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For the final version, see the French translation.*

**CHANGING
EMPLOYMENT TRENDS
IN THE PUBLIC SECTOR:
KNOWLEDGE CRISIS OR
KNOWLEDGE
OPPORTUNITY?**

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For the final version, see the French translation.

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Abstract: Trend data show a high proportion of the public sector workforce in developed countries to be approaching retirement. Changes in the organization of the public sector arising from market forms of governance after 1980 resulted in a less stable and de-professionalized workforce. This change in the type of workforce is coterminous with the practice of new public managerialism and its market values. More recently, in the period of economic growth up until 2007 a strong labour market with reduced labour supply, and increasing pension costs, began to encourage employment policies that retained older workers. The sharp recession that has followed threatens new cost-cutting initiatives based on redundancy and enforced retirement as means for reducing labour costs. This has implications for the continued stability of good practice in knowledge management and whether the organizational memory in public services will be robust enough to provide a stable and continuous provision of quality services that are of high public value.

The aim of this paper is consider contemporary approaches to knowledge management and organisation learning in the context of the demographic structure of the public workforce. Two different policy approaches towards the organisation of public services and knowledge management are considered. These are, firstly, the drive towards market managerialism and standardised service outputs (Self, 1993). And secondly the tradition of public administrative and bureaucratic professionalism that is linked to more abstract notions of service outcomes, in part realised by the personalisation of service offered by highly skilled professionals and better described as defined by collective ‘public value’ outcomes, rather than standardised individual market outputs (Hughes, 2003; Moore, 1997). A third way is proposed, where the public value of retention is mitigated by the individual characteristics of the worker and other local and context contingencies.

It is argued in this paper that the combination of the growth of market orientated public managerialism (post 1980), the demographic bulge of the working older population in public employment (post 2000), and cuts in public expenditure following the global economic recession of 2009, threaten to combine to substantially undermine the knowledge base of public services.

■ THE CHANGING PUBLIC WORKFORCE

It is important to note at the beginning of this paper that the term public sector workforce is a broad concept and this is to some extent defined differently by national governments (OECD, 2004). Statistics Canada (2008:15) describes public sector employment categories as including: ‘employees in public administration at the federal, provincial and municipal levels, as well as in Crown corporations, liquor control boards and other government institutions such as schools (including universities), hospitals and public libraries’. Table 1 shows that a high proportion of public sector workers are working in health care and education (53%) and many of these will be professionally qualified. About 9% of the workforce is described as working in a quasi business environment (business enterprises), a theme that is discussed in this article as consistent with the privatisation and marketisation of the public sector in recent decades.

TABLE 1: NUMBER OF EMPLOYEES IN PUBLIC SECTOR EMPLOYMENT, CANADA

THOUSANDS	2004	2005	2006	% 2006
Public sector	3,193	3,241	3,310	100
Government	2,906	2,955	3,022	91
Federal general government	367	370	387	12
Provincial and territorial general government	330	340	344	10
Health and social service institutions, provincial and territorial	745	749	765	23
Universities, colleges, vocational and trade institutions, provincial and territorial	334	338	347	10
Local general government	499	517	530	16
Local school boards	630	640	649	20
Government business enterprises	287	286	288	9
Federal government business enterprises	95	95	96	3
Provincial and territorial government business enterprises	139	136	136	4
Local government business enterprises	53	55	56	2

Source: Labour Force Survey. *Statistics Canada*. www40.statcan.gc.ca/l01/cst01/govt54a-eng.htm

In the UK *Labour Force Survey*, 2007, Public Sector employment included a similar wide range of administrators and professionals working for national and local government contracts, including University staff and General Practitioner doctors (Millard and Machin, 2007). This is in addition to administrative and professionals working directly for local and central government, such as civil servants and local government officers. Although there are differences, the OECD evaluations reveal that there are also important communalities between member countries (OECD, 2004). Table 2 shows similar groupings to Table 1. In the UK, health and education combine to make up 56% of the public sector workforce. Many of these workers will be professionals: doctors, nurses, social workers and teachers. Six percent are described as working in public corporations in what can be interpreted as modern forms of *marketised* public organisations. These are subjected to classical economic disciplines, even if not fully privatised. Both Canada and the UK, like other OECD countries, have a highly skilled public sector workforce that is built on professional, managerial and technical qualifications and routes of entry.

