



**ADVANCED
ORGANISATION**

“No one in authority had the
courage to shout stop”

(Regling and Watson)

(Report on the Causes of
Ireland’s Banking Collapse)

Public Service Reform: The Central Role of Character and Culture

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Delivering value through insight

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Looking back - - - -:

- “Our economic and financial failures have a **common factor** –
 - - - - we **lack civic responsibility**
 - - - - deficiencies in **civic morality**
 - - - - decline in **standards**
 - - - - socially **defective value system**
 - - - - deterioration in **the ethical standards**”

Garret Fitzgerald,
 Irish Times, April 9th and 16th 2011
 (Recently deceased, highly
 esteemed, former Prime Minister)

And looking forward - - - :

“Garret reminds us of the **values** we need to think more about as we set out on the difficult task of rebuilding.”

(Mary Robinson)
 (Former President of Ireland)

The root cause of the National Crises - -

Betrayal of a set of values that are essential to a decent, prosperous society.

The key to creating a sustainable economy and decent society:

To re-discover and breathe new life into a set of values

Values are Revealed in Character and Culture

Two Levels to Consider

Individual Level: **Character**

“I failed to question the prevailing culture” (Bishop Jim Moriarty)

“No one shouted stop” (Regling and Watson)

“I need people who think differently” (M. Elderfield)
(New Financial Regulator)

Institutional/Societal Level: **Culture**

“A culture of deference, denial, irresponsibility - - - etc.”

“We need to change the culture of bank supervision” (M. Elderfield)

“We need to reform the administrative culture concerning childcare”
(Emily Logan)

Character, Conformity and Groupthink

Most people, when placed under even **mild pressure** to conform to the group's view will do so even when it goes against their better judgement or against their conscience (Asch, Milgram, etc.)

Even if a person disagrees with the group, **they behave as if they do** –
- they 'keep the head down'

Groupthink

This human inclination to conform to the group – even against the person’s own better judgement and conscience results in **Groupthink**

Groupthink occurs when a group makes faulty decisions because group pressures lead to a deterioration of “mental efficiency, reality testing, and moral judgment”. **A group is especially vulnerable to groupthink when its members are similar in background, when the group is insulated from outside opinions, and when there are no clear rules for decision making.**

