Cat’s Eyes: intelligent work versus perverse incentives
APEX Forums on Wicked Problems

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Introduction

Cat’s eye connotes all sorts of things from gemstones (referred to in the epigraph), to Japanese animation films, to a book by Margaret Atwood, to raised lane markers on paved roads – two-pairs of reflective glass spheres set into a rubber dome and mounted in a cast iron housing used for lane marking with one pair of cat’s eyes showing in each direction. This last sense is the one we have in mind in the title of this paper.

Cat’s eyes are not very visible in daylight, but are particularly valuable in fog or where road lighting is poor or lacking. Patented in 1934 by Percy Shaw, this invention has done more to save lives on the road than anything since.

This paper is a report on sixteen sessions of discussion with a few dozen federal government executives on eight different difficult topics that, by their very nature, seem to require the development of something akin to cat’s eyes. These sessions took place in the Fall of 2007 and the Winter of 2008, under the auspices of APEX.

APEX’s main responsibility has been to provide a safe space where EXs could engage in serious conversations on some of the challenging problems that they face. The authors of this note were responsible for the choice of the topics, the conduct of the sessions, the development of the hypotheses and prototypes for discussion, and the preparation of the synthesis of these conversations.

We are grateful to APEX for allowing us to conduct this second series of sessions under its sponsorship. The report on the 2006-07 series was published in www.optimumonline.ca in June 2007 (Hubbard & Paquet 2007a).

Context, framework and method

As we explained in the report on the first series, the idea for such a series of discussions emerged from exchanges with a number of EXs who expressed a degree of frustration about the facts (1) that new and challenging issues were emerging both in the context (where governments see their roles transformed), and in the practice of public service (where reform would appear to be inevitable) – that posed ill-structured, wicked
problems – (2) that confronting such problems required serious discussions of their underpinnings and potential fallouts, and the development of new skills if they were to be handled well, and (3) that there seemed to be few places where such discussions could be carried out safely, the required new skills honed, and social learning generated.

In order to develop better capacities to deal with such problems effectively, senior public servants will need to learn by deliberating not only with colleagues, but also with external experts and stakeholders who are in possession of important local knowledge.

For the 2007-08 season, we focused our attention on two families of topics. First, in the Fall term, we dealt with four challenges facing public servants in meeting the legitimate expectations of the citizenry – how to succeed in ensuring intelligent accountability, intelligent regulation, intelligent organizational design, and intelligent public service; second, in the Winter term, we dealt with what we felt were some of the most important sources of ‘unintelligence’ buried (not exclusively but most importantly) in questionable if not perverse incentive reward systems – rewarding failure and deception, punishing success, positive discrimination, and failure to confront

In each case, the group was faced with a difficult problem for which there was no quick fix or “solution”. A good deal of discussion was required to clarify the issues at stake. Even though there was no hope that the issue would be entirely ‘resolved’ by the end of the two-hour session, and tackling it would very much remain a ‘work in progress’, it was hoped that the deliberations would produce some learning, hone some skills, and generate some “practical knowledge”.

On each of the topics, an agenda, and some notes and preliminary reading material were circulated in advance to frame the discussion and to help ground the discussion in some evidence-based literature (see the list in the Annex). One of the authors acted as animateur and set the stage for the discussion by a short introductory talk (15-20 minutes). A general discussion followed around a few general questions that would appear to be incontournables. However, there was no effort to restrict the conversation to these introductory questions or hypotheses. The multilateral conversation was allowed to flow as the participants wished, and it acquired a dynamic of its own as a result of the varied experiences and perspectives of the different participants.

As became clear when the same topic was debated with two different groups, each session evolved its own discourse and narrative yielding somewhat different yet somewhat convergent outcomes. Indeed, every one of these conversations took a turn that was not entirely predictable.

**A syncretic view of each topic**

This section provides a brief statement of the introductory statement on each topic, and a very sketchy summary view of the general substance of the conversations that followed.
(1) Intelligent work

The first four topics dealt with intelligent work in four dimensions: accountability, regulation, organizational design, and public service.

Each of these labels connotes both a familiar terrain and a nexus of somewhat poorly-understood and contested issues: it is not always clear what is meant when such issues are raised because the complex mechanisms behind the labels are varied, and are often defined in significantly different ways by the key players involved. At the same time, whatever arrangements have been put in place to deal with the original concern have often been used in ways that can only be called unintelligent (frequently with disastrous results). Yet, most of the time, the frustrated observers have been unable to determine what would be necessary to make these arrangements more intelligent.

Intelligent accountability
October 17 and 19, 2007

Accountability is the new mantra. It has emerged from the autopsy of recent mishaps as a panacea supposedly capable of resolving all conundrums by connecting each action and/or inaction to a source or cause to which it can be attributed, and therefore to a person or group that could be asked to render an account. Unfortunately, the world is much more complex than this simple mechanical depiction might suggest. There is not always a simple and direct connection between an outcome and a cause to which it can be attributed, or to a person who can be held responsible for it. As a result, accountability has become a weasel word: it has come to mean a variety of things ranging from true responsibility to the simple obligation of formally offering an official account of what has happened.

A key foundational concept at the core of the notion of accountability is the notion of the ‘burden of office’ on which accountability rests: what can be legitimately expected from an official. While the burden of office is relatively simpler to define in a strictly hierarchical organization (to do with what the superior may legitimately expect from his subordinate), it becomes much more complex in organizations where officials have to deal with a variety of stakeholders (bosses, partners, citizens, etc.) who all have legitimate expectations that may or may not be compatible. This complex context underpins the need for 360-degree accountability, and makes the burden of office immensely more complicated.

