Obstacles to the Effectiveness of the Public Services

We have just analysed a number of cases in which there had been a gross failure of the public service to act in the public interest. In this chapter we will discuss some of the deficiencies in our current institutional and organizational arrangements which contribute to these failures.

The Difficulty of Attributing Responsibility

Day and Klein[15.1] have published one of the few empirical studies of the problem of accountability in the public service. (We will discuss what they have to say about the interface between the public service and the public as an aspect of democracy in the next chapter). They suggest that the main objective of representative governmental assemblies is to compel full disclosure and justification of all government acts - so that those concerned can, if necessary, be dismissed - and that this idea can be traced back through Mill to Aristotle. They further argue that the existence of such a mechanism is the key difference between a democracy and an elected dictatorship and they suggest that the central problem in modern societies is to operationalise this ideal in complex, service-delivery-oriented, managed economies. They see that the difficulties which are inevitable given the scale of modern governmental enterprises and the complexity of the functions which service-oriented bureaucracies perform are exacerbated by other developments.

The first is the currently-accepted definition of the role of the professional. Professionals - whether they are doctors, teachers, planners, or social workers - are inclined to claim that they are accountable only to their peers - and not to their clients, never mind the public in general. Day and Klein quote Simey[15.2] to the effect that 'the administration of public services now amounts to a system of workers' control by those employed in them so far-reaching as to be beyond the dreams of the most idealistic of revolutionaries. Selection and entry, training and qualifications, conditions of employment, and deployment of manpower and resources - all of these are to a large extent controlled by those who are themselves employed by the service. Less evidently, but even more effectively, it is in reality they who decide what sort of facilities would best meet the needs of the community the service is intended to benefit'.

The second is that we have created a situation in which the public can sack neither ministers nor public servants. Thus it is widely accepted that public servants cannot be sacked because it is their Minister who is responsible for their actions. Yet, as a result of the growth of government, and the consequent sheer impossibility of ministers knowing anything about everything that is going on, it has come to be accepted that, while ministers are indeed responsible for the doings of their civil servants and must explain serious failures in parliament, they too cannot be sacked. What remains of the doctrine of responsibility to an Assembly has therefore become but a pale shadow of what Aristotle and Mill had in mind.

A third development which makes it difficult to operationalise any meaningful concept of accountability is that services have become very complex. Any one service has multiple, overlapping, and, often, long-term objectives. Failure to achieve one objective in the short-term does not mean that others may not be achieved in the long-term. For this reason, no one can really decide whether or not departments (or even policies) are achieving their goals. Furthermore,

achievement of the goals is often determined in part by processes which the relevant department cannot influence. Thus, health could be greatly improved by redesigning work, urban layout, and patterns of food production. But all of these are outside the control of the Department of Health, which can therefore explain away any failure to achieve dramatic improvements in health.

The problems of accountability are exacerbated by the situation in which many professionals - doctors, teachers, administrators - find themselves both individually and collectively. What they are supposed to do, the resources available to them to do it, and the techniques they are to use are all laid down - with scant thought and evaluation - by some central authority. How can one reasonably be held accountable for providing a service under these circumstances?

These developments make it extremely difficult to assess the effectiveness of policies or the efficiency with which services are provided. They therefore make it very difficult for any managing organisation to meaningfully control the public sector.

Day and Klein selected five professional services for detailed study - health, police, water, education, and the social services. By comparing one profession with another they nicely demonstrate that the problems involved in bringing the medical profession to book are not, as is often asserted, due to either the profession's expertise or its status. They first note that the profound problems of accountability in education and medicine do not arise in the other professions they examined. This suggests that the problems in education and medicine may be due to the way in which their members have been able to make their activities invisible: They take place behind closed doors. Attempts to make these activities visible are greeted by protestations of confidentiality. Invisibility is in part achieved by establishing a professional hold on the language used to discuss the activities in question. In this book we argue that one of the key developments needed to ensure that public servants seek out, and act on, information in an innovative way in the long-term public interest is indeed to make their behaviour more visible. But we go on to suggest that what needs to be visible is, not individual relationships between practitioner and client, but (i) professionally collected evaluation data on the effectiveness of the individual, his or her section in the organisation, and the organisation as a whole, and (ii) professionally collected information on whether the organisation is characterised by a climate of innovation and a tendency to engage in the kind of activities that are known to lead to effectiveness and the invention of more effective procedures. To develop the tools needed to do this it will be necessary to follow what are actually the most important - but rarely highlighted - procedures of science: It will be necessary to find ways of making the intangible and non-discussable explicit, tangible, and assessable.

Given that this statement may seem unexceptional in the context of the current concern with accountability, it is vital to note that Day and Klein show that demands for the production and publication of self-accounts by schools, hospitals, etc. has, over the past decades, actually reduced accountability. Giving an organizationally-based account to the general public has - as a result of the ambiguities of language (or possibly deliberate verbal sleight-of-hand) - come to be presented and accepted as synonymous with being called to account. Professional public servants have been left in control of the language of evaluation.

