Evaluating Human Services Contracting: Managers, Professionals, and Politicos

By: Ruth Hoogland DeHoog


Made available courtesy of University of Georgia, Carl Vinson Institute of Government: http://www.cviog.uga.edu/slgr/

***Note: Figures may be missing from this format of the document

Abstract:
When state and local governments contract out for human services, the purchasing process is often affected by the value perspectives of the participants. The contracting system is shaped by differing approaches of three participant types: (1) the managers, who emphasize the traditional principles of efficiency, least cost, and accountability; (2) the professionals, who stress cooperation, professional norms, and client service; and (3) the politicos, who are responsive to major political interests. Since they have different outlooks, these groups have conflicting expectations and evaluations of the contracting process and its outcomes. In addition, the three value approaches produce several organizational, operational, and political problems in the purchasing system. Understanding how participants and observers evaluate the success of individual contracts and the system as a whole can produce an improved knowledge of the complexities of the contracting process.

Article:
In recent years, the Reagan administration, various scholars, and members of the public have called for the private sector to assume more responsibility for public service delivery. These changes have been encouraged primarily for fiscal and ideological reasons. Almost every area of government endeavor—from space exploration to prisons—has been affected by privatization proposals, represented by grants, subsidies, contracts, vouchers, joint ventures, or by elimination of services (load-shedding) (Savas 1982; Straussman 1981). However, observers do not agree about when and how these privatization alternatives should be implemented and evaluated. One of the most basic questions is: what goals should be of most importance in the service area?

While many questions remain in the study of privatization methods, this article will focus on how different values affect the implementation and evaluation of governmental "contracting out" for human services from nonprofit agencies. Many writers in the privatization literature in public administration have strongly recommended the contract method to provide a variety of public services. Though widely used by state and local governments to purchase services from private (nonprofit and proprietary) as well as public agencies, this mechanism is not well understood in the field of public administration. Most of the works on contracting out have focused on evaluating the cost savings in "hard" services, such as refuse collection, that are bought from for-profit sources, but have not systematically examined both the process and outputs of "soft" services, such as social programs, where nonprofit agencies are commonly utilized (e.g., Bennett and Johnson 1979; Savas 1982). The social service literature has addressed some of the programmatic and public policy issues surrounding human services contracting, but has not usually examined them from a public administration or value perspective (e.g., Kramer 1981; Wedel, Katz, and Weick 1979). Since reliance on contracting out with nonprofits has been increasing in importance, public administrators and scholars not only should know how the process works, but they should also understand some of the underlying values that shape both the contracting system and evaluations of its outputs.

Upon close examination, contracting out is far more complex than many proponents suggest. In particular, an important issue that has not yet been addressed is, how do contracting participants view the desirability of purchasing services? Why would different participants evaluate the process and results of contracting
differently? After all, sometimes it is the bureaucratic participants and process that can make or break a program or an innovation. Thus, we need to know more about the values and the interests of those actually involved in purchasing decisions.

In this paper, I suggest that three different administrative approaches incorporated into human services systems produce difficult compromises and tensions when government purchases services from the nonprofit sector. Each approach includes different ways to evaluate the success of both the process and the outputs of contracting. The combination of these approaches in the contracting system also produces a variety of problems for the participants. The conclusion suggests that the tensions in and approaches to human service contracting have similar counterparts in other areas of public administration. With these being the primary foci, this paper will not include a discussion of the advantages and disadvantages associated with human services contracting, nor of the guidelines for determining when contracting can be used most appropriately. While they are of interest to many, these issues have been debated in other works (DeHoog 1984; Fitch 1974; Nelson 1980; Straussman 1981).

This approach to understanding contracting largely depends upon the findings of my major research project on purchased social and employment services in Michigan (under Title XX and state programs of the Comprehensive Employment and Training Act [CETA])2. The primary research techniques included document analysis and personal interviews with over 60 public and private participants in the two policy areas during 1979-81. While probably not strictly representative of all human service programs, these service areas have been and continue to be large and important programs that have relied heavily upon the purchase-of-service approach. In this regard, Michigan's programs were fairly typical of most other states' efforts at providing services under the two federal programs. To test the applicability of my observations and framework to other states, I have consulted additional works and participants in other states (Benton, Feild, and Millar 1978; Derthick 1975; Dobelstein 1980; National Governors' Association 1978; O'Donnell 1978). Just the same, additional research in this area is needed to verify my value approach.

