

Blaming phantom “bureaucrats” for the ills of the NHS and other public services blinds us to the value of a good bureaucracy, says **Craig Ryan**.

Ghosts in the machine

Bureaucrats are famously faceless, but they’re usually invisible too. Who are these obstructive pen-pushers, these clock-watching jobsworths, getting in our way? You? Your colleagues? Your boss? Your chief executive? Have you noticed that whenever someone attacks bureaucracy, in the NHS or elsewhere, like *Macavity the Mystery Cat*, the bureaucrat’s not there?

American academic Charles Goodsell, who bravely wrote a book called *The Case for Bureaucracy* (2004), said: “Bureaucracy, institutionally, is said to sap the economy, endanger democracy, suppress the individual and to be capable of embodying evil. It is denounced on the right by market champions and public choice theorists and on the left by Marxists, critical theorists and post-modernists.”

For decades, “bureaucrats” have been everyone’s favourite scapegoat. For politicians and much of the media, blaming bureaucratic phantoms is a way to avoid responsibility for failed policies and ideologies, or to duck the tough political decisions. Why admit your billion-pound NHS reorganisation was ill-conceived when you can blame “bungling bureaucrats”? Why deal with the awkward reality that markets

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Max Weber

sometimes fail when you can blame interference from Whitehall or Brussels? Why face the facts about funding NHS care for an ageing population when you can just promise to slash “red tape”?

Professor Julian Birkinshaw of London Business School works with managers on streamlining their organisations. “I always push back when they say bureaucracy is the problem,” he says. “‘What exactly is going wrong?’ I ask them. Bureaucracy is a convenient bogeyman, as it can mean anything bad about big companies.”

So, if everyone agrees bureaucracy is a bad thing, why is it so hard to get rid of?

In the early 20th century, the German economist and sociologist Max Weber made the first academic study of bureaucracy. He concluded that bureaucracies were hierarchical, based on rules and procedures, upwardly accountable, functionally departmentalised, deliberately impersonal and employed people on the basis of technical qualifications. Few business schools would quarrel with Weber’s description of bureaucracy, even today.

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Try reversing Weber’s attributes and see where that gets you in, say, a hospital, a government department or even a tech multinational. It’s only when we try to imagine life without bureaucracy that the reasons for its survival become clear.

We complain that bureaucracies offer impersonal, “bog-standard” services. Bureaucracies do usually try to treat clients or customers according to a

consistent set of rules, principles or criteria. But how else do we want to allocate NHS treatment, school places or benefit payments? According to the whims and prejudices of individual public servants? First-come-first-served? The ability to pay fees or bribes?

We need bureaucracy to make sure that “personal” does not become arbitrary, discriminatory or wasteful. In an A&E department, this usually means treating people according to urgency. Using a “bureaucratic” procedure, such as triage, results in *more* personalisation not less. “Bureaucratic” requirements for professional qualifications and standards help to ensure that good post-natal care, for example, does not depend on chancing across a “good” health visitor rather than a bad one.

We complain that bureaucrats are feather-bedded in their secure jobs. But effective administration benefits from experience and a degree of continuity in leadership. But despite a mountain of evidence that rapid management turnover diminishes the performance of healthcare organisations, the average NHS chief executive lasts just 20 months in the job.

Twenty *years* is more like it, according to Ross Baker, professor of healthcare management at the University of Toronto. He studied several top healthcare organisations for the King’s Fund 2011 Leadership Commission, including Henry Ford Healthcare in Detroit, Jönköping Council in Sweden and our own Heart of England foundation trust in Birmingham. Baker concluded that the highest performing organisations were “likely to have long-serving senior leaders, and transitions that preserve their achievements”.

We complain about “jobsworth” bureaucrats, unwilling to go the extra mile, use their discretion or take risks. But clearly defined responsibilities and lines of accountability are important, especially when the public expect someone to “own” their problem and take responsibility for sorting it out.