The Difficulty of Giving Effect to Clients' Feelings

Repeated references have been made to people having become 'vaguely aware' of things that are wrong with public provision. One of the most fundamental problems with public provision is the

difficulty of getting something done about things that are sensed to be wrong but which are not fully articulated. One of the great merits of the marketplace is that it is easy to deal with this problem: People do not have to make the reasons for their likes, dislikes, and behaviour explicit - they can simply take their custom elsewhere. To capitalise on these advantages, market researchers devote enormous amounts of energy to making the basis of feelings explicit, to inventing ways of giving people what they 'want', and to finding ways of influencing their feelings - not their knowledge - in order to determine their behaviour. Much less effort is put into conducting the equivalent of market research in the public sector. If public provision is to be improved, it is vital to employ scientists to: (i) Help people make their feelings explicit; (ii) Find ways of indexing them so that they can be more easily assessed in evaluation studies; (iii) Develop the mechanisms that are needed to ensure that the information so gained is taken into account when decisions are being taken; and (iv) Generate and evaluate variety. In this context it is important once again to emphasise that the history of science is a story of making that which is vaguely felt explicit and measurable. Unfortunately, because this is so rarely recognised, it is extremely difficult to obtain funding for the kind of research just mentioned.

This discussion highlights another reason for the resistance to public provision. This is that middle-class people are on the whole better able than those from lower socio-economic groups to articulate their feelings and get public providers to attend to them. They therefore get a better deal from the public service. This is vaguely sensed by those who are less well treated and it both creates jealousy and exacerbates the feeling that the system is not working as it should. It creates a feeling that the system is unfair in ways which are attributable to human failings - whereas the inequities of the marketplace are felt to be outside human control - and therefore fair.

The Absence of Measures of Outcomes

A major problem with public provision is the dearth of information on outcomes or benefits: We do not know how much a day's work of a teacher benefits his or her pupils, how much a day's work of a planner benefits the community, how much the activities of a team of doctors and nurses keeping a geriatric patient alive benefits the individual concerned or the society in which he or she lives, or how much an extra (or new) missile strengthens our defence.

Without information on outcomes to set alongside the investments required to achieve them one cannot speak meaningfully of effectiveness, let alone efficiency.

Unfortunately, the information needed to assess inputs is equally unavailable: As we have also seen, what are most commonly presented as costs are nebulous in the extreme, depending entirely on accounting conventions.

The problem is exacerbated by the fact that many of the figures which are presented as indices of output are, in reality, measures of input. Thus, the effectiveness of educational, welfare, and health care policies is commonly discussed in terms of the numbers enrolled - i.e. as if the desired end was to have the maximum number of people dependent on these services rather than able to act independently of them. Defence policies are discussed as if the object was to add to the potential overkill of our arsenal of weapons and increase the probability that we will exterminate both ourselves and life on earth.

Day and Klein found an almost complete absence of concern with outcomes among the members of the professions they studied. They even reported a lack of interest in trying to find

better ways of doing whatever the system was meant to be doing. This lack of concern with systems, outcomes, effectiveness, and innovation is evident from the dearth of evaluation studies in education and health care. The concern tends to be with inputs only. Despite the fact that one would have expected any National Health Service to have given priority to the evaluation of the practices and procedures they were adopting, the effectiveness of only 15% or so of medical treatments has been systematically evaluated. Information on the relative cost-effectiveness of alternative treatments is even less widely available. Still fewer attempts have been made to compare the effectiveness of medical solutions to health problems with non-medical solutions such as redesigning living and travelling arrangements. There is an almost complete lack of concern with effectiveness in education: It is just assumed that more education is a good thing.

In summary, then, what we see is an almost complete failure of those charged with the management of public provision to take their management functions seriously. In this respect the state of affairs is only marginally better than that which prevailed in Eastern Europe where, as the business editor of The Sunday Times noted well before the demise of the so-called communist regimes[15.3], no attention was paid to the very things one would have expected to characterize societies ostensibly devoted to enhancing the quality of life of ordinary people and the effective use of resources.

In fact, there is not merely indifference to evaluation: Day and Klein found a wariness of statistical information. We found the same thing in education. To some extent this is justified: There is an awareness that incomplete evaluation and reliance on easily obtained and easily manipulated indices can be extremely misleading and result in disastrous policies. But the real conclusion to be drawn is not that good comprehensive indicators should not be sought and used. It is that such indices need to be used in a context of (i) institutional arrangements which permit all concerned to observe what is going on, debate the value of the measures, and influence their construction, and (ii) a better understanding of the nature of the scientific process - i.e. in the context of an appreciation that 'facts' in all areas depend on drawing inferences from soft data - and an understanding of the amount of work needed to move from unreliable indices to better ones.

The need is to shift to information-based accounting of costs and benefits. As we have seen, there are multiple costs. It is extremely unlikely that it will be possible to reduce these to a single index. Much more important is to consider the trade-off between the differential patterns of cost of alternative outcomes offering different benefits. It has been the difficulty of handling so much information which has, in the past, lent so much credibility to Smith's and Hayek's market solution to the 'wise men' problem on the one hand and to the confidence trick of reducing all costs to a 'single' monetary index on the other. Today, computer systems (Intelligent Knowledge-Based Systems - IKBS) may provide a way of taking multiple factors occurring in particular circumstances into account.