Three Approaches to Human Service Contracting

One of the most interesting aspects of contracting out is the extent to which the system pulls together individuals and agencies with various professional backgrounds, goals, and outlooks. As in the regulatory process, government officials in charge of purchasing services must interact with representatives of the private sector on a regular basis, as well as with other public officials who have oversight roles in the process.

Consequently, a fundamental tension appears to exist in purchasing human services, especially where the nonprofit sector is used. That tension arises out of a conflict among three approaches to purchase-of-service efforts that are based upon different premises and values. Contracting systems usually try to combine or juggle

1. the traditional principles of public procurement management (e.g., efficiency, least cost, accountability);
2. the social service ethos of cooperation, professionalism, and client service; and
3. the political values of responsiveness to major political interests.

---

1 In developing these approaches, I am roughly approximating what Martin Rein (1983) calls a "value-critical" analysis.

2 The Title XX services included a wide range of adult, family, children, and community services (e.g., money management, family counseling, and senior citizen day care), while CETA's Title II and IV (Governor's Discretionary Funds) provided job training for youth and adults (e.g., on- the-job training for high school dropouts, handicapped youth, and displaced homemakers) (see DeHoog 1984).

3 Both the Title XX programs and the state CETA programs included certain economic and political incentives to utilize purchase-of-services instead of government service delivery. In Michigan, the state CETA titles were primarily implemented via public and private contractors, while Title XX services were delivered primarily through public employees, with some services produced by private agencies.

4 While some of the contracts in the state programs examined in the study were made with proprietary firms, most were with nonprofits, and, therefore, the behavior of nonprofit participants are included in this paper. I cannot speculate to what extent the framework might apply to the proprietaries.
The participants who embody these approaches will be called the managers, the professionals, and the politicos, respectively. Few, if any, systems would be likely to reflect only one of these three conceptions, since proponents of each are usually the major participants in the contracting systems, and must reach some compromises among themselves. While not entirely incompatible models for designing a purchasing system and guiding behavior, these three approaches seem to underlie and explain many of the ongoing issues, problems, and conflicts of human service contracting. Evaluations of contracting by practitioners and scholars largely depend upon which of the three frameworks is accepted as valid for judging success, although they may not articulate the underlying values.

**The Procurement Management Approach**

In purchasing goods and services (usually from the private sector), federal, state, and local governments have generally sought to promote the efficiency aims of obtaining the best quality product or service at the least cost level. These procurement principles generally emphasize that the proper, consistent bureaucratic process and procedures will result in the "biggest bang for the buck." The proper process includes such vital components as

- the complete specification of the required service;
- a wide advertising and solicitation effort, designed to promote competition;
- an objective determination of all responsible and responsive bidders (i.e., those whose service proposals closely correspond to the service specifications and who are capable of producing the service);
- an award decision (preferably a blind process) based on both price and service quality; and
- cost and performance review procedures to check on contractor compliance with the terms of the contract (The Council of State Governments [CSG] 1975).

In this perspective, although competition among potential contractors can increase the workload of purchasing participants, it is also seen as the mechanism to achieve the traditional claims of reducing costs and improving services.

In promoting adherence to the proper procedures, this approach stresses the importance of technical standards, administrative accountability, and traditional bureaucratic controls to produce conformity, consistency, and fairness in the contractual process. The government agency is completely in charge of the entire process and the decisions. It must maintain an arm's-length, objective stance in relation to prospective contractors. Contracts are to be awarded entirely on the basis of projected costs and the service proposal—both of which must be in compliance with announced specifications. The contracts spell out the services, budgets, and record-keeping requirements, but do not include performance objectives or government's obligations to the providers.

These principles and views are held by persons trained in business management or traditional public administration, whose perspectives, as a result of this training, may reflect limited sensitivity to specific programs or clients. For purposes of this paper, I will call these persons the "managers." In the study of human service contracts in Michigan, the few officials of this type were in contract management positions and had not worked in the nonprofit sector either as administrators or service professionals. They saw the relationship between the government agency and contractors as a legal, contractual one with little room for personal friendships. Some went so far as to characterize relationships with contractors as adversarial and conflictive, if there was any direct contact between them.