TABLE 2: NUMBER OF EMPLOYEES IN PUBLIC SECTOR EMPLOYMENT, UK

THOUSANDS	2004	2005	2006	% 2006
Public Sector	5755	5849	5839	100
Central Government	2504	2559	2557	44
<i>Civil Service</i>	570	570	558	9
Local Government	2887	2923	2940	50
Public Corporations	364	367	342	6
By industry				
Construction	78	72	62	1
HM Forces	218	210	204	3
Police	264	272	277	5
Public Administration	1235	1251	1246	21
Education	1348	1368	1396	24
NHS	1476	1530	1546	26
Other health and social care	386	392	384	6
Other public sector	750	755	725	12

Source: ONS, Labour Market Trends, Dec, 2006 tables 4,6.

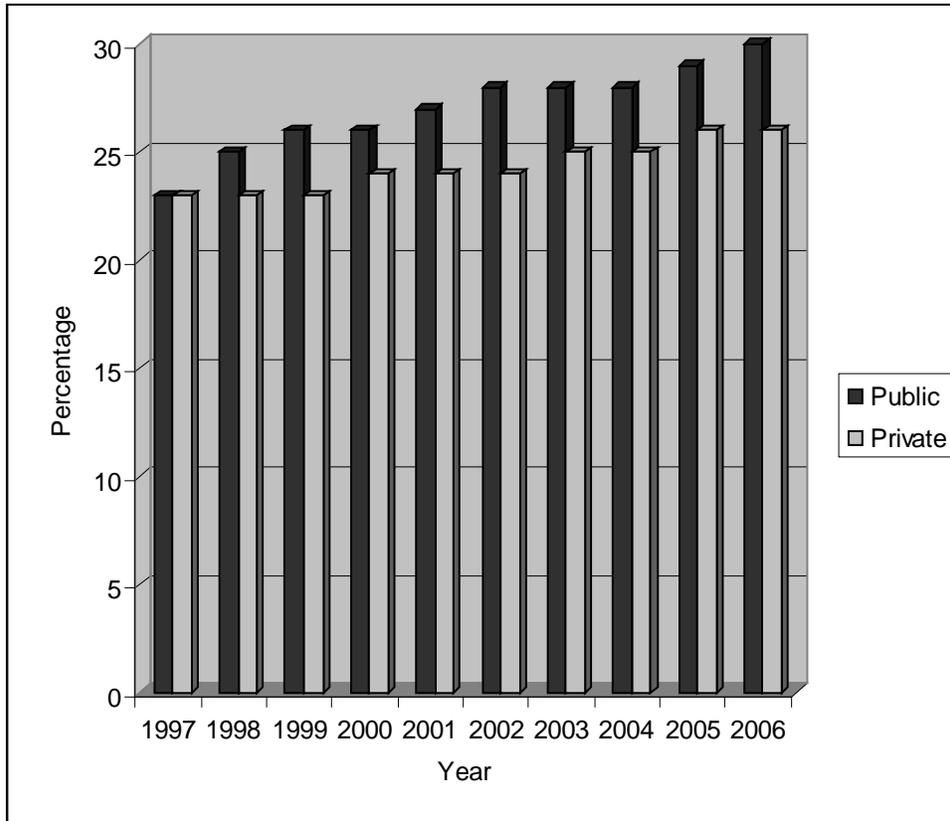
In a review of *Employment Trends in Federal Public Service* in Canada, Naczk (2007) reported an increased median age in the core federal public administration (CPA) for both male and female workers. This was at the end of a decade when a trend decline had been recorded in the total numbers of CPA employees. In contrast the Canadian Labour Force Survey shows an increase in the broadest definition of public sector employment, up from 3 million in 2001 to 3.5 million in 2008. This is the wide definition that includes: health and social services, universities and colleges, local government and schools. Naczk showed that there was a greater proportion of older workers aged 45 and over in federal government employment when compared to the general Canadian workforce. Similarly table 2 shows for the UK that while central and local government employment increased from 2004-06, core civil service jobs declined. The UK media recorded at this time a political project to cut back on central public administration. This was a reaction to public expenditure increasing as a proportion of Gross Domestic Product. These cuts in the core public administration of both nations were an indication of the coming pressures to downsize the public sector workforce as a result of recession, falling tax receipts and rising government debt.

