate health, these indicators "measure key aspects of performance of services" (Audit Commission 2002b, 94). The collected figures are independently checked for accuracy.



110–11). As table 1 indicates, the results vary from 36 to more than 76 percent of citizens satisfied across the local authorities included in the sample.

The second measure is an index of performance called “Core Service Performance” (CSP). It is calculated for all major English local authorities (London boroughs, metropolitan boroughs, unitary authorities, and county councils) by the Audit Commission (2002a). It covers six dimensions of performance (quantity of outputs, quality of outputs, efficiency, outcomes, value for money, and consumer satisfaction with individual services).<sup>4</sup> It embraces all the main areas of local government activity as discussed above, together with management of resources. Each service was given a score by the Audit Commission from 1 (lowest) to 4 (highest). These scores were derived from a mixture of performance indicators, the results of inspection of services, and service plans and standards. For services that have long-standing inspectorates (benefits, education, and social services), the methodology to obtain the CSP score relies upon existing measurement systems. The commission converted these scores into its categories.<sup>5</sup> The score for the remaining three service areas and use of resources was calculated from BVPIs from 2000–1 and 2001–2, inspection reports, and service plans and standards data. Complex weighting systems were used by the commission to compensate for the absence of inspection reports in some services for some councils.<sup>6</sup>

Following the calculation of the CSP score, the Audit Commission weighted services to reflect their relative importance and budget. The weight for education and social services was 4; for environment and housing, 2; and for libraries and leisure, benefits, and management of resources, 1. The commission then combined these weights with the performance score (1–4) for each service to calculate the CSP. This ranges from a minimum score of 15 (12 in the case of county councils that do not provide either housing or benefits) to a maximum of 60 (48 for county councils). We then converted these results to overall performance scores that are comparable across all authorities by calculating the percent of the maximum possible CSP result for the

4 Note that consumer satisfaction enters in this measure as well, albeit as a fairly small portion of the total. These satisfaction data are based on responses to queries about individual services rather than consumer perceptions of an authority as a whole. Because of the way data are combined by the Audit Commission to report the measure, it is not possible to separate out the consumer satisfaction portion of the performance measure from the rest of the score. For ease of reference, we sometimes label this measure of performance as the “objective” performance measure and the earlier-explained measure as the consumer satisfaction measure. The CSP measure, nonetheless, also includes some consumer satisfaction data; and other portions of the CSP reflect in part the interpretations of audit inspectors.

5 Education scores are translated from Ofsted’s performance profile star system (0 star = 1, 1 star = 2, 2 stars = 3, and 3 stars = 4). For social services, the Social Service Inspectorate’s performance ranks, based on the average score for the judgments for children and adults, are converted thus: not serving people well = 1, serving some people well = 2, serving most people well = 3, yes—serving people well = 4. The Benefits Fraud Inspectorate uses a combination of self-assessment, inspection, and evidence from performance indicators to judge local authorities’ performance against their key performance standards. The commission translates these scores thus: up to 39 percent = 1, 40–59 percent = 2, 60–79 percent = 3, and 80 percent and above = 4.

6 One example, environmental services, which include transport, waste, and planning, can be used to illustrate the process. BVPIs, inspection reports, and service plans are used to judge “How good is the service?” Where no inspection had taken place prior to the CSP process, the authority was inspected during 2002 on one of the three subservice areas. Where inspection had taken place, for example, in transport, the inspection accounts for 50 percent of the evidence; BVPIs, 30 percent; and the Local Transport Plan (LTP), 20 percent. Different weightings were used in waste and planning. Where more than one inspection had taken place in a subservice area, the average inspection score was taken. Where there was not an inspection, BVPIs account for 60 percent, and the LTP, 40 percent. The three subservices carry different weights in counties, metropolitan boroughs, and unitary authorities and London boroughs. The weighted data are then converted to the 1–4 scoring system.

given local government. For this measure, too, the range across localities in performance is considerable—from 46.7 to 88.3 percent (standard deviation 8.6).

### **Independent Variables**

The models tested in this study are relatively straightforward; they include measures of external constraints, representative bureaucracy, and strategy. In addition, for some of the models that seek to explain customer satisfaction, we control for the CSP score, as defined above, because we expect the substantive characteristics of service provision to influence local perceptions of performance. The measures of the other variables are discussed in order.

#### ***External Constraints***

We controlled for both the quantity and the variety of service needs in each local area. As the quantity of need increases, public agencies are likely to find it more difficult to provide a sufficient quantity and quality of services per client, particularly given their roles as allocators of scarce resources. The Average Ward Score on the Index of Multiple Deprivation (DETR 2000b) was used as a measure of the quantity of service needs. The Average Ward Deprivation Score is the standard population-weighted measure of deprivation in England used by central government. It is derived from thirty-three indicators across six domains of deprivation: income; employment; health deprivation and disability; education, skills, and training; housing; and geographical access to services (DETR 2000b). It represents a comprehensive measure of the task difficulty facing English local authorities.