Evaluating purchased services with this framework is, in some respects, a fairly straightforward enterprise. The focus of most assessments is on contractual compliance, not on overall effectiveness of the services. Where costs, records, and services conform to contract specifications, the services will be judged a success. Where delays, service problems, or record-keeping errors occur, the evaluation will be negative. In broader comparisons between in-house and private service delivery, the managers concentrate on per-unit costs, although in many human services the data for such evaluations are unavailable or incomplete. Thus, their
preference for cost savings usually means that the managers will give positive assessments to contracting out when contracted service costs appear to be lower than those in the public sector.

The Professional Service Ethos
The alternative social service approach is typically espoused by private agency representatives and by some government officials in the social program areas. In the Michigan departments, with some exceptions, county social service contract coordinators, state Title XX program officials, and employment policy and program personnel reflected this approach, as did most of the providers. Unlike managers, they were usually trained either in social work (in the Title XX programs) or in manpower training, vocational rehabilitation, or education (in the CETA programs). Several public officials had been employed in the private sector and were inclined to be sympathetic to the problems and needs of private contractors. However, the goals and beliefs of the government and private officials are not identical, due to their different positions in the contracting system. These types of government and private actors will be referred to as the "professionals."

This approach to service procurement is infused with the professional values of social service and is often in conflict with the procurement approach. While recognizing the need for fiscal accountability, the professionals have less concern about proper purchasing and fiscal procedures. Rather, they emphasize the importance of the program—including certain service delivery components and a mix of general and specialized client services. The major reason to favor contracting out, in the professionals' view, is to supply clients with specialized services that are not otherwise provided by in-house personnel. Thus in judging proposals for awards, the professional reputation, expertise, and service of the agencies are usually given the greatest weight. Costs are viewed as virtually irrelevant in most cases, unless they are obviously far outside the normal range. In Michigan, the professionals preferred to contract out with nonprofits that had developed an expertise not mastered by the public agencies in serving a narrow client group and/or providing a service (e.g., money management services, health services for migrant workers, employment programs for the handicapped).

Underlying this approach is an assumption that strict bureaucratic procedures and interorganizational conflict can act as major impediments to achieving performance goals. Open competition for contracts and award decisions based only on proposals are viewed as inconsistent with quality public services. (In many cases, competition cannot be achieved because of the lack of available private agencies.)

The professionals envision that the contracting system ideally should be a partnership between government and private agencies. The contract itself could be an expression of this cooperation. Some Michigan providers, for example, suggested that "two-sided" contracts should be written to reflect not only the services and requirements of the contractors, but also the responsibilities of the government agency in such areas as information, technical assistance, and payment schedules. Because they are usually the experts on the services and client needs, the providers believe that they should be integrally involved in every step of the decision-making process—from planning through evaluating. If this were the case, service providers would have fewer operational problems stemming from unfamiliar government-generated guidelines that ignore the agencies' potential implementation problems. Thus, joint decision making, conflict resolution, and consensus would not only reduce bureaucratic red tape, but also would improve performance. Fundamental to this approach is the notion that cooperation produces better results than conflict.

The professionals stress that a cooperative system would also improve the monitoring and evaluation process. By having input into needs assessments and service planning, the nonprofits would not be judged by unrealistic contract expectations. Instead of emphasizing service costs, the paperwork, or strict contractual compliance, the professionals focus on evaluating the service delivery methods and the impact on clients. However, in the Michigan cases at least, professionals tended to give greater weight to objective measures of service outputs and short-term outcomes (in combination with the providers' perceptions of service outcomes), than to the long-term impacts or the clients' evaluations of services. In part, these measures are used because the data are readily available in contractor reports.


**The Political Approach**

The political approach to human service contracting is seldom articulated in the social service literature or by participants in the process. In the Michigan cases, none of the officials interviewed openly expressed the view that political considerations should have precedence over more objective criteria. However, most interviewees recognized a need at least to appear to be responsive to political demands from the legislature, private agency groups, and clients.

In addition, some officials, usually political appointees, see contracting out as a method of building political support among nonprofit agencies and/or their client groups. For our purposes, these top-level officials will be called the "politicos." They appear to have at least two primary interests in contracting decisions. First, some politicos clearly use the contracting system to advance their personal political interests, despite federal and state regulations that prohibit favoritism. In particular, contract awards can be made to certain agencies because of previous friendships or an official's political ambitions for other offices. In both Michigan programs, for example, certain providers had made "sweetheart" or "heaven above" contracts with politicos in just the right places—department heads, influential legislators, and the appointed county social services boards. These politicos were presumed to have been advocates of the agencies because of common ethnic/religious backgrounds or ambition for elective office.