One can envisage ways of assessing the confidence and competence of a population, the livability of cities, and the quality of life. But what of unintended benefits which may well not show up for many years and will not, in any case, be reaped unless they are paralleled by a whole series of supporting developments? And what of costs which may take equally long to show up? As Smith argued, the balance is hard to anticipate. Thus, although the disbenefits of our 'defence' system are enormous, the benefits of miniaturisation arising from defence R&D may in the end be considerable. Conversely the disbenefits of the development of death viruses (even AIDS?) and

recombinant DNA through military research may in the end be much greater than the benefits. The problem of weighting short and long-term, personal and social, benefits and disbenefits is therefore enormous.

The Problem of Multiple, Incompatible, and Changing Priorities and Outcomes

Attempts to develop single-figure indices of the quality of public provision are typically extremely unsatisfactory. Some of the problems can be illustrated from the Oregon health care project[15.4]. By introducing a single priority order in the services to be provided, the project's aim was to ensure that there was a direct link between the amount of money voted by politicians and the treatments offered. The intention was to highlight exactly which treatments would be withdrawn if funding were denied.

As a basis on which to establish priorities, a public information campaign was first mounted through the media. This was followed by a series of social surveys. These showed that respondents thought that priority should be assigned to the treatment of more widespread diseases, to less expensive treatments, and to treatments which were more likely to be successful. The researchers claimed to show that these criteria could be combined and that they led to an agreed set of treatment priorities. Although this conclusion was essential to the success of the project it was, as we shall see, more than a little debatable.

The single priority list was initially drawn up 'subjectively' by 'focus groups'. These groups were asked to consider the trade-offs between the improvement in life expectancy and resultant quality of life if the treatment were successful on the one hand and the efficiency, equity, and cost of the service on the other.

This 'subjective' method was later replaced by a supposedly more 'objective', utility-cost approach. Utility was assessed by the improvement in the quality of life likely to result and the number of years it was likely to last. To obtain the information needed to assess improvement in the quality of life, members of the public were asked how satisfied they would be with a variety of disability states - such as otherwise having to be taken everywhere in a wheelchair but having no serious health problems. They were also asked what value they placed on nine broad classes of service, such as a treatment which would delay the death of a patient who had a fatal condition for not more than 5 years.

The main advantage of the scheme was felt to be that it resulted in an explicit public debate about the issues and policies.

It also had some effect in helping to ensure that the decisions which were taken reflected the formal or overt aims of the service instead of either political considerations (like 'which actions will get us re-elected?') or the wishes of administrators and individual physicians. Decisions about which patients and ailments should be treated were taken formally rather than, as in the NHS, by individual physicians behind closed doors and in such a way as to result in great variation between physicians and patients.

Despite these apparent benefits, closer examination raises serious doubts about the true value of the scheme. Here we have a crudely constructed, and inadequate, index of quality of health care being used uncritically to regiment decisions which were once widely dispersed among managers, clinicians, and patients - even if somewhat capricious and varying between localities. This reflects an oppressive pre-occupation with consistency in decision taking at the expense of consideration

of multiple factors, the requirements of particular circumstances, and the possibility of evolution. In one sense it is a further example of managers usurping professional decision-taking and attempting to prescribe what others should do. It reduces people's involvement in running their own lives - or at least requires them to re-direct their energies to trying to influence processes which have a less obvious and direct connection to the services they can get.

But the most disturbing facts exposed by the experiment remain the dearth of data required to take any sensible decisions about health care and the absence of a framework which would make it possible to give effect to such information. It revealed that there was an almost complete lack of good data at the most basic levels like 'What does this treatment cost?' and 'How well does it work?' One would naively have expected public health programmes in the US, and, perhaps even more so, the National Health Service in the UK, not only to have the necessary data to hand, but also to have made numerous attempts to find ways of answering the more fundamental questions which were raised. One would also have expected the furore the Oregon study has caused to have resulted in a call for the more basic work required to do something sensible rather than a call for the introduction of the same - inadequate - administrative procedures into other localities. It is alarming indeed to find such extensive reference to such a small-scale, hasty, and isolated study being used as a basis on which to build large-scale administrative arrangements. The process is reminiscent of the way in which the vast American Headstart programme - and its replication elsewhere - was based on a single study of 18 children. Equally disturbing is the fact that a study dealing with access to basic health care at the level achieved by the NHS in Britain in 1948 is being used as a model, not just for the administration of health care more generally, but as a model for 'public involvement' in policy determination. It is, in short, being used as pretext for the introduction of yet another form of pseudo-democracy.

The belated, isolated, and incomplete nature of this experiment, taken together with earlier observations, prompts the unwelcome thought that public sector decision-taking may well - as Smith and Hayek suggested - be less complete and informed than the flawed market processes it seeks to replace.

So far we have discussed only the implications of the absence of basic data revealed by the project's attempt to prioritise treatments and the way in which the study was seized upon as a basis for generalisable policy.