Such a degree of complexity of the burden of office has made the notion of accountability much fuzzier – less narrowly defined and focused, less hard, less strictly financial, and less manageable. This challenge has not always been acknowledged. Indeed, many officials have been in denial vis-à-vis this new reality, and have continued to pretend that all issues can be defined as capable of being deconstructed into cause-effect relations where officials have a unique and narrowly defined burden of office for which they have to render an account to a unique overseer.
This is the dreamland in which too many adjudicators in all sectors have chosen to live. Unintelligent accountability obviously ensues, and unfortunately, as a result, too many auditors, evaluators and adjudicators have felt empowered to declare or imply guilt and innocence willy-nilly and to impose praise or blame somewhat speciously.

Intelligent accountability entails a more realistic appreciation of the complexity of the context, and of the complexity of the notion of burden of office that ensues. This in turn calls for a more diffuse and a softer notion of accountability, and one that is truly dynamic in the sense that it evolves through time. Moreover, it is not (as it has come to be in the language of auditors) the lynchpin of an ex post process of allocation of blame, but the basis of an ex ante process of social learning. Intelligent accountability is therefore learning accountability, soft accountability, and experimentalist accountability: it is the process through which an organization in the short run must deal with deception and disinformation, and in the longer run must organize social learning in a forward-looking perspective (Paquet 2008c).

In the discussions, there was general agreement that accountability is too narrowly defined, and that one lives in a world of excessive rules and omnipresent watchdogs. It was also felt that common sense and trust might be brought back but that it would require action on many fronts: small steps in one’s own shop, better use of training to instil the new culture of responsibility, some initiatives by communities of practices (e.g., HR, regulators, procurement) that could be instrumental in promoting a broader perspective and in finding ways to operationalize such a renewed perspective with the development and use of instruments likely to keep the watchdogs at bay. Small steps and caution were seen as mandatory in this minefield.

Intelligent regulation
October 30 and November 2, 2007

Regulation is a central feature of our lives. It affects all of us daily. Yet it is poorly understood, badly managed, and often has unintended consequences that make it ineffective and sometimes even toxic. These unintended consequences and the costs of regulation have led most governments to launch processes of ‘regulatory reform’: trying to get most of the benefits of intelligent regulation while avoiding the costs of dysfunctional regulation. These efforts have gone by many names: deregulation, smart regulation, responsive regulation etc. Progress on these fronts has been slow.

The basic aim of all those reform movements has been a broadening and smoothening of the regulatory process: (a) an attempt to take into account the broader mega-community in order to help it avoid ensnarement in the regulator’s web; (b) a shift from hard to soft regulation, from enforcement to assistance, from reactive to preventive and from adversarial to collaborative action, from incident-driven to problem-solving approaches; (c) a new focus (i) on risk management that entails a new attention to impact and not only to outcome measures, and (ii) on materiality of risk in defining priorities; (d) a recognition that this different approach is more demanding intellectually, analytically and organizationally, and more difficult as a result of the effort it unrelentingly demands.
The slow evolution from smart to responsive regulation has meant a shift from a focus on more flexibility, more efficiency, more timeliness, more transparency and the use of a broader range of instruments, toward a sort of significant climbing-down of the enforcement pyramid toward less policing and more self-regulation, and a focus on preventing bad things through behavioural change.

In this transformation of the regulatory process to make it more intelligent, what is involved is nothing less than a change in the nature of the task and a redefinition of the categories of harm. Such a transformation entails a much greater role for the mega-community and for the community of practice of the regulators (Gerencser et al. 2006; Wenger 1998). But it is even more importantly a redefinition of the very nature of the regulation work: away from regulatory policing to harm reduction.

This is not simply a semantic nicety. While on the surface promoting good things and working at reducing bad things may look the same, at the operational level, it makes a considerable difference: “scrutinizing the harms themselves, and discovering their dynamics and dependencies, leads to the possibility of sabotage. Cleverly conceived acts of sabotage, exploiting identified vulnerabilities of the object under attack, can be not only effective, but extremely resource-efficient too” (Sparrow 2008: 27).

The climbing-down of the regulatory enforcement pyramid is running afoul of the trend toward more regulatory intervention in our age of distrust. Yet, in the face of complex circumstances, such a propensity to over-regulate has generally failed. The first reaction to such failures then has been to deregulate. This has not proved necessarily very satisfactory either. A second wave of reaction has been a mix of smart regulation and responsive regulation, with an emphasis on the latter.

The discussion led to the realization that the risk tolerance of Canadians may be lower than that observed in other countries. So experimenting with radical elimination of regulation (like eliminating all traffic lights as has been done elsewhere) is unthinkable. There was also much concern expressed about the focus on the ‘how’ of regulation instead of the ‘why’, and about the fixation on metrics (quantophobia).

Much hope was put in the development of communities of practice: cultivating the community of regulators would enable public servants to share best practices. Several actions could enable them to do a better job: (a) allowing them to engage in discussions with their leaders about the ‘what’ and the ‘how’ as well as about the true nature of the challenges they face, (b) increasing the scope and discretion the regulators have (pushing them to understand and accept tradeoffs), (c) finding ways to provide more time and resources to engage the relevant mega community, and perhaps most importantly, (d) eliminating the trust-destroying philosophy of “trust but verify”.
Intelligent organizational design
November 14 and 16, 2007

Organization design is to governance what engineering is to science: the essential process of operationalization without which much of the good reflective work on governance is bound to remain fruitless. Yet this design work is quite difficult, is not well done, and is likely to be a cause of governance failure and poor performance.

An organization may be X-rayed as a mix of People (stakeholders of all sorts with their skills, talents, and responsibilities), Architecture (relationships of all sorts defined by the organization charts and the like), Routines (process, policies and procedures), and Culture (shared values, beliefs, language, norms and mindsets) (Roberts 2004). At any time, these components (PARC) are assembled within organizations in various ways – bound together by ligatures making them into a more or less coherent whole. Any shock disturbing any of these components (whether they originate within or without the organization, whether they modify a physical or a symbolic dimension) obviously triggers some re-alignment in all the other dimensions. So the organization continually evolves.