Secondly, some politicos have supported contracting out from a more general, policy perspective. They desire to broaden support for human welfare programs by bringing major client and provider groups into the welfare system. In the past 20 years, increasing funds, altering the regulations, and purchasing social services from private agencies have expanded the base of support and pressure for funding welfare programs from merely the public bureaucracies and poor clients to include larger, more organized client groups (e.g., the handicapped, senior citizens) and the mainly middle-class, influential private agencies (e.g., Big Brothers, YMCA, Boy Scouts). Politicos promoted this development, according to respondents, not only to increase support for social programs, but also to ensure that the considerable resources of the private nonprofit sector could be used to benefit the poor and disadvantaged through the carrot of government contracts.

As a result of these goals, politicos are generally less concerned than either managers or professionals about establishing a strictly fair, objective contracting process, except to ensure that the nonprofit agencies are relatively satisfied with their role in the system. Program costs and service quality are also not high priorities for these participants. Rather, they emphasize the need to be responsive to the demands of the major organized client groups and the providers. However, because of their more senior status in the organization, the politicos are not usually integrally involved in all phases of the contracting process, as are the managers and professionals. Their attention to outside interests can be seen as affecting decisions in at least three specific areas—the selection of purchased client services, contract awards, and the degree of participation by nonprofit agencies (and, on occasion, clients) in the needs assessment and/or evaluation process.

Unlike professionals, politicos are more likely to make decisions about needs and services according to which provider and/or client groups are the most vocal and best organized. In Michigan, the private providers were generally better represented than were the clients in the social service system, while the reverse appeared to be the case in the employment services. Whatever the particulars, in general politicos would be expected to favor broadening the number, range, and size of the contracts to include more agencies, since they realize the benefits of such expansion. Their evaluations of contracted services are also often politically based, with an emphasis on agency and client assessments, instead of objective cost or service quality reviews.

While this discussion thus far has dealt with the types of politicos found in the Michigan case and in most human service systems, in recent years another type has also been evident in a few states and at the federal level, i.e., those who favor contracting out from an ideological perspective. They may be interested in promoting contracting to cut costs and to strengthen the private sector's role in the service delivery system. Their emphasis on privatization may mean they favor the rapid expansion of contracts with minimal concern for
proper process, or, alternatively, they may be much more concerned about efficiency and cost reduction than traditional politicos and professionals.

**Problems in Human Services Purchasing**

These three approaches are critical to understanding how decision makers view the contracting process—i.e., what their expectations are of their own and others' behavior, how the purchasing system should work, and how to judge the purchased services. In human services, the contracting system reflects all three approaches, and, as a result, various tensions and problems appear that are usually overlooked in most discussions of contracting out. These problems can complicate contracting out, and make it less likely that anyone's goals will be realized in the implementation process. Although government and service providers confront a diverse array of difficulties with any purchase-of-service system, value conflicts produce several problems that can be categorized into three major areas: (1) organizational/structural, (2) procedural/operational, and (3) political.

**Organizational/Structural Problems**

Virtually every organization experiences internal organizational rivalries, tensions, and problems, and certainly many also face difficulties with competing or assisting external agencies. However, in government contractual relationships in human services, it appears that these conflictual tendencies are exacerbated partly because of conflicting values and role expectations. Some of the same types of disagreements that would likely surface in traditional service delivery systems are often more pronounced because of the role of contractors in producing services.

First, traditional line-versus-staff tensions can take on a new dimension with contracting out where both program and contract management staff are involved in the process. Since the managers and professionals must interact frequently to plan and implement the contracts, there are many opportunities for internal conflicts. Significant conflicts erupted in each of the Michigan programs (though in somewhat different ways) between the planning/program units (the "professionals") and the contract management personnel (the "managers") because of their differing goals, professions, and tasks. In the Title XX programs, participants in state program units accused the contract management section of delaying contract approvals, adding unnecessary paperwork, and being insensitive to providers and programmatic needs. Lack of clarity about proper roles in the contracting process only increased intraorganizational conflict. In the CETA employment programs horizontal conflict also occurred between the state employment planning/policy division and the operations division, but it was the contract administrators in the latter who complained about the planning/policy unit. They were clearly of a lower professional status than the planning officials and were also left out of any significant decisions about contracts. Yet, they believed that they should have more input into the solicitation and awards process because they worked closely with the contractors to draw up the contracts and monitor compliance. Their information about potential technical and compliance problems was not included in the decision-making process until contract negotiations for FY84, and this fact reflected their inability to have a more general impact on policies and programs.