It’s World Cup time, so let’s try a football analogy. When the 2014 Premier League Manager of the Year,

Tony Pulis, joined Crystal Palace last November, the club were rooted to the bottom of the league. Six months later, without a single new player, Palace finished eleventh, winning five of their last eight games. To what does Pulis attribute this remarkable turnaround?

“The most important thing was ironing everything out on the training ground so everybody knew their role,” Pulis told the BBC. “Wherever the ball is, they know where they should be, they have to be there and if they’re not there it will cause problems.

“The reason why we’ve achieved what we have is because everybody has done what we wanted them to do to the best of their ability. If anybody marches away from that and starts doing what they think is right for them, and not right for the team, then the team will collapse and be similar to what it was before I took over.”

We complain that bureaucrats waste money. But our public bureaucracies are hardly indulgent towards staff or the people they deal with. (I used to go to regular meetings at the Treasury, where tea and biscuits were served in



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regulation “Treasury green” cups. There were always exactly the same number of biscuits as attendees at the meeting. If someone didn’t turn up, the number of custard creams was adjusted accordingly.) In fact, bureaucrats are accused of being penny-pinching almost as often as they’re accused of profligacy.

Truly catastrophic waste often comes from too little bureaucracy rather than too much. With government IT projects, attempts to cut “bureaucracy” through “management by contract” have resulted in a lack of in-house expertise and an inability to control costs. Likewise, neither the Whitehall nor City Hall bureaucracies were able to control the incredibly complex public-private partnerships for the London Tube, which piled up losses estimated at £20 billion by the time they were wound up in 2006.

In 2000, against civil service advice, ministers decided to contract out the Individual Learning Accounts scheme and dispense with the “bureaucratic” accreditation of training providers. When it was wound up mere months later, fraudsters had siphoned off more than a third of the £290m spent on the project.

You can see where this is going. With bureaucracy, the flipside of every vice is a virtue. The time-serving jobsworth with a “computer-says-no” mentality, who is penny-pinching and resistant to change is also an experienced manager, who knows her job, is properly accountable, treats people equally according to the rules, juggles competing priorities, is prudent with her employer’s money and takes evidence-based decisions.

In cost terms, the NHS appears to be a relatively efficient bureaucracy. Whether it spends a “staggering” 13.6% of its budget on administration, as *The Guardian’s* Simon Jenkins claims, or just 8%, as the King’s Fund says, it compares well with the world’s most successful company, Apple, which spends around 30%. So is there any evidence that the NHS is over-managed?

The King’s Fund doesn’t think so. It estimates that only 4.8% of NHS staff are managers, compared to around 16% in the economy as a whole. Since

1997, the NHS budget has more than doubled in real terms, but there are only 25% more “bureaucrats”. The King’s Fund’s NHS Leadership Commission found “appreciable evidence” that the NHS was, if anything, “under-managed”, despite being “overburdened with administrative tasks” — many imposed by the very politicians who complain about too much bureaucracy.