The main reason for effective organization design failing to materialize is probably because it is wrongly assumed that organizational design amounts to little more than tinkering with organization charts. In fact, the sort of architectural work required is immensely more demanding and commands a wholly different way of thinking. It is not (and cannot be) guided by the sole sort of logic that dominates science (the search for general knowledge and the subsequent test of its validity) but by an inquiry into systems that do not yet exist: the logic is that of disclosing and crafting a new ‘world’, with the sole purpose of ascertaining if it works, and to ensure that it does (Romme 2003:558).

Another reason why the design function is so daunting is that the organization is a living entity. Buildings evolve despite their constraining structure as their occupants take hold of them, and transform their functions and missions in ways that were never planned. The same evolution occurs in organizations but much faster and more dramatically, often as a result of unintended consequences of all sorts of unplanned interactions.

The role of the organization designer is to intervene in real time in an existing assemblage to improve the four-dimensional PARC configuration of the organization in a manner that generates better dynamic performance and resilience, given the nature of the environment in which the organization operates, but also taking into account its turbulence and its evolution, and fully recognizing the limits of such exercises. These four dimensions may be tweaked in a creative way to provide effective dynamic coordination, but unintended consequences may thwart the whole experience. This sort of work requires: (1) a new vocabulary because critical description is crucial at the diagnostic phase; (2) a new form of knowledge, a new type of exploratory activity and a new process of experimentalism-based creative thinking; and (3) a new type of competencies.
However, this process will lead to nothing substantial unless one has been able to develop (4) a mental tool box of levers useable in such design work and capable of guiding the tentative work of crafting new organizations. But, because organization design is akin to creating a new world, none of the above will suffice unless the design process (5) truly discloses a coherent world (a body) and contributes to impart it with a style (a soul) that provides it with a sextant, focal points that underpin its being able to sustain effective coordination and change (Simons 2005; Paquet 2007).

This topic proved difficult to discuss. In large part, this likely stemmed from participants’ lack of direct involvement with the process of deliberately attempting to change organizations, along with the false impression that ‘organization design’ refers simply to the definitions of roles and reporting relationships. Moreover, the very notion of re-organization came with some baggage: it is often perceived as a decoy for scaling down the operations. Consequently it often generates a culture of ‘resistance to change’ that tends to discourage prototyping or redesign initiatives.

Demographics were referred to as a determining factor as young people are often more willing than their older colleagues to experiment. However it was also felt that oblique strategies may be more effective as existing structures may correspond to important vested interests. The HR function was the common ground that proved most congenial for the discussion both as a result of familiarity with the field, and as there was some agreement that this might be the locus where redesign might be regarded as a top priority.

Intelligent organizational design is not a matter of recipes but a way of thinking that is non-linear, uses a holistic approach, and entails the practical use of prototyping. In the case of HR, without (a) better information about people, (b) a more accommodating classification system, (c) a reduction in institutional rigidities and (d) the avoidance of the current mixed messages seeking both permanence and fluidity – significant improvement is going to be hard to achieve.

Intelligent public service
November 28 and 30, 2007

A well-functioning public service is the core of the administrative arm of government. In a Westminster model, it serves elected officials by providing them with their best advice and by ensuring that the programs of action and inaction of the government in place are carried out as effectively, efficiently, economically and creatively as possible.

In Canada, at the federal level, the governing of the public service is carried out by a multiplicity of institutional players: Treasury Board Secretariat, Privy Council Office, Canada Public Service Agency, Public Service Commission, and Canada School of Public Service – above and beyond a myriad of actors at the departmental and agency level. It has been guessed that, at the central agencies level, no less than 2000 full-time equivalent employees are involved, and close to another 1000 at the departments and agencies levels. This entails expenditures of between $300 and $400 millions per year.
It has been argued that the present arrangements are far from satisfactory. The public service is often regarded as not serving elected officials well, as doing so in a rigid and not very innovative way, and therefore as being performing at a level that is below expectations. This should not be interpreted as denying in any way the general quality of the Canadian public service by comparison to the public service apparatus in other industrialized countries. It is simply that much room for improvement has been perceived by observers in a number of recent reports.

Two of those reports have been receiving much attention of late: the work of the Prime Minister’s Advisory Committee on the Public Service (the so-called Mazankowski-Tellier Committee) and the last interim report of the Public Policy Forum – Canada’s Public Service in the 21st Century – Destination: Excellence (the so-called Ian Greene Task Force).

While these reports made a number of helpful suggestions, it is fair to say that they were both very cautious and circumspect about the way to deal with the tensions between the elected officials and the bureaucrats. They narrowly focused on human resources management issues (including performance management) that, if dealt with satisfactorily, might help the Canadian public service to perform better. Issues like the burden of office of the public service, the moral contracts binding them to the different stakeholders they serve, and the professionalism that is fundamental to their activities in our Westminster system of an independent and non-partisan public service were largely ignored.

Yet those latter issues were clearly on the mind of many observers who have been wondering whether the public service in its present form can survive and have pondered the question of what intelligent public service really means.

The discussion here was painful as it is quite difficult to assume (even temporarily and for the sole purpose of discussion) that the public service (to which one belongs) might be ‘unintelligent’. However it became clear as the discussion proceeded that the cumulative impact of poor accountability, regulation and organizational design could only add up to a less than perfectly intelligent public service.

Again, the HR dimension dominated the discussion because it provided more palpable evidence of the sort of dysfunction referred to in the general discussion. It provided much evidence of the difficulty of striking the right balance between reliability and innovation. It also led to the recognition that there is much more need for innovation, measurement of the right things the right way, and for sensible reporting.

