The Four E’s of Great Governance

By Kristen Norman-Major

According to the National Academy for Public Administration (NAPA), there are four “pillars” of public administration: Economy, Efficiency, Effectiveness, and Equity. While not the only values in local government decision making and service delivery, these four E’s are considered to be the core values that support and drive the practice of public service implementation.

So, if there are four pillars supporting the practice of public administration, why does it still seem such a difficult balancing act?

The problem is that the pillars aren’t always the same height and instead of consistently working together to help provide the public good, they often conflict, forcing policymakers and administrators to decide which value(s) get preference.

Before discussing the juggling act, let’s take a closer look at the four E’s:

**Economy** means getting the biggest bang for the taxpayer’s buck. Local officials must manage scarce resources and figure out how to provide the desired services for the fewest dollars.

**Efficiency** is often tied to questions of productivity and getting the most public good produced in the fastest time using the available resources. That is, how fast can we plow the streets? How many licenses can we process in a day? How fast can we respond in an emergency?

**Effectiveness** seems obvious—are we achieving what we set out to do? But it may not be so obvious if there isn’t agreement on the desired outcome. And, maybe it turns out that the program isn’t effective in meeting its original goal, but is highly effective in producing another unexpected positive outcome. For example, the D.A.R.E. program resulted in better relationships between youth and police rather than actual reduction in the use of drugs and alcohol.

**Equity** is perhaps the most controversial and may be the most complex. According to NAPA, equity is the “fair, just, and equitable management of all public institutions.” The stickiness comes in the question of what is “fair” and “just.” One person’s fairness may be another’s injustice.

Equity also has multiple forms that differ in complexity and run from simple fairness and equal treatment to reducing inequities and leveling the playing field by providing equality of opportunity to disadvantaged groups.

Related to these multiple levels of equity is the distinction that must be made between equity as equality—everyone is treated exactly the same regardless of circumstances (think fire protection that reaches all areas in the same amount of time or universal access to K-12 education), and equity as inequality where some receive more benefits or resources to compensate for inequities (think local government aid or the Americans with Disabilities Act). Either of these choices might be the most equitable, depending on the overall public good delivered.

**No simple solution.** These four E’s may seem like venerable values that provide a sound base for decision making, but it isn’t quite so easy. Instead of working together to create sound policies that promote the public good, the values often conflict with each other, forcing a choice in how they will be balanced.

Take, for example, something as simple and uncontroversial as filling potholes. Buying a cheaper mix to use in filling the holes may be economical in the short run. But it may not be effective, efficient, or even economical in the long run if the potholes need constant refilling, resulting in the need for more public works employees, not to mention councilmember time spent responding to ongoing complaints from citizens.

Besides determining which mix to use, questions of the process for filling the holes need to be answered. Which holes will get filled first? Based on what? Size of the pothole? Amount of traffic on the given street? Residential versus commercial corridor? When it was reported? Who reported it? The possible considerations are almost endless. These are questions related to equity and efficiency.

If things are this complicated with something as simple as potholes, then you understand the exponential growth of complexity in balancing the four E’s as the complexity of the problems increases. However, framing the decisions in relation to the four E’s can actually help clarify the decision-making process as well as help in explaining the decision to citizens.

Governing is hard, but being aware of the values at play, which of them are most important for the public good, and how they balance in the end can actually make the decision-making process clearer. A framework and awareness of how economy, efficiency, effectiveness, and equity influence the shape of the final policy or program can simplify the process and provide a solid base for local government operations.

Kristen Norman-Major is director of public administration programs at Hamline University School of Business, a member of the LMC Business Leadership Council. For more information about the League’s Business Alliance program, visit www.lmc.org/sponsors.