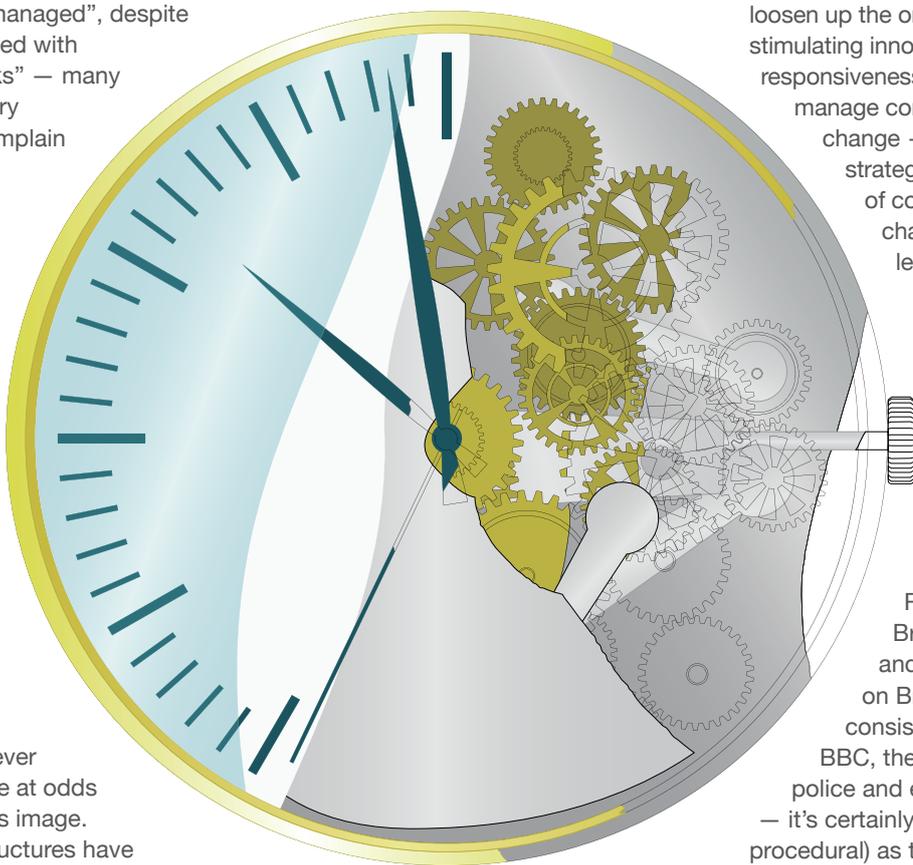
It’s not as if bureaucracy is unknown in the private sector. Indeed, large corporations like General Electric, UBS and Apple have whole “universities” dedicated to training staff in the company way of doing things. This sounds very much like a bureaucracy, however much that might be at odds with the company’s image.

Bureaucratic structures have actually been proliferating as more firms — especially banks and insurance companies — have moved away from decisions based on personal relationships, experience and instinct towards relying on protocols, procedures and models. The algorithm — which dominates much modern business decision making — is a very bureaucratic mechanism indeed. It’s just an automated one.

Just because the top managers wear jeans doesn’t mean the firm doesn’t have a bureaucracy. Corporations like Apple, Google and Microsoft have well-developed bureaucratic structures built around tight brand guidelines, design templates, programming protocols, rigorous standards and extensive testing and verification. They are bureaucratic in ways that work for

them, harnessing bureaucratic structures to support the more creative aspects of the business.

New technologies are developing new forms of bureaucracy. The web



itself is really a digitised bureaucracy, with its hierarchies of documents, strict protocols such as HTML 5, clearly defined roles and functions, and the emphasis on authority and knowledge encapsulated in Google’s algorithms for producing and ranking search results.

Modern management thinking — like complexity leadership and “whole system” leadership, recognises that the bureaucratic and creative leaderships must work together for either to function properly. Large and necessarily bureaucratic organisations like the NHS need to find ways for the two aspects of leadership to talk while giving each other the breathing space to do what they do best. The BBC is a supremely bureaucratic organisation, but it would be a

harsh critic who said it hadn’t managed to function creatively over the years.

In their book, *Leadership in the Twenty-First Century*, Gregory Dess and Joseph Picken (2000) said that the challenge for today’s leaders is “to loosen up the organisation — stimulating innovation, creativity and responsiveness, and learning to manage continuous adaption to change — without losing strategic focus or spinning out of control”. That remains the challenge for today’s NHS leaders.

For all their faults — and some recent setbacks — we still tend to trust our traditional bureaucracies more than private corporations and much more than political institutions. Regular surveys, like British Social Attitudes and IPSOS MORI’s polls on British institutions, consistently rank the NHS, the BBC, the military, the courts, the police and even the monarchy (well — it’s certainly hierarchical and procedural) as the most trusted institutions in the country, and those the British people are most proud of.

In *The Case for Bureaucracy*, Charles Goodsell wrote that “good bureaucracy is indispensable to a free society, a democratic polity, and a capitalist economy... the ability to vote governments out of office requires a reliable administrative apparatus.”

It’s probably asking too much to urge public servants branded as bureaucrats to wear the label with pride, but being indispensable to freedom, democracy and prosperity is nothing to be ashamed of.’ ■

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