My Interest: The “Contrarian” Mind

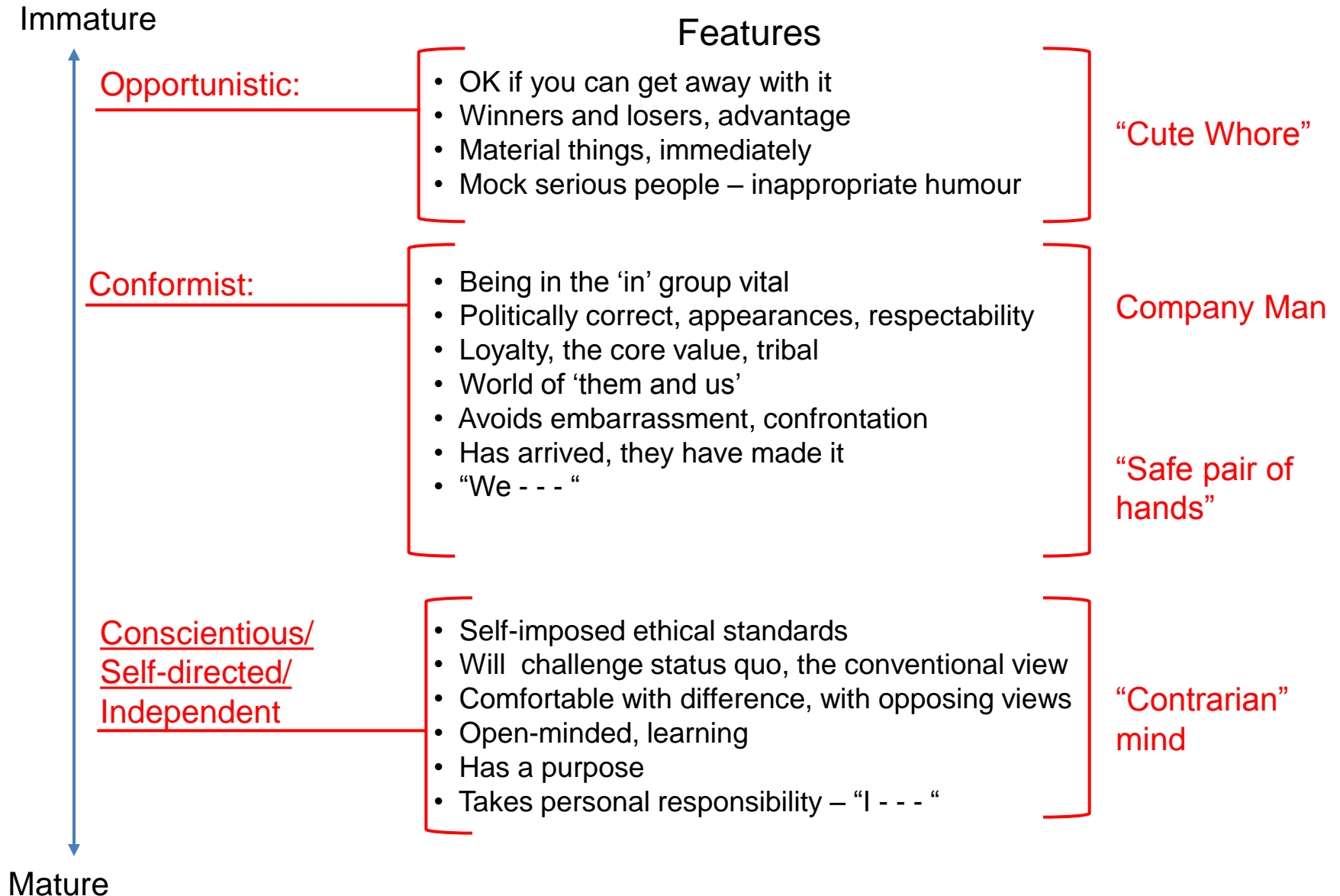
Most people, under pressure, conform

But I was interested in the psychological make-up of the **minority** **who resisted** persuasion and **didn't abandon their own view**

What is it about the **Character** of individuals who have confidence in their own ‘Locus of Evaluation’ and the courage to take a stand? People whose ‘center holds’

Stages of Adult Character Development

For the next 2 – 3 years in the United States I researched - -



A Puzzle

Why do independent-minded people not speak out?

- Because organisations traditionally reward conformity – with money, status, power
 - - - and punish non-conformity

- The independent-minded person has three choices :
 - “Flight” - Leave and go elsewhere
 - “Fight” - Speak out and suffer the consequences (O’Malley, McGinty, Mulvihill, McErlean, - - - (Individuals who lost their jobs when they spoke out)
 - “Pair” - Regress to conformity and ‘play the game’ to protect their jobs, careers and sanity and find space for self-expression outside

A Personal Testimony of the Struggle

“We recognise in our veins the often insidious attitudes and mind-sets of the predominant culture, even as we seek to resist them - -

- - I know that I may well have benefitted - - by my own ‘prudent silence’ from failing to challenge the culture of the institution in which I work, **because I was less focussed on challenging its imperfections than on its continuing to privilege me.**”

Jim Corkery, S.J.
(On the relationship between the individual and the institution
Studies, Summer 2011)

Values at level of the Institution: The Culture

Dysfunctional Culture: Root Cause of Institutional Failures

Organisation as an Iceberg

Note: These are examples of the countless organisations that failed in a significant way and below are the descriptions variously attached to their **Culture**