Comparable to Naczk's hypothesis of an increased average age in Canadian public administration the UK reports similar trends. Table 3 shows that the proportion of the public sector workforce in the UK over the age of 50, and this increased from 23% in 1997 to 30% in 2006. While there were also increases in the proportion of those aged 50 and over in the private sector during the same time span, the proportion was less in 2006 at 26%. In 2001 it was reported to the UK Parliament, House of Commons, that 36% of the public sector workforce was predicted to retire in the next 15 years of which 20% would leave in 10 years¹. The UK Labour Force Survey also shows that two thirds of those working in the public sector in the UK are women

¹ House of Commons, Hansard. Written Answers for 17th October 2001 (pt 10) column 1258W London: Houses of Parliament.

and one third men (Millard & Machin, 2007). This is converse to the proportions working in the private sector where the proportion of men in employment is higher.

TABLE 3 PROPORTION OF EMPLOYEES AGED 50 AND ABOVE, PUBLIC AND PRIVATE SECTOR, UK



Source: ONS, Economic and Labour Market Review 1:5. Table 3

Research by The OECD *Human Resources Working Party* showed from a study of public sector employees in 12 OECD countries that 59% were aged 40 and over and 27% aged 50 and over. The report noted that (OECD, 2001:3); ‘many OECD member countries surveyed are facing recruitment/retention problems in the public sector. For example, in Sweden, Norway, Finland, Hungary and the USA more than a quarter of central administration employees are at least 50 years old.’

In the UK, the national Labour Force Survey indicates that public sector workers appear to stay longer with their employers than those working with private sector employers. In 2004, 57% of public sector workers had stayed with their current employer for five years or more compared with 45% in the private sector. Evidence from the UK longitudinal survey of Recruitment, retention and turn-administered by the Chartered Institute of Personnel and Development (CIPD) shows an increase in the retention rate between 2005-2008 as the UK economy moved into recession. In 2008 there was 7.6% of staff were voluntarily leaving the public sector as compared with 8.1% in 2005. This contrasted with a falling leaving rate in the private services sector that changed from 14.9% in 2005 to 10.9 in 2008%. The 2008 report (CIPD, 2009)

shows a reduction in difficulties between 2005-2008 in retaining public sector managers, professionals and administrators, but an increase in difficulties retaining the most senior managers.

The Chartered Institute of Personnel and Development longitudinal study suggests that after the public sector reforms of the 1980s and 1990s the current decade shows more similar levels of labour market instability between public and private sectors, although the public sector overall retains slightly more stability, with less turnover. This convergence in similarities can be argued to have started in the major economic changes of the 1980s when manufacturing employment declined rapidly in western developed countries to be replaced initially by rising unemployment and then structural changes in employment underpinned by increased skills and educational attainment. Robinson (1997) described this as an increase in managerial, professional and technical jobs. As these countries strengthened their new economic structures in the mid to late 1990s, many experienced a growth in skilled employment and also in the public sector. These are increases that following the 2008-09 recession look likely to be reversed.

The major structural changes of western economies and their labour markets have been linked to the rise of *new managerialism* in the public sector (Hood, 1991; Farnham and Horton, 1996). For example in the UK, these included programmes of changes introduced by the governments of Margaret Thatcher in the 1979-1991. She introduced radical changes in the management and organisation of the public services, such as privatisation and marketisation, performance management and devolved business and financial planning and budget management. These changes were expanded and consolidated by Prime ministers John Major (1991-1997) and Tony Blair (1997-2007).