Variations in service need are also likely to affect organizational performance. The more heterogeneous a public agency's clients are, the more demanding it will be for the agency to elicit their preferences and provide "standardized" services that correspond with their needs. Greater effort will be required to identify the preferences of different groups, and a greater variety of services needs to be provided to meet these preferences. This again makes achieving high levels of performance more difficult. To measure population diversity we developed a Herfindahl index by squaring the proportion of each ethnic minority group (taken from the 2001 census [Office for National Statistics 2003]) within a local authority and then subtracting the sum of the squares of these proportions from 10,000. Population figures are collected for fifteen minority groups in the United Kingdom: Irish, other white, white and black Caribbean, white and black African, white and Asian, other mixed, Indian, Pakistani, Bangladeshi, other Asian, Caribbean, African, other black, Chinese, and other ethnic group. The Herfindahl measure thus gives a proxy for "fractionalization" within a local authority area, with a high level of ethnic diversity reflected in a high score on the index. As the descriptive statistics in table 1 show, the local authorities in the sample vary considerably in both the level and the diversity of service need.

#### ***Workforce Diversity***

In this study we pay attention to ethnic diversity. Figures for workforce diversity are recorded by all English local authorities as "corporate health" BVPIs (DETR 2000a, 12). The measure is "the percentage of local authority employees from ethnic minority communities" (where ethnic minority communities are defined as nonwhite communities)

(DETR 2000a, 27). To create a measure of the ethnic representativeness of a local authority workforce, this figure was converted into a ratio by dividing the percentage of ethnic minority employees within a council by the percentage of ethnic minorities within its constituent population. This percentage comparison measure gives an indication of the parity of employment within councils. Using it also shifts attention to the impact of representative bureaucracy, rather than simply diversity, on performance. As can be seen in table 1, the authorities' workforces range from exceedingly homogeneous when compared with the constituent population (0.032) to more diverse than the population served by the authority (1.11), with a mean indicating some but not overwhelming ethnic representativeness (0.415).

### **Strategy**

One measure for each aspect of strategy is used in this analysis. The prospector stance was operationalized through a measure of innovation, because this element is central to Miles and Snow's (1978) definition, which includes risk taking and proactive responses to changes in the external environment. Informants were asked if their service or the authority, depending upon their echelon, was "at the forefront of innovative approaches." To explore the extent to which English local authorities displayed defender characteristics, focusing upon tried-and-tested strategies in an existing market, informants were asked whether their approach to service delivery focused on their "core business." Reactors are expected to await instructions on how to respond to environmental change. The major source of external pressure in English local authorities is currently the auditors and inspectorates deployed by central government (there is at least one inspectorate for each service). We therefore asked our informants about the extent to which auditors and inspectors affected their approaches to service improvement. English local authorities vary considerably in the extent to which they are prospectors, defenders, and reactors (see table 1).

Including only strategy and omitting other aspects of public management mean that the models to be tested will be somewhat underspecified. Nevertheless, incorporating strategy does offer an advance over the standard treatment of workforce diversity and allows us to test whether these variables have an interactive effect on performance.

## **RESULTS**

The first ordinary least squares regression analysis tests  $H_1$ , the simple hypothesis that higher levels of representative bureaucracy are positively related to performance. Here performance is measured as customer satisfaction, and the model omits consideration of organizational strategy. Included are the external constraints along with the ethnic workforce ratio. In this section, and for all the models tested, we focus attention on the workforce diversity and strategy hypotheses and omit discussion of the relationships between external constraints and performance.<sup>7</sup> Table 2 presents the initial results. In this specification, representative bureaucracy is associated with customer satisfaction—but negatively. More representative bureaucracies are associated with lower levels of citizen satisfaction. The hypothesis is therefore rejected.

We next introduce the strategy variables to the representative bureaucracy model, again with a focus on explaining customer satisfaction. Table 3 displays the results. The

7 Nonetheless, results for all variables in the regression analyses are provided in the tables.

**Table 2**  
Regression Results for Representative Bureaucracy (Dependent Variable Consumer Satisfaction)

	$\beta$	s.e.	<i>b</i>	<i>t</i>
Constant	68.891	2.395		27.93
Ethnic diversity	-5.077E-04	0.000	-0.156	-1.16
Deprivation	-0.104	0.070	-0.160	-1.49
Ethnic workforce ratio	-8.148	4.119	-0.261	-1.98**
$R^2$ /adjusted $R^2$	.177/.144			
<i>F</i>	5.440**			
<i>N</i> = 80				

+ *p* < .10; \**p* < .05; \*\**p* < .01; \*\*\**p* < .001.