The need for being given an “objective not a template” and “a goal without being told how to achieve it” were regarded as necessary prerequisites to producing good results. Mentoring and coaching were noted as important for improving capability. The participants deplored meaningless reporting, observing that the centre did not have the capacity to analyze all the information being sought.
In a general way, intelligent public service was seen as building on three conceptual pillars: the burden of office of public servants, the many moral contracts created with different stakeholders, and the professionalism that public servants bring to their work. Nevertheless, without a real capacity (a) for pushing back when rigid and ineffective action is ordained, (b) for cultivating communities of practice, (c) for empowering managers and (d) for measuring the right things the right way – moving towards an intelligent public service will be hard.

(2) Perverse incentives

The second set of topics (Winter 2008) tried to probe some of the sources of the lack of intelligence noted in the fall term. Those sources and causes are many: some are structural, others organizational, still others behavioral. We focused on some of the behavioral dimensions and particularly on toxic and perverse incentives which may help explain some of the most destructive tendencies and proclivities that would appear to undermine the governing of our social system in the private, public and social sectors: rewarding failure and deception, punishing success, positive discrimination, and failure to confront.

The issues discussed in the fall term were not, in general, disturbing emotionally (at the end of the day, who could be in favor of unintelligent anything) and led to engaged but relatively serene discussions in all but the last session. The issues discussed in the winter term were emotionally-loaded. A very careful approach was needed to deal with each of the four issues by working carefully through four stages: is there evidence of such behavior? is there evidence that it has become more important of late, and that it creates problems? can one speculate on the root causes of such behavior? can one design correctives in the short and longer terms?

It is fair to say that consensus was neither sought nor reached on these difficult issues. Moreover it is also true that, in general, conversations about these issues were rather difficult. Disagreement – often sharp disagreement – was recorded on all four questions about all four issues. It ranged from vibrant denial that any of these issues were relevant or had any materiality, to the sad recognition by the other half of the groups that they were rampant viral afflictions that were slowly destroying the culture of the public service as well as our social system. As a result, our summary of these issues is clinically sanitized but in ways that try to echo the temper of the debates as fairly as possible.

Rewarding failure and deception
February 13 and 15, 2008

Incentive reward systems are foundational in organizations. When an organization sends wrong signals (as when it rewards failure and deception) it conveys to all members of the organization that performance and dedication are not required. This can only corrupt the whole incentive reward system. While one wants to be tolerant of mistakes as an essential component of the learning process, when confirmed and systematic failure and deception are rewarded by lateral moves or promotion, this can only be destructive.
The challenge is to strike the right balance: encouraging experiments, innovations (and therefore potential failures) without being seen as rewarding gross incompetence, misleading messages and deception. Punishing deception is indeed the first step in establishing intelligent accountability as we explained in the fall term.

After a moment of discussion about what could be meant by “failure” (and the need to understand that there may be some confusion and legitimate differences of opinion depending on where one stands), it was agreed that *grosso modo* rewarding failure was ‘endemic’. Why? Much was made of the extreme difficulty in dealing with poor performers, and the consequent minimal incentive for executives to keep the public interest in mind on these matters, and to take punitive action anyway. Too often, there is a tendency to off-load problem cases by getting non-performers shunted off or promoted elsewhere.

Perversely, this is often encouraged by the ‘higher ups’ who want to avoid the short term havoc of quarrelsome and disruptive dismissal procedures for ‘their’ organization. Fear of harassment charges or of damaging personal relations encourages this culture of ‘playing nice’ and hyper-tolerance, and it discourages criticism. Even though one may be said to live in an age when audit and oversight have become pervasive, bad results are often camouflaged, and bad performers not punished. While all agreed that the private benefits of such practices are not negligible, it was also agreed that the social costs are huge.

It was felt that it is naïve to expect that there will be any change until each executive accepts that addressing this problem should be regarded as his or her own responsibility. This requires educating persons upward that responsible action calls for (a) refusing to indulge in camouflage or beggar-thy-neighbour practices, (b) acting responsibly as a cadre of executives to reinforce this commitment, and (c) providing unfailing support to managers trying to deal with these kinds of problems.

Mechanisms or practices that help prevent such pathology from being eradicated should be questioned explicitly, and raised at executive retreats. For example, it should be common knowledge and widely publicized within the organizations that harassment allegations will not be entertained if there is a performance problem.

The burden of office of an executive is not first and foremost meant to be focused on being nice, but on ensuring that important public functions are performed as effectively, efficiently and creatively as possible. Those unwilling to subscribe to these principles should be relieved of their executive functions. The public expects nothing less from professional executives as professionals.

Not surprisingly, the official public service document listing key leadership competencies (a document widely used in executive training) includes two pages of ‘generic’ ineffective behaviors that need to be avoided by all personnel – from supervisors through deputy ministers (Government of Canada, Key Leadership Competencies, published by the Public Service Human Resources Management Agency of Canada and the Public Service Commission, 2006).
Yet, at the same time, a list of ways of ‘dealing with ineffective performers’ is explicitly provided for all levels but only up to director. It then vanishes, as if it could not happen at the higher level. This is perplexing especially in view of the recently-released second Mazankowski-Tellier report in which the need to “deal with poor performers” (wherever they are in the hierarchy) is singled out as particularly in need of more attention to improve performance.

Punishing success
February 27 and 29, 2008

Punishing success is even more toxic than rewarding failure. It is a form of organizational violence and indicates that personal likes and dislikes are much more important than performance. If tolerated, not only does it destroy people but it also weakens and brings organizations down by discouraging initiative, creativity and innovation. Allowing executives to endanger the health of their organization through the pursuit of personal vendettas or sheer spite puts in question the very notion of fairness; it is no more defendable if such action is taken in order to preserve one’s empire or to prevent its erosion.