■ A CHANGING PUBLIC SERVICE ETHOS

New public managerialism (NPM) is a term used in academic literature and management practice to describe the evolution of private sector and business ideas and practices into the field of public administration (Hughes, 2003). This trend is historically linked to the invasive pro market political ideology of *Thatcherism* (in the UK) and *Reganism* (in the USA) with its stated aims of reducing the role of the state and the proportionate size of government activity when compared to the private and civil aspects of society. Marketisation has been defined as the implementation of business and market values as dominant logics into the public services, including internal market based organisation and management, where full privatisation cannot be implemented. For example, the separation of the UK National Health Service into separate purchasing and providing organisations and the formation of quasi business trusts to deliver output services (Haynes, 2003). This marketisation of the public services was continued by the democratic government of Clinton in the USA and by the New Labour political projects of Blair and Brown in the UK. The book that best encapsulates this approach and takes up the ideological principals with enthusiasm is Osborne and Gaebler's *Reinventing Government*.

Critics of new public managerialism have focused on it leading to the fragmentation of public organisations into smaller and competitive elements that are based on a consumer driven model, often with a short term view of objectives and outputs which ignore wider public and social and external benefits of government and state activities. For example in the UK NHS system, competition can be managed for standard hospital surgery, such as routine orthopaedics, but becomes bureaucratically complicated when human needs are complex, variable and entwined with other social and medical conditions. The rise of public managerialism has resulted in an increase in the sub group of workers described as managers rather than administrators or professionals (a 70% increase in managers in the NHS from 1997-2004²) Professional values that maximise a commitment to the needs of the individual and seek to respond to a diversity of service users, can be viewed as damaged by a managerialism that requires standardised, efficient outputs

² Department of Health (2005) All Staff in the NHS 1994-2004 London: Department of Health.

(Clarke and Newman, 1997). New managerialism is suspicious of an indeterminate professionalism where professionals argue they need maximum discretion to decide on the appropriate use of resources. It is suspicious of a professional value base that argues that only the professional can judge their scientific contribution and ability to work with unique and diverse public need. The rise of the new managerialist discourse led to attempts to de-professionalise the public sector work force with new roles created like: assistant teachers, class room assistants, community safety officers (instead of police officers), and nursing auxiliaries. These new roles all have a more output focused approach, are cheaper to employ, have lower levels of education and training, and can be subjected to more explicit forms of managerial command and control direction.

The managerialist approach grew as a dominant logic out of a cynicism about the real value of professionals' rhetorical commitment to the diverse needs of the individual. Managerialism distrusted the tradition and paternalism that 'the professional knows best'. The public's ability to know, choose and select what services were best for them was seen as undermined by professional jargon and the ability of professionals to distort the deployment of resources towards their own scientific interests. This was the argument made by many of the public choice theorists in the 1970s and early 1980s (Self, 1993). For example doctors were accused of placing too much of their resources in advanced scientific treatments that benefited a few chronic conditions at a greater cost. Instead, it was argued, they should support mass programmes of public health and prevention that could be more cost effective. But it would not deliver increased status and earning power to professionals. Police officers were criticised for taking officers off the local community 'beat' while investing more money in technology such as vehicles, computers and surveillance. While this increased their claim to specialist professional knowledge and higher pay, it was not as effective as a preventative community presence. The growth of marketisation and a managerialism based on business and market values was argued to combat the lack of accountability of professionals and could facilitate the public as consumers, giving them a quasi economic power over these professional groups. One consequence of this new model of market and managerial accountability was the demise of political accountability, with reduced participation and voting at local elections in many western democracies.

In recent times academics and practitioners have started to ask what has been lost by the marketisation of public service, and this increased managerialism. Professionals feel overwhelmed with productivity drives; the focus on outputs, the definition of outcomes (Audit Commission, 2002). For example doctors are pressurised to make a quicker diagnosis and to match the diagnosis with standard health outputs like drug treatments and surgery that are scientific and economically validated. This approach is difficult to practice in the more complex and less easily defined cases of human need such as issues of mental health or the chronic and multiple conditions of older people. If professionals are forced to focus on output based performance indicators that deny such complexity, it is not possible to respond efficiently to the diversity of human need. Professionals often feel that managerialism focuses on the generalised standard of outputs, rather than the individual, so managerialism is seen as creating difficulty for how the professional deals with diversity. Academic commentators refer to this as the important process of *personalisation* offered by the ethics of professionals (Clarke & Newman, 1997; Exworthy and Halford, 1999). Managerialism assumes that such complex challenges can be 'managed' by bureaucratisation, through rules based and criterion driven computer assessment procedures. But for the professional dealing with complex and multiple needs, human diversity can only ultimately be responded to by positive flexibility to each individual.