inclusion of the three strategic stance variables adds around 0.09 to the adjusted  $R^2$ . The coefficient for representative bureaucracy continues to be negative. The results suggest that prospectors outperform defenders, which in turn outperform reactors (the coefficient for prospector is positive and significant at the .1 level, defender is negative and insignificant, and reactor is negative and significant at the .05 level). Table 4 explores the same specification, but with the Audit Commission-based (“objective”) performance measure as the dependent variable. In this model prospector strategy is positive and significant, while both defender and reactor strategies are insignificant. The results also reveal that the negative relationship between performance and representative bureaucracy does not hold when a more objective measure of performance is adopted. In short, representative bureaucracy is negatively associated with public *perceptions* of organizational performance but unrelated to the actual level of performance as measured systematically and audited. We next undertake some additional analysis to separate out the influences working on each of these indicators.

In the models presented thus far, the overall levels of explanation are rather modest. In additional analyses, we include the audited measure of service performance as a control in the regression results for consumer satisfaction. Table 5 reports results for the model presented in table 3, with the addition of the control for objective performance. The coefficient for representative bureaucracy remains negative and significant, as does

**Table 3**  
Regression Results for Representative Bureaucracy and Organizational Strategy (Dependent Variable Consumer Satisfaction)

	$\beta$	s.e.	<i>b</i>	<i>t</i>
Constant	74.220	10.765		6.89
Ethnic diversity	-5.105E-04	0.000	-0.156	-1.23
Deprivation	-0.118	0.067	-0.181	-1.77+
Ethnic workforce ratio	-10.5	4.041	-0.337	-2.60*
Prospector	2.54	1.395	0.187	1.82+
Defender	-0.439	0.961	-0.053	-0.51
Reactor	-3.34	1.303	-0.262	-2.56*
$R^2$ /adjusted $R^2$	.291/.233			
<i>F</i>	5.001***			
<i>N</i> = 80				

+ *p* < .10; \**p* < .05; \*\**p* < .01; \*\*\**p* < .001.

**Table 4**  
Regression Results for Representative Bureaucracy and Organizational Strategy (Dependent Variable Objective Performance)

	$\beta$	s.e.	<i>b</i>	<i>t</i>
Constant	51.112			
Ethnic diversity	-1.297E-04	0.001	-0.034	-0.246
Deprivation	-0.200	0.083	-0.267	-2.43*
Ethnic workforce ratio	-8.363E-02	0.002	-0.002	-0.017
Prospector	5.286	1.728	0.336	3.06***
Defender	4.192E.02	1.190	0.004	0.035
Reactor	-1.065	1.614	-0.073	-0.660
$R^2$ /adjusted $R^2$	.182/.115			
<i>F</i>	2.713*			
<i>N</i> = 80				

+ *p* < .10; \**p* < .05; \*\**p* < .01; \*\*\**p* < .001.

the reactor variable. The objective measure of performance, as could be expected, is also positive and significant. That public perceptions of representative bureaucracy remain negative in the presence of objective performance measures suggests that the source of the negative relationship might be the public’s racial attitudes, not the substantive achievements of local governments. The prospector variable appears to influence subjective performance only through its impact on objective performance, as demonstrated by the decline in the magnitude of the slope.

Finally, we further interrogated the data to tease out the interaction of management strategy and representative bureaucracy. Using traditional methods of assessing interactions, that is, adding a term that multiplies the strategic stance variables by the representative bureaucracy variable, induces severe collinearity into a model (especially one that has only eighty cases). Even using adjustments of centering generates variance inflation factors as high as seventy-five. An alternative way to demonstrate an interaction is via a technique known as substantively weighted analytical techniques (SWAT; see

**Table 5**  
Regression Results for Representative Bureaucracy and Organizational Strategy (Dependent Variable Consumer Satisfaction), Controlling for Objective Performance

	$\beta$	s.e.	<i>b</i>	<i>t</i>
Constant	60.095	11.164		5.38
Ethnic diversity	-4.754E-04	0.000	-0.146	-1.21
Deprivation	-6.273E-02	0.066	-0.096	-0.956
Ethnic workforce ratio	-10.49	3.823	-0.336	-2.74**
Prospector	1.083	1.402	0.079	0.773
Defender	-0.500	0.909	-0.054	-0.550
Reactor	-3.401	1.236	-0.239	-2.46*
Service performance	0.276	0.089	0.319	3.09***
$R^2$ /adjusted $R^2$	.374/.313			
<i>F</i>	6.143***			
<i>N</i> = 80				

+ *p* < .10; \**p* < .05; \*\**p* < .01; \*\*\**p* < .001.