Again the discussion focused at first on the notion of ‘success”. In a world of greater complexity, faster change, and much pluralism, there may be some legitimate differences of opinion about what is ‘success’. The general view of half the groups was that ‘punishing success’ was not as endemic as ‘rewarding failure and deception’. Nevertheless numerous examples were cited, and therefore the other half disagreed.

There was sharp disagreement also about whether or not organizational violence (in this form or in other forms) is or is not on the rise. Some argued forcefully that it was on the rise. On the other hand, there was much denial of the problem: its reality, its increasing importance, its toxicity. The sense of denial permeated the discussion, despite the strongly held view by a minority that such denial was unconscionable.

Despite the resistance to the idea that such psychopathic behaviour may be rampant, some support was lent to the view that some bricolage was in order – a number of small things that make this perverse behaviour more well-known, better exposed, might make it less likely. For executives, a focus on symbolic and oblique measures (e.g., referring systematically to values and ethical code) as well as ‘in-your-face’ demands of account in such cases may represent avenues to explore.

Even though many examples were given of individuals (Allan Cutler) having been punished for doing their job well and in a very professional way, and of organizations (Service Canada) having been savaged despite award-winning experience, there was a deep reluctance to recognize that punishing success may be a viral affliction in public sector organizations. The assumption that officials are knights and not knaves was put forward so strongly that the very idea of entertaining the thought that success was punished seemed to be impossible for many participants to entertain.
At no time since the discussion on disloyalty (in the first APEX series) can one say that the denial was stronger. The vocal minority was exercised by this cognitive dissonance and expressed its views sharply, but to no avail. The discussion was derailed into a philosophical disquisition on what is ‘real success’, and denunciations of ‘pseudo-success’ reached at great human costs. It is not unfair to say that some aspects of the conversation brought to mind the famous line of Lewis Carroll’s Humpty Dumpty – “when I use a word, it means just what I choose it to mean”. It is therefore unlikely that this conversation will have much follow on impact.

Positive discrimination
March 12 and 14, 2008

The topic was squarely defined as not dealing with persons with equal capabilities on all counts but different only on the basis of markers like race, gender or color, etc., but dealing explicitly with the choice of a lesser quality candidate when candidates of higher quality are available and by-passed only because they are not from the minority group being targeted. There is little discussion of these issues: is it because the problem does not exist or because of political correctness?

Positive discrimination (in this very particular and narrow sense) is the deliberate setting aside of key performance objectives discussed in the last two sessions (success, failure) in the name of higher goals and objectives. Wittingly or not, it amounts to rewarding lesser performance and punishing higher performance in the name of some ‘greater good’ like making reparation for past wrongs, improving the representativeness of the bureaucracy, and the like. Moreover, it is done with a great amount of self-righteousness.

There was no denial that the problem exists and is important, but it was argued that, in the public sector, one cannot be restricted to matters of efficiency or fairness: it is also a matter of legitimacy. Therefore the ‘need to have a representative public service’ may be legitimately used as a basis for ‘corrective measures’. In other words, there was an acknowledgement that positive discrimination was regarded as necessary in some situations in order for some barriers to be eliminated, so that one may generate a ‘representative’ bureaucracy.

_A contrario_, there was also a substantial agreement that too much is made of the problem of an un-representative public service. While the structure of the public service may not match perfectly the fabric of Canadian society as it stands today (as a result of rapid transformation over the last 50 years) it is unreasonable to expect instantaneous adjustments. The expertise and experience necessary for promotion to higher levels in the public service take time. It was pointed out that market forces, demographics, and time will take care of the problem (and faster than anticipated as a result of the massive retirement cohort that is forthcoming). This suggested that positive discrimination might be overused: it might be needed to achieve a critical mass of targeted groups, but, beyond that level, what is needed is simply good management of the interface at group boundaries.
Nevertheless the culture of political correctness is very strong, so that the trade-off between representativeness and efficiency-effectiveness of the public service is unlikely to be a topic that is openly discussed. There was broad agreement that implicit discrimination (unintentional and outside the discriminator’s awareness) will also require more attention.

Failure to confront
March 26 and 28, 2008

It is always unpleasant (except for sadists) to confront a person whose performance is unsatisfactory and to demand that some corrective measures be taken. It is probably the most important weakness of leaders in all sorts of organizations: the lack of capability or willingness to look a person directly reporting to one in the eye, and to say that “this will not do”. Yet this is a fundamental requirement for any leader, it is part of his/her burden of office. Failure to confront is tantamount to deception, to not telling the truth, to misinforming.

The chronic unwillingness to confront may arise from fear of challenges, rejection or disapproval, from being ridiculed, or fear of an interaction one cannot control, or simply as a result of a lack of self-confidence and courage. But it entails some reprehensible disengagement, some unacceptable strategic silence in the face of situations calling for correctives. It may also condone and nurture some learned helplessness – a reaction of passivity in the face of unpleasant, harmful or damaging situations where one senses that one has neither bargaining power nor capacity to resolve the problem.

While there was a general agreement that this was a crucial problem, and that this was on the rise, there seemed to be a strong reluctance to focus any energy on designing mechanisms aimed at resolving this difficulty. The need to find ways to foster more courage was underlined, but it went no further. Even though it was recognized that, at this time, “strategic silence” may have become too much of a survival strategy for executives, and that it may prove very costly for organizations, relatively little in the way of positive action was argued. Yet, it was recognized that taxpayers may soon ask why they should surrender money to a state so badly equipped to exercise due diligence, and to demand that public servants perform their duties efficiently, effectively and creatively, or leave.

Participants concluded that failure to confront was a problem on the rise in the public service in connection with ineffective performance but also a cause of the weakening of the challenge function with respect to policy.