But there are other features of the project which merit our attention. One of these is that there was not, in reality, an agreed order of priorities. This came to light only incidentally. The exercise assigned low priority to the treatment of certain types of leukaemia. Almost inevitably the parents of a child with one of them organised a public protest. The case appeared to call the whole system of priorities into question. If the authorities agreed to the treatment, it would open the floodgates to numerous demands on the part of the more articulate to subvert the system. However, looked at more dispassionately, what the incident really did was raise questions which had not been considered in the earlier debate – in particular, the system's ability to take account of individual priorities. If these were respected these would, of course, find some people who wanted expensive and probably unsuccessful treatments. But one would also find people who would embrace euthanasia for cases which were entitled to treatment, thus saving, the community money. (Despite the claims of the Oregon study, the work of Price, Taylor et al.[15.5] shows that people do in fact have widely divergent priorities concerning health care.) Further, it is actually important to encourage some people to opt for treatments that are currently unlikely to be successful[15.6]. Only

in this way will it be possible to carry out the experiments that are needed to develop more successful treatments.

The leukaemia protest underlines arguments to the effect that both the public debate of goals and the deliberate provision and monitoring of variety are essential to both the acceptance of public provision and finding a way forward in managing society. Most courses of action have a range of consequences, some of which are desirable and some of which are not, and these consequences cannot be amalgamated onto any single-scale.

One of the central themes of this book is that the creation, evaluation, and administration of variety and innovation in public provision requires sophisticated R&D, going well beyond anything envisaged in the Oregon project.

Lack of Responsiveness and Innovativeness

Some of the problems of the public service may be captured by saying that, on the one hand, it is too responsive to short-term political pressure while, on the other, it is not responsive enough to clients' needs. More fundamentally, there is little concern with effectiveness and innovation, and in particular, insufficient systematic search for feedback and desire to learn from the effects of the changes that are introduced. Ideas dreamt up by individual politicians or in the course of a discussion in a club are pushed through with little provision to learn from their effects.

In the course of an exploratory study[15.7] of the ability of several public service departments to tap the know-how, creativity, and initiative of public servants at all levels, those we interviewed gave us many reasons for not trying to introduce developments they thought desirable - or even suggesting that something be done about problems they had noticed.

One explanation given was that they felt that their boss would interpret any suggestion as a personal criticism and would remove their privileges - such as free personal telephone calls and extended tea and lunch breaks. In the longer term, their promotion prospects could be threatened.

Perhaps more important was the fear of disrupting a smooth working relationship. People were not particularly friendly with their bosses, but there seemed to be an overwhelming pre-occupation with avoiding inter-personal tension. It seemed that this should be avoided at all costs, by both subordinates and superiors. Making a suggestion which could be - and in practice was likely to be - interpreted as a personal criticism was therefore to be avoided.

One also ran the risk of falling foul of one's colleagues. Any change might involve them in more work, or work which they were anxious to avoid. Colleagues were felt to be profoundly suspicious of any apparently altruistic interest in improving the organisation or providing a better service to clients. They would set about looking for personal benefits and hidden motives for one's behaviour - and, having 'discovered' them, would they try to discredit one's actions and undermine their effectiveness. People who had made use of suggestion schemes had in fact been subjected to precisely this sort of treatment.

In summary, it seemed that our informants were pre-occupied with avoiding poor inter-personal relationships and with trying to gain promotion on an individual basis. They were not particularly concerned with improving the service which they rendered to society. In this context the following quotation from Drucker[15.8] seems apposite:

'An organisation belongs on the sick list when promotion becomes more important to its people

than accomplishment in the job they are in. It is sick when it is concerned more with avoiding mistakes than with taking the right risks, with counteracting the weaknesses of its members rather than with building on their strengths. It is sick when good human relations becomes more important than performance and development'.

Quite apart from all the foregoing considerations there was the likelihood that, if one did seek to introduce a change, it would involve a great deal of effort. It would take up time that one would prefer to spend on other things. It would take up spare time. One would have to be manipulative - an activity most were reluctant to undertake.

We may now turn to our informants' role expectations. They felt that suggestions for new ways of doing things should come from people higher up in the organisation. It was not the accepted role of juniors to have anything to say. If one did suggest changes which the boss had not already advocated one would, therefore, de facto, be telling the boss he was not doing his job properly. There was no widely shared understanding that subordinates might be able to make useful suggestions, let alone a belief that this was actually to be expected simply because they were in much closer contact with the material and human situations. There seemed to be a clear understanding of what was appropriate to one's station in life, defining juniors' jobs as merely doing that which is in front of them. Stepping beyond that would provoke, not commendation, but labelling as a troublemaker bent on discrediting the boss or the organisation.

On the question of changes to organisational structures themselves, respondents noted that in order to get any sort of movement one would have to get the help and support of other people. This was something which one almost certainly could not do unless one was already in a position of authority.

There was no point in making suggestions to one's boss either, because he was not likely to follow them up. At best he would listen politely and take no action (one senior civil servant confirmed this impression saying: 'You just listen, and try to put them off'). Other bosses would not have time to listen because they would be too busy with other, things. They would feel that they should not have to waste their time listening to subordinates. Their role expectations were that it was not their job to do this but to issue orders and make sure that work was done correctly.

Other people said that one would be wasting one's breath anyway. The boss would have no experience of one's work. As a result he would not be able to understand that there was a problem. Likewise he would not know enough about a particular situation to appreciate the practicality or value of the suggestions.