Managers want the service personalisation and choice agenda to be driven by the knowledgeable, assertive consumer, not by the professional. But the professional does not see the consumer as a person who has a competent understanding of information and knowledge, but a person who needs expert advice about how to interpret highly complex and diverse circumstances. These complex assessments of knowledge can be entered into through forms of partnership between the professional and the service user, and increasingly professions have had to recognise that users expect to be empowered in this process and able to be more directly involved in decision making about multifaceted 'products' like education and medical procedures. Such a professional world, if it exists, does imply that the public sector needs stability and a long serving work force that gives organisational loyalty, that workers should ascribe to a strong public ethos value base and therefore

receive ongoing professional development and appropriate awards from their public employer and professional body.

■ **TWO CULTURAL VIEWS OF ORGANISATIONAL LOYALTY IN PUBLIC SERVICES**

It is possible to understand the two ideological approaches to public sector (marketisation versus public value) in terms of how they differently interpret the value of work contributed by long serving workers.

Marketisation is cynical of the additional value added by such a worker who remains in the same role for a long period of time, it assumes that such a worker will move towards a monopoly of some knowledge in their part of the organisation. For example, the worker develops defensive methods for minimising their workload and diverting problematic and difficult cases elsewhere. Tactics are developed for avoiding stressful work, such as the failure to answer certain phone calls or e mails. Bureaucratic procedures may be applied more tightly by the worker than is needed, in order to slow down work demands and reduce work stress. In the meantime, the worker focuses on the specialist aspects of the job that is most interesting to them and this still allows them to retain their professional status. Marketisation and managerialism is seen by many governments as a method to undermine such inefficiency whereby the worker has to perform alongside output targets, often linked to performance related pay. These performance targets are argued to be in the public interest. The worker is exposed to competitive forces of change that no longer guarantee that they can remain in the same role or part of the organisation where they build their discrete and personal interest area. This managed change may bring stress to the professional worker, so if they cannot cope, alternative employment will be attractive to them, or part time working, or early retirement – thus allowing new staff into their role who will be cheaper to employ and more open to new working practices.

The public value approach to public service is less cynical of the long serving professional and notes the public service ethos that the worker brings to their employment role. Often public service workers have traded financial rewards in the private sector and business for the stability of working in the public world, but also there is the reward of serving the state and public. The individual loyalty of the worker becomes part of the stability of the public sector, contributing predictability and rational use of relevant knowledge. In this model the long serving public worker does not abuse the trust of the public, but offers increased wisdom and more efficient outcomes to the public. Arguably professionals have become better at sharing their practice knowledge in this way, given increased direct dialogue with the public, through public representation on professional bodies and at a local service level.

■ **KNOWLEDGE MANAGEMENT AS A PUBLIC SERVICE PROJECT**

At the heart of this managerial-professional tension that has defined so much of the evolution of public organisations and their culture in recent decades is the debate about knowledge management and the extent to which knowledge really can be actively managed in a person centred working environment.

Knowledge management is more abstract and difficult to define than its close conceptual relative - Information management - even though the latter has significant challenges of its own. While information is essentially about reduced forms of data that are relatively objective, knowledge is about the construction of this data and information into higher level constructs that inform decisions and practice. Knowledge construction inevitably becomes quite subjective and therefore politically contested. For example information systems capture and disseminate statistical data and/or textual dynamic messages between people, but do not primarily drive professional practice decisions. They merely seek to inform practice and hope to make practice decisions easier. Ideally technological systems get information around quicker and therefore have periodic consequences on work flow and work activity. Knowledge management tries to capture what is done

with this flow of information and how it is used, to observe similarities and themes in the way in which information is used to drive practice and localised work place operations. Turban, McLean and Wetherbe (2002: 777) describe knowledge management as: ‘The comprehensive management of the expertise in an organisation. It involves collecting, categorising and disseminating knowledge.’