**Table 6**  
Substantively Weighted Analytical Techniques (SWAT) Regression Results for Representative Bureaucracy and Organizational Strategy (Dependent Variable Consumer Satisfaction)

	$\beta$	s.e	<i>b</i>	<i>t</i>
Constant	61.941	8.620		7.19
Ethnic diversity	-0.112E-02	0.333E-03	-0.428	-3.36**
Deprivation	-0.274E-01	0.582E-01	-0.047	-0.47
Ethnic workforce ratio	-3.770	2.782	-0.160	-1.35
Prospector	1.531	1.078	0.128	1.42
Defender	0.792	0.561	0.146	1.41
Reactor	-4.939	0.885	-0.513	-5.58***
Service performance	0.222	0.066	0.356	3.36**
$R^2$ /adjusted $R^2$	.538/.493			
<i>F</i>	11.96***			
<i>N</i> = 80				

Note: SWAT results are generated with weights of 0.05 and 1.00, with prospector scores of 5.7+ as the division point.  
+  $p < .10$ ; \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$ .

Meier and Gill 2000). One useful SWAT method is to reweight the equation using one of the variables of interest to see what happens with the other variable. We examined the prospector variable and selected those cases that fell in the top 10 percent of the sample on this variable (all those greater than 5.7). These cases were then weighted as equal to 1.00, while all other cases were down-weighted to 0.05. This process creates a hypothetical universe where a larger number of local governments pursue a prospector strategy. Determining if the representative bureaucracy relationship changes as the number of prospectors increases will illustrate if strategy and representation interact. Table 6 shows that in such circumstances the results change dramatically for the variables of interest. In the presence of more aggressive prospectors, the relationship between the diversity of the workforce and customer satisfaction drops to zero. In short, as one managerial strategy is pursued aggressively, the negative link between representative bureaucracy and performance can be overcome. The remaining findings in table 6 are fairly close to those in table 5 except that population diversity becomes negative and significant, a relationship that was predicted in our theoretical coverage earlier.

## DISCUSSION AND IMPLICATIONS

The findings reported here are provocative but clearly not definitive. Is representative bureaucracy associated with higher levels of performance in English local governments? The answer is no or at least not in any simple and straightforward fashion. More ethnic diversity relative to the surrounding population is negatively associated with consumer perceptions of performance, with or without audited performance entered as a control. The several estimations reported in tables 2, 3, and 5 are consistent on this point. We did, however, show that the relationship between workforce diversity and organizational performance is contingent upon strategic stance. The question in this form, however, begs another: What is meant by *performance*, and how should we measure it?

Performance is clearly a multidimensional concept, and the efforts of the British government to incorporate a number of these dimensions are reflected in the design of the

service performance measure used for the more “objective” measure in the current study. Still, the performance-related perceptions held by citizens in a democracy are also crucial, apart from the actual outcomes of public programs. This study shows clearly that these two notions are distinct. Audited performance is positively associated with perceived performance (see the coefficients for service performance in tables 5 and 6), but the former does not explain much of the latter.

Interestingly, as well, representative bureaucracy is *not* negatively related to audited performance (table 4). Is there an element of racism—or at least ethnic suspicion and unease—in the citizen reactions to the performance of their own governments? The data available do not allow for an answer to this question, but the question is an appropriate one for further exploration.

The results reported here also suggest that public management matters, and it matters in shaping the ways that representativeness in the bureaucracy itself has its impact. The findings strongly indicate that a reactor strategy on the part of public organizations impedes authorities’ performance, at least when performance is measured via the perspectives of consumers. Prospector strategy may help, at least via its impact on actual audited performance, if not on consumer perspectives directly. It may be that a prospector stance pays its dividends in ways that are relatively invisible to the general public, at least initially.

In our test for the interaction of workforce diversity with a prospector strategy, we develop results consistent with our theoretical expectations. Prospector organizations may be able to leverage the advantages of a relatively more diverse workforce, as our argument suggested. The SWAT regression of the satisfaction–performance equation shows that high levels of prospector strategy can eliminate the significant, negative relationship between representative bureaucracy and subjective performance. If supported by additional empirical work, such a finding would constitute evidence for a connection between public management and the impacts of representative bureaucracy. This sort of link makes considerable sense, even if the representative bureaucracy research literature has thus far not much explored the question. These questions also require exploration at different levels—Are effects different at the organizational, work group, or dyadic (public official–user) levels?

This study offers intriguing findings, but the results constitute only a beginning. The models tested leave unexplained a good deal of the variance in performance, whether performance is operationalized in terms of the audited measure or as consumer satisfaction. Better or alternative measures of some of the variables may help, and the theoretical ideas introduced here clearly need to be explored further in other venues. Still, this investigation does indicate the importance of examining the performance impacts of representativeness and diversity. In addition, these salient topics need to be considered in tandem with public management and should not be considered in isolation. Whether, how, and when public managers can act to take particular advantage of ethnically diverse workforces, and presumably other forms of diversity as well, are questions that deserve further sustained attention.

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