Training could play a role in increasing awareness, and in teaching techniques for handling difficult conversations. Nevertheless, participants emphasized that, in many cases, people knew how to confront but that the blockages arose elsewhere – in particular, the lack of support by superiors. It was also telling that many participants found “failure to confront” to be offensive language in Canadian culture: promoting dialogue was seen as preferable to bemoaning ‘failure to confront’!
A personal distillation of what we learned

Any effort to distil lessons from such disparate discussions on difficult topics with different groups over the period of more than six months is bound to fail in being as comprehensive as it should be ideally. Most certainly, every participant might well come up with a slightly different list of key issues if the task were delegated to him or her. So this particular distillation does not claim to be more than one set of observations by two of the participants. We have presented our observations under four rubrics, but these sections are preceded by a cautionary statement.

(a) a cautionary statement

No conversation can make any sense without some contextual information being supplied. The conversations referred to above were held in difficult times for the Canadian public service both as a result of a troubled conjuncture (minority Conservative government after more than a dozen years of Liberal rule, decline in the trust in government and bureaucrats in general, etc.) and of a period of fundamental questioning about Canadian political institutions (remise en question of the role of an independent public service in dealing with elected officials in a world drifting from Big G government to small g governance, new complexity of the issues as one enters an era of distrust where collaboration among a much larger number of partners is necessary but rather difficult as it remains uncharted territory, etc. ) (Hubbard & Paquet 2007b).

This context could not but influence the nature of the conversations. And this turbulent environment has of necessity made it difficult to disentangle the roles of external (i.e. contextual) and internal (i.e. emerging from the fabric of the public service) factors in making sense of what was said and in explaining why such reactions were elicited by the conversations.

The temptation to ascribe much of the pathologies we observed to external factors had to be contained. Such an approach would appear to characterize senior executives of the Canadian public service as passively suffering these pressures and without a capacity to act as définitseurs de situation in a learning organization. A more reasonable perspective is to ascribe a portion of the difficulties to the context, but a significant portion of it to failures of the executives in fully mastering the technologies of survival, adaptive and generative learning (Senge 1990).

The purpose of our conversations is obviously to foster a better understanding of the complexity of the environment and of the wickedness of the problems faced by public sector executives, but as well to help develop what Peter Senge calls ‘personal mastery’ – the capacity and discipline of continually clarifying and deepening their learning process and of becoming “acutely aware of their ignorance, their incompetence, their growth areas” (Senge 1990: 142). This cannot be done without sharply identifying what one can detect as internal (behavioral and organizational) features that need to be transformed by executives themselves.
So our clinical and provocative diagnoses have to be interpreted not as putting the onus of adjustment entirely on the executives (for there are things that will require nothing less that a modification of Canadian institutions and of the Canadian mindset), but as putting much responsibility on their shoulders to deal with those portions of the undeniable pathologies that are under their control.

Two major contextual factors should however be kept in mind in interpreting what might be regarded as a stark diagnosis.

(i) First, debates are going on about the unresolved questions about the legitimate role of the senior public servants. As Paul Thomas put it “we want an independent public service. Is this independence mainly important for the implementation of public policy to ensure fairness and impartiality in the delivery of programs and services? Is the same amount of independence required with respect to the provision of policy advice? Does independence for the public service guarantee objective advice to government? Are objectivity and independence the same quality in an institution? … Acceptance of the notion of a separate place in the constitutional order for an independent public service (i.e., the presumption behind Gomery and the Public Accounts Committee of the accounting officer concept) has far reaching implications. It implies, for example, that the public service has a legitimate role in helping to define the public interest.” (Thomas 2008).

In the face of such indeterminacy, it is difficult for senior executives not to be confused, and there is little any one can do about it until some clarification materializes.

(ii) Second, the nature of the problems faced by elected officials and senior executives is immensely more complex in the world of small g governance than it used to be in the old Big G government institutional order. Yet there is a great reluctance in accepting the fact that these more wicked problems may not be capable of being handled adequately by the old artillery. This entails a transition in the nature of the job of senior executives and the development of a full acceptance that the old ways must change accordingly.

Again, the fact that this transition is far from over, and that many senior executives in the public service at all levels and many crucial partners still are in denial about the need to change significantly, cannot but paralyze action by senior executives, and generate much frustration that cannot be overcome by wishful thinking.

This being said, we could not fail to observe the following perplexing phenomena as a result of our discussions.
(b) somebody is in charge and it is not me

A rather perplexing set of assumptions would appear to have cast a shadow on our conversations. Unsurprisingly, it had to do with the great difficulty of many of the executives in coming to terms with their ‘real’ place both in the overall governance apparatus and in the public sector. One could feel a strong tension between, on the one hand, the willingness by executives to take charge and to accept responsibilities for success or failures, and, on the other hand, some sense that they are not in charge. Yet, when faced with the hypothesis that they have to take charge, because nobody is truly and completely in charge, there was a forceful reaction of disbelief.

So, the executives seem paralyzed by the triple presumptions (a) that it cannot be that truly nobody is in charge, (b) that, since they (the executives) are not in charge themselves, (c) these ‘somebodies’ in charge should provide guidance.

Faced with the hypothesis that we are drifting from the world of Big G government to small-g governance, the senior executives seemed unready to accept (at least initially and easily) that they are key producers of governance, that they are the ones holding the key to most of the challenges discussed. They are torn between the old Westminster model that tells them that they are the ‘servants’ of parliament, and the new credo that claims that the super-bureaucrats and senior executives are more legitimate than the elected officials, and therefore should be in charge (Paquet 2008a,b). As a result, they seem to perceive themselves as ‘subordinates’, and therefore as not really being in charge.