Seminal definitions of knowledge management make the distinction between tacit and explicit knowledge (Nonaka, 1991). Explicit knowledge is more clearly connected to data and information in ‘hard’ forms. Hard in this context means quantitative measurements, numbers and robust categories. Thus explicit knowledge is linked to traditional scientific methods; it is technical and can be presented in clearly transparent ways, in procedures and documents with tables and figures. Such forms of knowledge lend themselves to be communicated in forms that do not necessarily require human, personal interaction, for example via IT systems, or by books and other forms of written documents. An example of explicit knowledge is a statistical model used to allocate resources. It has a working use and can be applied to a specific professional context. It can be fairly easily reduced to its information components.

The other form of knowledge frequently referred to in knowledge management literature is described as tacit (Polanyi, 1967). This combines information at a higher level of abstraction in a way that becomes more subjective and open to different cultural interpretation. This continuous and evolving, reflection and definition of knowledge is less clearly linked to hard data, but instead is more qualitative and embedded in numerous bits of information and communication, making it difficult to define as constructed and reduced to component parts. In part, it depends on reflection on previous use of knowledge and historical practice. Tacit knowledge may be more than the sum of its observable parts; it may result from interaction, from numerous dimensions, and can only be understandable and defined as an abstract synthesis. An example of the use of tacit knowledge is a professional worker making an informed decision about what to do with a complex case. The decision is personalised and unique but informed by previous practices, advice from colleagues and multiple forms of information, and also linked to the interpretation of explicit knowledge products such as statistical predictive models.

Managerialism, with its focus on the logic of the standardised output, and scientific efficiency, drives the public ethos towards an increase in explicit knowledge. Managers want to use information that is reliable and valid and rationale processed into knowledge that transparently drives measurable service development and outputs. Evaluation and research into this knowledge and practice keep improving the underpinning quality of information and thus knowledge and knowledge practice improves in a total quality process. There is much here that links to traditional scientific methodology and reductionist, classical approaches. The difficulty is that this organisational belief system might be over confident and unrealistic about what it can achieve. This results in unreliable and invalid information and knowledge products that create inappropriate and ineffective practices that are full of unintended consequences. This is because of the failure of the underpinning reductionist method to deal with organisational complexity and the diversity of human experience and existence. Managerialism can therefore attempt to move knowledge and knowledge based practice to explicit models driven by hard forms of information, but this is not always appropriate and robust.

If the public work force becomes less stable through increased retirement and reduced stability and loyalty, the organisational knowledge systems of the public services may fail to communicate good information, knowledge and knowledge practice through transmission vehicles like websites, repositories, operating code books etc. Traditional face to face methods for sharing knowledge can be undervalued and undermined. Even though technology can provide huge collections of information and explicit knowledge, it may be of little use if the workforce does not understand the context of its use, because it is inappropriately trained, disloyal, lacking in a public ethos, and unstable due to turbulent labour market and recruitment patterns. Here instability and short term chaotic change undermines the knowledge value in public services.

An alternative model is based on a realisation that knowledge management in the public services is predominantly ‘tacit’ (see public value-professionalism column in table 3). It is based on subjective, actor based reflections on their day to day practice, comparing and contrasting human experience and at best only

finding similarities and comparable properties rather than uniform, predictable cases and experiences. Here knowledge is a complex web of sub particles of experience, accounts, memory and raw information. Knowledge is interactive and dynamic, expressed ultimately as the decision and judgement of the professional. This makes knowledge accountability and capture into coding, difficult and challenging, but not impossible. Organisational memory becomes like the human memory, unreliable, impressionistic, subject to periodic distortions and influences. It is likely to be reinterpreted according to the subjective issues and politics of the day. In this public sector world, managerialism can only provide limited stability. If managerial logics are over relied on for solutions and definitions of truth that go beyond their real value, they become counterproductive, causing more instability and fragmentation and sub optimal service outcomes. Following this line of argument there is a concern that increased retirement, or indeed a loss of volume of experience at any age or level in the organisation may create considerable instability and that the task of refining and adjusting practice according to a mix of tradition, dynamic interaction and historical reflection will become more difficult and stressful for those involved.