As if all the reasons already mentioned were not sufficient to deter the boss from acting on a suggestion, there was no incentive for him to do so. Why should he tackle problems which someone above him had not asked him to tackle? He would get no credit - and might, for the reasons already discussed, be criticised - for doing so, whereas he could not be criticised for not initiating activity. Worse, he would fear that if he admitted that the problem existed or that the change would be desirable it would reflect on his own behaviour - because why had he not noticed the problem when he was in the subordinate position? Far from standing to his credit, then, bringing the problem to the attention of his superiors would detract from their impression of his ability. He would be admitting to imperfections which would count against him when the time came for promotion.

Attending to a problem a subordinate has brought up may cut across the superior's career plans

in other ways too. Not only may he or she prefer to attend to activities of a kind which will bring more personal kudos, but to admit that an idea came from someone lower down in the organisation lays one open to the charge of wasting time chatting to subordinates. If the boss's superiors decide that the activity was misguided, or if, after trial, it turns out to have been misguided, there will be blame which would have been avoided if nothing had been done.

A major anxiety was that making suggestions for organisational improvements might force the boss to raise basic and disturbing questions about the Service and the way in which it carried out its activities. This would threaten everyone concerned, even politicians. Neither public servants nor politicians were thought to be particularly keen to face such issues. Politicians, particularly, were viewed as having very short time horizons and as being very unwilling to rethink their policies in any basic way.

The cumulative effect of all these barriers to innovation is serious indeed. Our study revealed, for example, that there was little chance of introducing a major change into the public service even through a number of small incremental changes. The effort required to initiate a small change was out of all proportion to its size since it meant forcing the wheels of a vast and sluggish machine into motion. As a result, there was no possibility of trying out new ideas on a pilot scale to see whether they would be applicable on a system-wide basis. There was little possibility of questioning the desirability of accepted ways of doing things. Subordinates could not question them for the reasons given above, and their superiors were too far removed from the situation to do so.

Eventually it became clear that there were two very basic reasons for the lack of innovative activity and fear of criticism which are so widely associated with the civil service. One of these is the concept which results in an extraordinary number of issues being defined as 'policy' and thus outside the discretion of civil servants. The other is that, contrary to common assumption, civil servants are anything but secure and assured of promotion and the goodwill of others. The fear of what might happen to them as a result of taking any initiative is oppressive. If they do anything unusual it has repercussions which they cannot predict and which they are often completely unable to control, but which may have a decidedly unfortunate effect on their lives. We therefore cannot at all agree that the lack of 'motivation' which is so conspicuous in the civil service is due to 'promotion by seniority'. It is due to very many aspects of the 'Climate of the Service'. And the competition to secure promotion leads to a wide variety of highly dysfunctional behaviours ranging from spending an inordinate amount of time trying to create a favourable impression on superiors by agreeing with their every statement and failing to draw conflicting indications to their attention, to blocking all communication - upward and downward - and claiming that all the ideas and work involved were one's own. The repercussions of these systems dynamics reverberate throughout the Service to the detriment of society.

Poor Arrangements to Develop High-Level Competencies Within the Public Service

Although some senior staff did say that, at promotion boards, they tried to assess such qualities as flexibility, initiative, leadership, and commitment, their accounts of how these qualities might manifest themselves did not leave us with the impression that they had thought in any depth about the meaning of such terms. Neither they nor their subordinates seemed to have any very explicit conceptual framework for thinking about how such qualities might be fostered, progress toward

them assessed, or how they might best be utilised. Indeed, it was widely believed that all jobs in the civil service at the same level required the same abilities. According to this view, it is not true that different jobs require people with different abilities and interests. Civil servants should be generalists.

Junior staff were, in fact, rarely called on to take initiative, and were not expected to try to define their own jobs. Indeed there was no strong feeling that they needed to understand the reasons for decisions which affected them. However, on promotion, they found that they were suddenly expected to take initiative, exercise discretion, and make good decisions without ever having had any experience of these activities. (One might also ask how, when it does not give its junior staff an opportunity to display these qualities, the Service can make reliable assessments of staff abilities in these areas.)

As we have seen, there was little recognition that those in direct contact with a situation could be expected to know a great deal about it and are therefore in a strong position to contribute to discussions about ways in which practice could be improved. Not only was there little encouragement for junior staff to develop problem-noticing and question-asking abilities, there was scant recognition of the need for junior staff to build up their own idiosyncratic store of information about their area of work. In such a vacuum, how could they be expected to assess the quality of their superior's decisions or to practise making decisions and exercising discretion?

More generally, there was little recognition of the complexity of decision-taking in modern society. There was still less recognition of the costs of mistaken decisions in terms of money wasted pursuing activities which were later abandoned or even reversed. In other words, there was little recognition of the importance of consulting as many people as possible who have something to offer when making decisions in the first place. Such discussions were felt to be a waste of time, and not in the best interests of efficiency. The more long-term concept of efficiency which includes an assessment of the costs of mistakes did not figure in' respondents' thinking. Similarly, there was little recognition of the importance of continuously assessing whether the decision had in fact been a good one. Decisions, once taken, should be binding. Had the need to monitor the quality of decisions been accepted, the importance of encouraging junior staff to monitor what was happening and make suggestions for ways in which it could be improved might also have been recognised.