This (added to the great confusion in the context) seems to have created a climate of learned helplessness that constrained even the ambit of permissible discussion to a considerable degree. Much of the casuistry displayed during the discussions (about what is success, failure, etc.) is ascribable to the fact the executives cannot bring themselves to believe that we can live in a world where nobody is in charge: they cannot but search for some “person in charge” either in the political sphere or in the upper sphere of the bureaucracy. This acts as a self-restraining mental prison that prevents them from claiming their just place in the governance structure. How much is ascribable to the context and how much to this mental prison is a moot point: both factors would appear to prevent the senior executives from exercising their full role of ‘governors’.

One must add that this malaise was somewhat shaken off along the way as the different conversations proceeded. Indeed, the slow disappearance of the US-THEM cleavage is probably one of the most positive results of the conversations conducted over the last year, especially for the younger participants: the slow evolution of a perception where the problems were being ascribed to THEM (whomever they are), and the responses expected from THEM, toward a position reached, later in the 2007-08 season, where the participants (1) came to reject that servitude volontaire, (2) began to recognize their share of the causal factors and their responsibility in generating meaningful and effective responses, and (3) did it in a more and more forceful way. There was no mind quake, but a change in mindset.
H.L. Mencken wrote somewhere that for every complex problem, there is a solution that is simple, clear and wrong. This is an aphorism that echoes both (a) the presumption that the degree of complexity of the discussion of or of the response to an issue has to be as great as the nature of the issue being debated; and (b) the dangers of particularly reductive manières de voir that often lead specialists to be no better than one of the blind men, in the Indian tale, trying to describe an elephant.

The prevalent mindset of executives (ascribing so much authority to external powers at least at first, and claiming so little real governance as being in their hands) explains why the executives were so reluctant to be dragged out of the concerns about the ‘how’ toward a better appreciation of the context, of the need to understand the ‘why’, and of the obligation to engage in critical and reflective thinking on these broad issues. Such grander way of dealing with issues was simply seen as out-of-bounds.

This déformation professionnelle explains the impatience with contextual issues and the pleasurable satisfaction with dealing in operational details. While such a bias was not universal, it was present: enough in any case to drown efforts by many to cast a wider net, to frame issues in a broader way, and to deal with non-operational issues. This led the discussion to founder on the search for recipes and ways out, or to focus on some tractable aspect of the question (like HR) instead of spawning reflections on the broader sources and causes of the problems raised. If you think that you only have a hammer, everything starts looking like a nail.

This was in no way the result of a lack of intellectual capability for appreciation of such complexities but rather the result of a sort of professional bias that would appear to have struck the federal executive class and drawn it away from the shoals of critical thinking into the quiet waters of operations. In a world where critical thinking is not valued as much as it used to, and is even seen unfavorably, it is hardly surprising that in dealing with taboo topics one would be naturally led to search for a technical fix rather than for an appreciative system.

This professional bias may be ascribable to the decline in the valuation of critical thinking since the 1990s when, in certain federal quarters of the public service, criticism became a synonym for treason. This was the time when the programs of the Canada School of Public Service were stripped of their critical edge, and when training became clearly much more focused on logistics than on appreciation. This bias has come to define the norms in good currency. So much so, that even groups as venturesome as the ones we met in the APEX series tended often to shy away from tackling problems in a reflective manner and to focus on instrumental and highly focalized avenues.

(c) cognitive dissonance and political correctness

The two mental prisons mentioned above (servitude volontaire and déformation professionnelle) seem to go a fair distance in explaining the mix of cognitive dissonance
and political correctness that marred our conversations. The great amount of tiptoeing around the difficult topics would appear to flow from two imperatives: avoiding any self-indictment of the public service *per se* as much as possible, and any statement that might sound politically incorrect.

On the first front, this entailed much cognitive dissonance: the denial of unintelligence and of misbehavior by authorities was in most cases the *position de départ*, and there was much defensiveness whenever it was suggested that some particular event or some particular action might prove the point that something untoward was averred.

When the 2006 Key Leadership Competencies document was tabled showing that it was presumed that nothing untoward could be expected from the very upper ranks, the reaction was straight-faced denial until the particular pages could be shown. The examples of misbehavior tolerated by deputy ministers and then rewarded were greeted with much malaise but readily dismissed as exceptions to a general diagnosis that ‘things were not that bad’ and that it was unreasonable to generalize on the basis of a few examples.

One could notice, even in a group that can only be characterized, by all accounts, as enormously more open-minded and venturesome that the average public sector executive, a disposition and even a propensity to defend the system by blanking out not only the implications one might reasonably derive from the observed phenomena, but also by systematically down playing the weight of the evidence brought forth. Not only was there denial that there has been much misbehaving, but there was even some disingenuity at times in the rationalizations proposed to make sense of them.

On the political correctness front, the lines were less sharply drawn. Decades of guarded language and human rights commissions’ denunciations have taken their toll. Robust language was not well received, but there was a surprisingly fresh willingness to insist on a softer language as a strategy to ensure that the issue would be dealt with. Avoiding provocative formulations was a tactic used by some not to frighten others who were particularly sensitive about such things.

Taboo topics were defanged by flats and sharps, and the issues were de-generalized in a manner that helped to exorcise their damnable aspects. The group tended to focus on particular instances and circumstances to illustrate ways in which difficult issues like positive discrimination had been handled aptly. This approach allowed the group to be much bolder on this external front than it allowed itself to be on the internal front (i.e. when dealing with the public service proper). Still, there was some defensiveness and a sharp contrast between the evenly balanced sub-groups – those yearning for sharp and forceful exchanges, and those hesitant about allowing it to proceed too far.

(d) the presence of latent fear

The most elusive sense that permeated the discussions was one of latent fear. This had nothing to do with any sort of edicts but rather some form of self-censorship that has
become habitual, it would seem, as a survival instinct in a world where critical thinking 
and sharp exchanges are no longer valued as they used to be. This is where the rampant 
sense of organizational violence would appear to take its toll. To a person, participants 
testified that prudence was _de rigueur_, that it was by far the most important of the 
cardinal virtues in the public service these days: much more than the other cardinal 
virtues – temperentia (the sense of limits), fortitude or courage, and justice (van Hooft 
2006). This would appear to flow from a profound culture of distrust that has come to 
imbibe the Canadian federal public service.