Holistic and integrative approaches to knowledge management (complex-contingent, table 4) see knowledge management as a systems approach that needs to incorporate both explicit and tacit definitions of knowledge. Management of explicit knowledge overlaps with information management and necessitates good data processing, databases and their updating and communication through the organisation. This involves making sure that data collection is relevant, reliable and constructed into valid indicators and algorithms. Dissemination of good information to the right people and the most useful point in periodic working cycles are at the core of this. This enables the organisation and its processes to actually learn from the data and information that is collected rather than it being diverted from its core function into dysfunctional activities by the availability of large amounts of irrelevant data and information. Here the focus is on knowledge repositories where good quality information is easily available, but informing analysis and the combining of data, models and methods, so to deal with new and novel situations. Holistic approaches to information and knowledge management that reflect on the collective knowledge capital of organisations rather than just the individual knowledge of each worker have led to the development of concepts like organisational learning and organisational memory. Organisational memory is the collective memory of an organisation, the sum of its ability to recall on combined experiences and the accumulation of practice and practice developments.

TABLE 4: TYPOLOGIES OF PUBLIC SECTOR KNOWLEDGE MANAGEMENT

	MARKETISATION – BUSINESS PLANS	PUBLIC VALUE – PROFESSIONALISM	COMPLEX – CONTINGENT
Dominant Historical model	<ul style="list-style-type: none"> • Competitive, privatised. • Business ethos. • Specific costs. • Set targets. 	<ul style="list-style-type: none"> • Administrative monopoly. • Rational bureaucracy. • Stable operating environment. • Collective environment. 	<ul style="list-style-type: none"> • Diverse employment types and forms of organisation. • Unstable and changing operating environment. • Flexible and adaptive methods.
Diagnosis of public service worker	<ul style="list-style-type: none"> • Monopolistic, • Unaccountable, • Manipulative, • Distorts public interest. • Needs market discipline. 	<ul style="list-style-type: none"> • Public ethic. • Public servant. • Benevolent. • Rationally accountability. • Offers public value. 	<ul style="list-style-type: none"> • Motivation and efficiency is context specific to individual and organisation.
Managerial logic	<ul style="list-style-type: none"> • Should be geared to public need and requirements • Train workers to recognise public desire for outputs • Reward outputs and outcomes 	<ul style="list-style-type: none"> • Retain expertise and knowledge invested in key individuals. • Share and disperse that knowledge via Communities of Practice. 	<ul style="list-style-type: none"> • Create stable operating environment. • Avoid too much instability • Encourage collective responsibility in face of change.
Professional Knowledge	<ul style="list-style-type: none"> • Primarily explicit. • Sometimes tacit. 	<ul style="list-style-type: none"> • Primarily tacit. • Sometimes explicit. 	<ul style="list-style-type: none"> • Entangled explicit and tacit. • Tacit knowledge is always being redefined in explicit ways.
KM method	<ul style="list-style-type: none"> • Make knowledge practice explicit: standardise and codify 	<ul style="list-style-type: none"> • Develop and support communities of practice. • Good use of knowledge depends on networks and collaboration. 	<ul style="list-style-type: none"> • Facilitate Communities of Practice. • Make communities of practice open and accountable to the public.
Succession planning	<ul style="list-style-type: none"> • Employ and retain good market players. • Maximise market experiences in employees. • Bring in staff from private business. 	<ul style="list-style-type: none"> • Prevent loss of too many loyal professionals in one time span. • Avoid mass exodus. • Retain professional knowledge. 	<ul style="list-style-type: none"> • Develop mixed ability teams (experience and age). • Retain knowledge workers that have good ethos and collective skills
Post Recession	<ul style="list-style-type: none"> • Public Sector inefficiencies need urgent attention, and exposure to the market. • Cut public expenditure and encourage new market activity. 	<ul style="list-style-type: none"> • Market inefficiencies are exposed and public value is renewed. • Invest in public sector and public value. 	<ul style="list-style-type: none"> • Balance recruitment and retirement strategies. • Innovative employment models needed. • Acknowledge public and private sector interdependencies

Management of tacit knowledge requires developing good professional collegiality team work that promotes a culture of critical reflection and constant professional self development (Haynes, 2005). At the same time this professional knowledge base and evolving practice is able to enter into critical dialogue with relevant interest groups outside the professional domain, such as with service users, managers, policy makers and politicians. Such a positive management of tacit knowledge involves creating a system that is both supportive but also critically reflective and able to partake in debate about contested service developments and futures. This is not a closed and defensive professionalism. The practice focus with the management of tacit knowledge is on building the networks and teams of knowledge workers and professionals, creating creative processes that are still accountable, where work and its outputs and outcomes are transparent, reflected on, supported, shared, developed and innovative. Marketisation and managerialism can militate against such collaboration (Addicot, McGivern & Ferlie, 2006).