The whole emphasis seemed to be on detachment and rule-following, rather than commitment, discretion, responsibility, and flexibility arising from a deep understanding of the goals of policy and how to achieve them.

Inadequate Consideration of the Role of the Public Service in Society Within the Service

Most of the civil servants we spoke to did not consider that it was their job to think about policy or to evaluate its effectiveness. As far as they were concerned, responsibility for doing this rested with the Minister, or at the very least with the Permanent Secretary of the department for which they were working. Few were aware of their potential role in improving policy or the efficiency with which it was executed. Likewise few were aware of how burdened down with administrative work (and therefore unable to engage in policy development) were their superiors.

Still fewer seemed to be aware of the central role which the Service now plays in the management of modern society. They were aware that the situation had changed dramatically

since they had joined the Service, but they were not very explicit about how it had done so. Few recognised that they were not in fact doing the 'same' jobs now .as they had been doing in the past or that the role of the civil service in society was now totally different. They were therefore in no position to challenge the claim that 'the system has served us well in the past and does not need to be changed'. Had they understood the nature of the changes better they might have been more willing to try to clarify the goals of policy to assess how effectively the policy was working, to make explicit new problems which ought to be tackled, and to generate and research alternative policies to those currently in favour. Only when a variety of such policies have been fully researched would it become possible to make a rational choice between them. Likewise few were willing to discuss their work with the public. The fact that it is virtually impossible to channel through the Minister all policy decisions across the wide range of activities now under government control escaped most of them. As a result, they were opposed to the development of open government in which their activities would be much more directly under public scrutiny. (This reluctance was not, of course, divorced from their fears of being exposed as 'incompetent' when measured against the unrealistic standards which they thought the Service set for them.) They were satisfied that there was already enough public surveillance via Parliament. Few supported moves to develop policy formulation units.

However, while few believed it was their role to think about policy and alternative means of administering it, many were aware that something was seriously wrong. They could see that existing policies and procedures were misguided and inefficient, and often not meeting the needs of their clients. But they kept this information to themselves and did not try to do anything about it. Several civil servants also spoke of the tendency of the Service to focus on short-term issues. But they attributed this to the problems already mentioned and opposed the establishment of relatively independent policy review units feeling that these might lead to dirty washing being paraded in public. And, indeed, for reasons we have already discussed, any mistakes and errors so revealed would be blamed on individuals rather than traced to inadequacies in the organizational arrangements.

If we are to have more open government and more policy review bodies, these will have to be established as a result of the kind of public activity which could be unleashed by this book.

Inadequate Systems for Staff Appraisal, Deployment, and Recognition

In the course of our work we met very few public servants who were inclined to enquire into the objectives, efficiency, or effectiveness of the enterprise in which they worked. Rather they asked only whether the activities in which they were engaged conformed to the rules. If we want them to take initiative, display creativity, or engage in systems analysis, we will have to apply very different criteria to their work.

The reward system linked to rule-following needs to be carefully reviewed. At present the whole system of rewards and penalties is set up to favour those who follow the rules. It is virtually impossible to bring any serious pressure to bear on a public servant for sins of omission - like failing to turn off the heat in an unused building or not stopping a checking, procedure which wastefully consumes hundreds of man-hours detecting one or two small mistakes. On the other hand, there are severe penalties for sins of commission - like turning up late for work, letting through an illegitimate claim, or starting something which did not work.

Public servants need to be able to get recognition for behaving in ways which will help us to:

- Create a climate of innovation in society.
- Cater for diversity.
- Conduct a public debate about the goals of policy and how they are to be achieved.
- Assess needs, effectiveness, and efficiency from a societal point of View.

More generally, the public service needs to find ways of developing, utilising, and rewarding all the human resources available to it. We found few attempts to assess the strengths of members of staff or to put them into positions in which their motives and strengths could be utilised. The discovery of talent and personnel development was largely a matter of accident. As one might expect under these circumstances, it had not crossed anyone's mind that it would be possible to reward people for outstanding performance by creating more opportunities for them to do the things they were committed to doing and good at doing. Promotion was the only reward that could be given. But promotion not only moved people onto other work which they might not like nor be good at, it also tended to go to good and faithful servants rather than those who had made some special contribution[15.9]. The more senior members of staff we spoke to had all come up through the service, and we were left wondering whether an influx of people with wider experience might not serve to bring with it the knowledge that things could be done in different ways.

Failure to Undertake Systems Analysis and Intervention

Public servants' failure to study the ramifications of their actions and the causes of their problems deserves special discussion. In our work we found almost no inclination on the part of the public servants we interviewed to build up their own understanding of how the wider systems into which the policies they were concerned with worked, how to intervene in such systems processes, how to initiate small-scale experiments grounded in a tentative understanding of systems processes, or how to monitor the effectiveness of such experiments and learn from their effects.