Second, participants and units will not only disagree generally about client needs and required services, but they also can clash over which services should be delivered via contractors rather than in-house. Their views often depend upon their positions in the organization and whether outside delivery agents pose a potential or real threat to existing service arrangements. When pressured by outside agencies, the politicos may argue for contracting out, while the professionals tend to decide in favor of purchased services when well-developed expertise is not available in the government department or other public agencies. The managers, if consulted at all, prefer outside service delivery when the projected costs are lower than those through in-house or public employees. Thus, because of the lack of agreement, the criteria for purchasing services may remain unclear.

Third, where contracts are made, additional difficulties can occur due to the double sets of bureaucracies involved in the contract process. Contracting out with nonprofits does not avoid bureaucracy, as some may think; it may further bureaucratize nonprofits and produce inter-organizational problems. Since every nonprofit agency is organized and operated somewhat differently, the federal and state rules about service delivery,
expenditures, and reviews have to be carefully explained. Therefore, the nonprofit professionals must interact frequently with the government managers whose expectations, vocabulary, and goals differ markedly from their own. Communication is often made even more difficult by the fact that so many people are involved in various elements of the government and nonprofit planning and operations, obviously providing more opportunities for information loss, error, or distortion. Nonprofit agencies that receive funds from several government and private sources experience more complexity and usually must have additional administrative apparatus to comply with the diverse reporting and service requirements. For both public and private participants, identifying the appropriate individuals in charge of contractual and programmatic areas can be problematic and time-consuming, especially during personnel turnovers or reorganizations.

**Procedural/Operational Problems**

Several operational difficulties can arise because of the complexity of the human service programs and contractor relations. Some problems are a natural outgrowth of the organizational and value issues already discussed. In general, the managerial approach has been more instrumental than the two others in shaping the contracting process and procedures. One of the most common complaints in contracting out is the lack of time to complete the required steps of the contracting process: client needs assessments, program planning, solicitation of providers for proposals, technical assistance to providers for writing proposals, consideration and ranking of proposals, contract awards, contract negotiation and writing, contract administration and technical assistance, and monitoring and evaluation of performance. Consequently, three phases of the process (the first two and the last) are usually sacrificed for the more pressing and less complicated steps. For example, in the Michigan cases, with a possible exception in the CETA youth employment program, systematic planning and reviews were performed only sporadically. As with many government programs, the managerial emphasis on proper procedures and paperwork tended to drive out the planning, program, and evaluation elements. As a result, goal displacement can ensue—i.e., the goal of smooth and timely contractual process has priority over delivering services to clients to reduce their dependency upon government assistance.

In addition, public administrators experience various operational problems in their relationships with private agencies. Giving technical assistance to the provider agencies requires significant time, effort, and skill, particularly in translating government language and regulations into terms that can be comprehended by the professionals in the nonprofits. Because contractors (especially new ones) often do not fully understand the requisite forms, regulations, and elements of the contracting process, lengthy start-up periods often occur before programs can actually be implemented. Some nonprofit agencies are not adequately staffed or experienced in certain areas, such as fiscal record keeping, public relations, and proposal writing. This problem was emphasized by several public officials in the Michigan research. Due to the perceived managerial weaknesses of some contractors, the contract administrators were burdened with responsibilities to provide additional technical assistance often during the most constrained time period immediately prior to the beginning of the contract year. If congressional appropriations were late (as was frequently the case), the anxieties about meeting deadlines and starting programs were only increased. It should come as no surprise that experienced contractors were often preferred by both managers and professionals in receiving contract awards, in large measure because they had usually been able to iron out the technical and programmatic problems and had improved their operational skills over time. Thus, from a practical standpoint alone, it can be difficult for the government to switch contractors, add new services, or change program priorities, as some professionals may desire.

From the nonprofits' perspective, the blame for operational difficulties should be shared with the government, since public officials can also impede the implementation of contracted programs. The Michigan respondents mentioned two major ways in which this took place. First, providers said that they needed technical assistance to get through the process, but they saw the system as unnecessarily difficult and complex, due to the emphasis on proper procedures and paperwork. They especially experienced difficulty when county coordinators or contract administrators knew little about the purchased service or the data systems of the contractors. Second, in both social and employment programs, the state officials often set unrealistic program objectives, according to agency interviewees, because the providers were not represented in decisions about program goals, performance criteria, and service reviews. They believed that, as a result, their agencies were sometimes unfairly evaluated...
since successful programmatic compliance was viewed as unattainable, given the problems associated with serving low-income clients.