This building of collaboration and knowledge sharing goes beyond the communication of professional directories of expertise that focus on information management. The focus in management becomes 'soft' human resource management approaches that create space and novel methods for getting busy professionals to share and communicate good practice and to overcome challenges and barriers. For many this method of working is described as creating communities of practice (Wenger, 1998). Hartley & Bennington, (2006: 107) describe this as the 'relational' approach to knowledge management. How are professionals best facilitated to take part in so called 'communities of practice'? Such a management approach is facilitative and creative, rather than bureaucratic and instrumental. This approach becomes fairly personal, and investing in the unique qualities that the personal and individual professionals bring to their work as a result of their status, training and ethical commitments. Managers therefore should seek to facilitate a good professional ethos and collective environment, rather than seeking to standardise work process and outputs. The focus is not on limiting the creativity of professionals. This goes far beyond the codification strategies of information management and explicit knowledge, where the key practice is to capture standard knowledge products using information constructs and working definitions that will be recognisable and useable.

Such an approach to knowledge management implies that short term considerations and reductionist approaches to labour costs are not the best way to manage a complex and diverse public sector, this given the highly professionalised and tacit features of its knowledge capital. Retention and succession planning need to be based on the motivation and value of the contribution of individual professionals to the wider professional team and community. Good team players and facilitators will be valued more than those who are individualistic and highly competitive (those who display little commitment or loyalty to the public organisation and the public ethos). A skilled team player who demonstrates evidence of collective values will be a good person to retain as a long serving public professional beyond statutory retirement. The extremes of mass programmes of redundancy and early retirement that are cost driven should be avoided as much as the approach of retaining all workers at the expense of stopping the entry of new employees. Certainly a marketised approach to human resource management driven by driving down unit labour costs and rationalised by a limited view of standard output efficiency is likely to undermine the long term stability and knowledge capital of the public sector.

It is important to recognise that the public services are made up of a large diversity of jobs. Workers who have remained loyal with public services for many years, whether unskilled, semi skilled or fully professional will have the potential to provide added value through their understanding of the culture and sub cultures in the organisation and the informal ways for getting things done. The Public Sector will need a careful balancing of recruitment, retention and retirement strategies that rewards public ethos and collective aspirations if the corporate knowledge opportunity is to be realised.

■ CONCLUSION

There are two possible routes to a crisis that results in the demise of knowledge value in the public sector. The first is a public value strategy that places too much emphasis on retaining current workers and their knowledge practice while ignoring the need to recruit, train and develop new workers into the communities of practice. Here knowledge over time becomes stagnant and of less value because it is not renewed by an engagement with contemporary science and education. The second route to crisis is through excessive marketisation where older workers are forced to retire early or made redundant to save costs and the work force is increasingly privatised and casualised so that public value and knowledge about public context is lost before it is communicated to a new and stable workforce. In a recession, this strategy also prevents new young workers from permanently entering the public communities of practice as services are fragmented into private consultancies and business driven delivery agencies. These business units provide quantitative (explicit) efficiency that is low on individual flexibility and long term stability. Complex and changing public needs are not met in such an organisational world, as knowledge models are inadequate and cannot cope with a challenging range of differences and the pace of change.

A successful public management approach to knowledge management and organisation learning and memory will balance the phased retirement of workers with the training of new workers and encourage communities of practice and team working that is built on teams that adequately reflect a range of ages and specialisms. Management practices, therefore, need to be contextual and localised and able to deal with the spectrum of challenges faced. Allowing workers to reflect self critically on their own practice and to assist in planning and development of future strategies is an important part of good knowledge management. This will serve society better than a purist market managerialism that reduces all interactions to competitive functions. It is a mistake to think that it is efficient to reduce time for creative collective working and to try and commodify all public sector workers' contributions.

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