Examples of the failures of the public service in this area are as diverse as the following:

- Failure to study the effects of privatising bus services. (These include a diminution in cross-country links and rural services, with the consequent further stimulus to car ownership.)
- Failure to study the effects of requiring what were previously public employees (such as post office workers and miners) with pensions funded out of current taxation to establish pension funds; (As we have seen, the effects include the growth of organisations to manage the funds, the stimulation of unreal increases in property values, the movement of capital abroad to exploit Third World workers, and the creation of financial burdens for future generations.)
- Failure to study the reasons why there has been no change in the effectiveness of primary education despite a huge growth in manpower[15.10] and why secondary education fails to help most pupils to develop the qualities required to contribute to society. 'The problem' is perceived as merely getting teachers to do their jobs properly - hence the move to specify curricula and use threats to motivate them. The public servants concerned have not stood back far enough to discover the need for radical reform - the need for new tools to help teachers nurture and assess the desired qualities, the need to devise ways of handling the values conflicts which arise as soon as teachers try to nurture important qualities, and the

need to appraise teachers' very different contributions to the process of innovation. The most popular 'solutions' propounded by public servants are predicated on an inappropriate definition of the problem and on inadequate, technico-rational, hierarchical-management-based, beliefs about how it is to be solved.

What these examples point to is that one of the key abilities public servants need is the ability to understand and intervene in sociological processes. What happens is that people see the results of certain actions - such as the job-creating effects of privatisation and education - like what they see, and look for ways of giving the activity intellectual respectability.

Interestingly, Broadbent and Aston[15.11] have shown that some people are very much better than others at managing complex situations with many positive and negative feedback loops - but are unable to explain how they do it. Formal instruction, while it has a marked effect on behaviour, does not enable people to improve their performance.

Public servants generally do not know what to do when experts disagree, when only bits of the picture are known to any individual, and when the need is for systemic, but not system-wide, experimentation and change.

When one group of experts says that what is recommended by another group will not work it is necessary to experiment with both sets of recommendations. But public servants have been taught to avoid being associated with certain failure - which one of the experiments is bound to be unless one defines any experiment from which one has learned important new things as a 'success'. One of the most important reasons why they have qualms about bringing themselves to encourage contradictory experiments based on divergent understandings is that they have been misled by an authoritarian image of science which tells them that science is about certainty rather than the process of arriving at understanding.

When the need is for systemic intervention based on partial understanding, public servants are generally at a loss. The range of carefully evaluated experiments that are needed does not merely have to be conducted in the context of partial understanding, they have to be grounded in an emergent theoretical understanding of systems processes. Yet the idea of a small-scale experiment with systems processes seems to most public servants to be a contradiction in terms. Confronted with evidence of the importance of systems processes, they are tempted to introduce system-wide changes based on their current - almost certainly incorrect - beliefs. Instead, what is required is a systematic analysis of the operation of the system followed by (a) identification of the multiple interventions which are required to influence different aspects of the system and counteract its predictable reactions, (b) identification of the multiple effects likely to be directly and indirectly produced, and (c) the invention of ways of illuminating what is going on in such a way as to identify systems processes and effects which had not previously been noticed or considered. Those concerned have, in particular, to understand how to monitor what happens in response to an intervention in such a way as to learn more about the operation of the systems processes. Unfortunately, the idea of an experiment which yields these kinds of insights appears to many public servants to be a self-contradictory concept.

Thompson[15.12] has emphasised the importance of distinguishing between different types of disagreement - disagreements about inherently unknowable information (such as the extent of oil reserves), unknown but knowable, and disagreements based on information from different studies of the 'same' problem from different perspectives or in different conditions, it illustrates the last of

these by reference to the problems of the Himalayan jungle. Here there is great variation in what is actually happening from one site to another over a vast region, great variation in the quality of the information collected at similar sites, and great variation in the perspectives which guided researchers' definitions of the problem and their decisions about the data to be collected and the way in which it was to be collected.

Everything we have said so far underlines the importance of information collection and debate. It points to the need for that information to be collected from a variety of perspectives involving different definitions of the problem and the kind of information that is likely to be of value to different practitioners. There is a clear need for public debate and no case at all for seeking to retain control within the public service.

There is also a clear need for those involved in research - whether in civil service research units or in the universities - to try to apply the results of their research in order to learn from the effects more about the nature of the problem. In the past, too sharp a distinction has been made between research and application ...and experimentation with applications has very rarely been seen as a component of the research. The relationships to be established between researchers and the users of research[15.13] - especially in the context of the kind of network-based, parallel organisation activity required to create a climate of innovation - have not been thought through. Still less have the appropriate organisational arrangements and career structures been clarified. There has been an almost complete lack of clarity about how to establish a proper learning system - how to introduce a series of minor, but theoretically-based and interconnected, changes which take explicit steps to influence processes, in the context of an evaluation system which will make it possible to learn more about the system one is dealing with from the effects that are produced.

Inappropriate Arrangements for Public Accountability

Over the past two decades thousands of bodies - known in the UK as Quasi-Autonomous, Non-Governmental Organisations or QUANGOS - have been set up to oversee the workings of public and privatised bodies and create a semblance of accountability. Unfortunately, their members are generally appointed by central government and their meetings are held behind closed doors. The need is to have a much more open system. It will be necessary to penetrate the organisations to find out what is really going on. It will be necessary to find ways of collecting good, positive and negative, data on the outcomes of their work. It will be necessary to stimulate a concern with effectiveness and innovation. It will be necessary to find ways of debating goals and encouraging employees to share their concerns and suggest innovations. The use of professionally developed social accounting tools to collect data at both organisational and individual levels is essential.