Political Problems

In addition to organizational and operation problems, the purchasing system can be affected by political favoritism in awards, as explained above. When other nonprofit agencies become aware of preferential treatment, their respect for the process and officials will be undermined, because they expect equal consideration. In addition, other government officials involved in purchasing usually resent the political interference, especially when more qualified agencies are turned down for awards or are given smaller contracts. In particular, public administrator "manager" types may feel betrayed because their recommendations and efforts at building an objective and fair purchasing process can be easily negated by political considerations.

Political favoritism not only means that contracts may be given to certain agencies; it also saves some programs from cutbacks or terminations. Program officials may be unable to reduce or take away contracts, once given, because of provider dependence on government funds. Altered program priorities, expanded choice, or new services are often difficult to obtain when private agencies mobilize political pressure by clients and/or elected officials to preserve the status quo. To avoid such confrontations, social service officials in Michigan stated that they generally renewed contracts repeatedly despite some professionals' belief that changes should have been made to improve the program and service mix. When funds became more restricted and cutbacks were necessary in the early eighties, the resulting conflicts often became acrimonious, with county and lower-level bureaucrats feeling the heat as much as state and upper-level officials. In some cases, private agency spokesmen believed that other providers were spared because they had better political connections.

Conclusion

This discussion of the problems arising out of fundamental value approaches has implications for the study of contracting out, and for the general study of public administration. In the first place, it is evident that both observers and participants have varying expectations of the contracting process and outputs, based on their values, professions, and positions. The goal of cost reduction that most recent privatization works emphasize is not the only value held by participants involved in the purchasing process. Each approach has different methods of evaluating the purchased services, and comparing private to public service delivery. Since most governments have incorporated these approaches into their contracting systems, only infrequently will a single view of the purchasing issues be expressed by participants. While our attention has been drawn to the human services, it is likely that similar kinds of value perspectives can be found in other program areas. If that is the case, we can expect to find that contracting out is assessed in different ways, depending upon the observer's approach. In sum, not everyone can agree about when to contract out, and if contracting is used, whether it is a "success." This kind of value approach can, therefore, be used to understand the actual contracting process, instead of merely focusing on certain economic or ideological assumptions about contracting.

When officials wish to implement a system of human services contracting they should be aware of the different expectations of contracting, the various groups involved in the process, and the values they express. If senior officials prefer a single approach, they will have to make their objectives and priorities clear in advance to those who do not share their views, and, if possible, find ways to show others how some of their goals may be realized as well. Officials who wish to incorporate all three sets of values must be skilled at balancing these approaches and communicating the way that trade-offs and priorities will be set.

Second, these value approaches may have similar counterparts in the broader study of public administration. Among others, Rourke mentions that government bureaucracy is not the monolithic entity that most outsiders see but is comprised of many divergent outlooks and values (1984). As the public administration and policy literature has long recognized, various conflicts which can fundamentally shape the policymaking process may exist in government agencies. Although this discussion has focused on the attitudes and behavior of managers, professionals, and politicos in terms of contracting out, officials with the same general characteristics of these
groups probably can be found in almost any agency. The managerial approach is primarily concerned with procedural matters in an attempt to realize efficiency goals. The professionals, whether or not they are employed in human service agencies, concentrate on more substantive issues in the manner in which they have been educated and professionally socialized. Finally, the politicos are more likely to focus attention on their political ties to the legislature, interest groups, and the chief executive, though they themselves may be experts on the policy area as well.

These differing perspectives help to explain why public organizations have internal conflicts and multiple goals. Understanding how these cleavages operate in a particular policy area (as we have seen in human service contracting) may illuminate some of the ways in which bureaucratic decisions are often fundamental compromises. Understanding the values and interests of various participants in the bureaucratic process may help policymakers to anticipate and perhaps to thwart implementation and evaluation problems. Assessments of government performance should take into account these approaches, since external observers may embrace one set of expectations that cannot be fully achieved in that agencies may include elements of all three perspectives. The values and goals of various approaches may provide one more way in which government agencies often face an impossible mission—i.e., trying to please all of the people all of the time.

References
Fitch, Lyle C. 1974. Increasing the role of the private sector in providing public services. In Improving the quality of urban management, 244-306. Willis D. Hawley and David Rogers, eds. Beverly Hills, Calif.: Sage.