This culture of distrust has much to do with the evolution of the nexus of moral contracts 
among the politicians, the bureaucrats, the diverse interest groups, and the citizenry as the 
regime drifted from Big-G government to small-g governance (Paquet & Pigeon 2000). 
In the stylized world of persons like Donald Savoie, there used to be a simple loop – 
linking voters to their MPs and through them to the PM and cabinet, and then from 
cabinet to ministers, departments, and the cascades of public servants back to the citizen 
– that has now (as he would have it) been broken (Savoie 2008). If such a loop of 
accountability ever existed is a moot point, it is clear that it has not existed for a long 
time, and that we have lived much more in a power matrix whose organizational chart 
would look instead like a knotted fishnet.

What has changed is the structure of moral contracts binding this set of public actors: 
from contracts based on trust to contracts based on distrust. Disloyalty need not be 
generalized for distrust to prevail: if only a small fraction of a group is disloyal but there 
is no way to know who they are, distrust will become endemic (Paquet 2008b). Indeed, 
this has been the sort of drift one has observed, not only in Canada but in many advanced 
democracies, with the result that executives are now living in an age of distrust (Hardin 
2004; Rosanvallon 2006)

This sort of distrust, together with the growth of organizational violence, is at the source 
of this latent fear that permeated our conversations. It is ascribable to a much greater 
extent than is usually suggested to poor organization design, leading to a growing gap 
between what is expected and what can be delivered, and consequently a source of both 
stress and harassment. Again, how much of it is ascribable to context (and therefore 
beyond reach for the executives interested in engineering needed repair) and how much 
to cultural factors within their reach (even though it might be a daunting task to deal with 
them) is quite difficult to ascertain.

In this context, it is therefore hardly sufficient to suggest that order can be restored only 
by super-bureaucrats and senior executives being given more power (as Savoie suggests). 
Rather, what is required, if fear is to be attenuated, is recognition that in a world of 
governance, new structures have to be designed and new rules of the game have to be put 
in place that build much more on trust than distrust.

What this refurbished system might look like has not crystallized yet but some of its 
contours have been sketched by Sunstein and Thaler under the generic name of 
_libertarian paternalism_ (Sunstein 2005: ch.8; Thaler and Sunstein 2008).
It argues for a soft, non-intrusive type of public sector intervention to nudge citizens in certain directions without forbidding, very much along the lines suggested in the governance literature.

Clearly, until such time as the very notion that ‘nobody is in charge’ takes hold of the mindset of public sector executives at all levels (including DMs), there is little hope that the necessary redesign will be put in place, that intelligent work will unfold, that perverse incentives, organizational violence and fear will be subdued, and that moral contracts among the different actors can be renegotiated. And, unless this can be done, there is little sense in hoping the complete dominance of prudentia over fortitude, courage and justice will be shaken off by executives in the public service.

Conclusion

In closing it may be useful to remind the reader that one cannot and should not forget that these conversations with a few dozens self-selected executives in the Canadian federal public service constitute a small basis from which one can only very prudently generalize. We have chosen to do so somewhat prudently but also boldly in the hope that conversations around these topics, and around our conclusions, would generate useful discussions.

It is our view that discussions in safe spaces constitute an extraordinary powerful instrument to accelerate the transition that is required. Not only do such discussions provide an opportunity to deal with difficult issues with a view to generating both better understanding and closer collaboration (i.e., trust), but they are also a good cauldron where professionalism is reinforced and solidified. For, in the absence of real-life experiments, such discussions are a substitute for experimentation. Indeed, as Albert Hisrchman has so aptly said, a diet of conflicts that a group is capable of resolving does marvel to generate a sense of community.

Whether our observations are confirmed or challenged, the topics raised remain crucially important, and deserve the attention of those who have chosen a career in the public service, and find themselves less able to serve as well – to do intelligent work or to fend off perverse incentives – as they would like. Without such conversations, there may be a danger that unwittingly some of the foundational institutions that Canadians have invented to govern ourselves will be eroded.

Moral contracts need to evolve constantly with circumstances and they need to be kept in mind, to be in the forefront of our consciousness, if they are to be so re-negotiated. Otherwise, one may fall prey to simplistic fixes like the argument in good currency among columnists – *ces magistrats de l’immédiat* – these days that elected officials have lost legitimacy and that the ‘solution’ is that super-bureaucrats and senior executives need to be given more power.

For those tempted by such stratagems (and they are many in the ranks of the public sector executives) a re-reading of the parable of the wicked tenants may be in order. This is the
parable of the vineyard planter who leases his vineyard to tenants who turn out to be wicked, and subsequently murder the planter’s son to try to inherit the vineyard. The fate of the wicked tenants was predictably tragic.

References


G. Paquet, “La gouverne d’une socio-économie baroque” Options politiques 29(7), 2008a, 44-49

G. Paquet, “Superbureaucrats and counter-democracy” Canadian Government Executive June 2008b

G. Paquet “A Plea for Intelligent Accountability” Financial Management Institute Journal, 19 (2), 2008c, 9-14


ANNEX : Readings associated with the different sessions

**Intelligent accountability**


**Intelligent regulation**


**Intelligent organizational design**


**Intelligent public service**

Prime Minister’s Advisory Committee on the Public Service, Second Report to the Prime Minister. Pursuing a High Performance Public Service, February 2008
Public Policy Forum, Canada’s Public Service in the 21st Century Destination: Excellence, Ottawa 2008

**Rewarding failure and deception**


**Punishing success**


**Positive discrimination**


**Failure to confront**