It is important to note that the fact that these Boards and QUANGOs have been established in such profusion indicates that it is, in some sense, accepted that market processes will not, by themselves, lead the organisations concerned to act in the public interest. Nevertheless, to perpetuate the myth that the market can and should work, we have not only hived off vast sectors of government activity to agencies, local government departments, nationalised industries and services and QUANGOs, we have forced 'private' firms to undertake numerous activities on behalf of the state and we have created a plethora of boards and councils to oversee - in detail - the workings of these agencies, boards, councils and QUANGOs. These Boards and Councils, made

up of highly paid officials who do nothing else but sit on such committees, inquire into all sorts of matters of which they are essentially ignorant and in relation to which their, necessarily, subjective judgments are therefore unlikely to be correct. It is these Boards and Councils - and vast interpolated layers of transient and peripatetic civil servants - and not the absence of economic incentives - which are stifling the initiative, innovation, and development of the management and staffs of these organisations. We are told that we cannot let those responsible for running these organisations take risks with public money. We therefore try to be certain that they are doing the right thing before they begin, and question, at great length, every decision they try to take. They therefore have no opportunity to take responsibility, to exercise judgment, or, in particular, to embark on adventures the outcomes of which they cannot be certain, learn from the effects of their actions, and capitalise on what has been learned.

Summary and Conclusion

Despite the obvious fact that appropriate societal management could transform our society, what we have seen is that there are enormous problems with public-sector management as we know it. This is true even if we consider the management of compartmentalised public domains (like education, health, finance, transportation, or defence). It is still more true when the overall picture is considered.

We have seen that societal management can be done significantly better - as in Japan or in the agricultural sector in Britain and Europe - or significantly worse - as in Eastern Europe and in education in the UK and US[15,14]. It can be abdicated, but not avoided. The challenge we face is to explicate how to do it dramatically better - and then to find better ways of ensuring that it actually gets done.

The public service has generally proved itself incapable of initiating the collection of information which challenges the status quo and promoting the development of alternative viewpoints. It has failed to promote public debate, facilitate collection of information to support unconventional views, and seek out, fund, and support those who would generate different definitions of pressing problems. It has failed to acknowledge the need for variety, choice, experimentation and evaluation, and it has failed to initiate the development of the methods and tools needed to cater for the variance in people's priorities.

Most public servants fail to understand the true nature of the scientific process, and lack the capacity to apply science to the management of society. They lack familiarity with the process of piloting and innovation, and especially an understanding of the pervasive climates which are required to promote continuous innovation. They cannot discriminate between small-scale evaluated experiments grounded in a tentative understanding of systems processes and system-wide change.

In sum, public servants, as a group, do not know how to manage and improve society. They are unwilling to take on a managerial role - to sound out opinions, collect information, make judgements about what should be done, initiate action, monitor the results, learn from the effects, take corrective action, and be held accountable for the outcome. Above all, they fail to recognise the responsibility they shoulder for contributing to the creation of a pervasive climate of innovation which will lead to radical transformation in our society. In short, they are failing to do their jobs effectively. Behind these failings lie major organisational problems, particularly the

difficulty of knowing who is accountable, or responsible, for what. There are just too many interdependencies. We lack the means of giving public servants credit for creativity, initiative, or acting in the public interest.

Notes

15.1   Day and Klein, 1987

15.2   Simey, 1985

15.3   Raven, 1974

15.4   Dixon and Welch, 1991; Klein, 1992; Hunter, 1993

15.5   Price, Taylor, Nelson et al., 1971

15.6   This would not have been the issue in Oregon where the whole scheme applied only to a small sector of the population, but it is of major importance in other countries and in other areas of policy.

15.7   Raven and Dolphin, 1978

15.8   Drucker, 1959

15.9   Seashore and Taber, 1976

15.10   Walberg, 1974

15.11   Broadbent and Aston, 1978

15.12   Thompson and Warburton, 1985

15.13   See Raven, 1985; Donnison, 1972; Cherns, 1970.

15.14   It is of some interest to compare the different approaches which have been adopted in public management, UK education and agriculture. In the educational system there has been no recognition of the need to create a pervasive climate of innovation involving multiple changes, systemic intervention, and sophisticated evaluation. By contrast, the management of European agriculture depends to a much greater extent on the creation of such a climate. There are huge research and development institutes, and networks to seek out, sift, and disseminate information (such as the Agricultural Advisory Service). But beyond that there are feedback mechanisms and multiple providers of alternative services. Central authorities systematically manipulate prices, taxes, grants, and levies - and buy into intervention - to achieve desired ends. Land reform is imposed or induced. Networks of suppliers are set up to get tools, seeds, and information to firms and marketing arrangements are made to get products to the customers. Nevertheless considerable local discretion is retained: The networks reveal the mountains to be climbed, release energy and imagination, but leave the final decision to the agent.