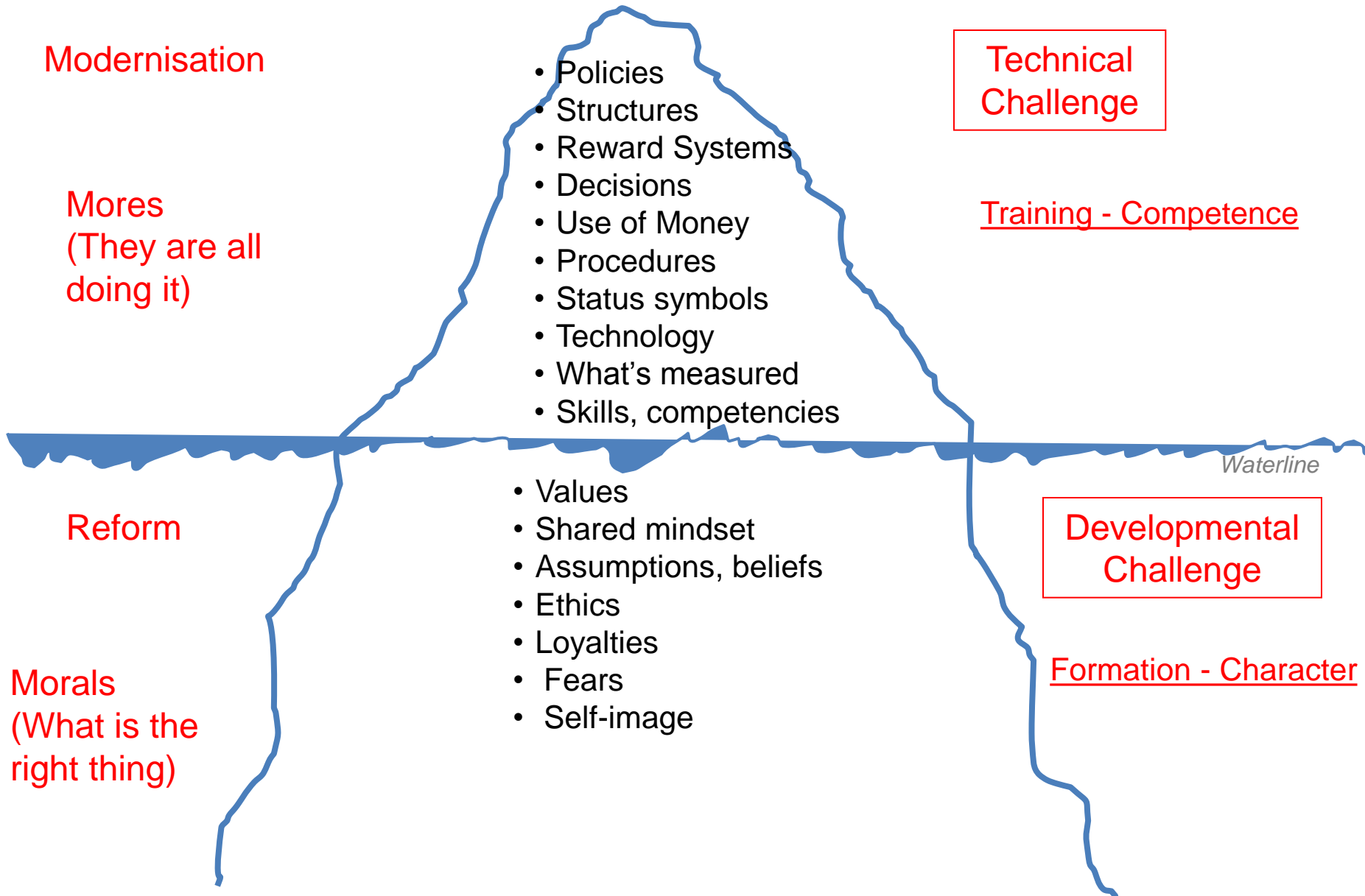
- FAS • HSE
- Developers • Banks
- Gardai in Donegal
- The Catholic Church
- Department of Finance
- Fianna Fáil • Central Bank
- Medical Consultants • Ferns
- Our Lady of Lourdes Hospital
- Financial Regulator • F.A. (England) • Prisons

- Cover-up and Collusion
- Denial • Deference
- Clericalism • Arrogance • Greed • Perks
- Violence • Irresponsibility
- Extravagance • Entitlement
- Corruption • Gombeen Man
- Abuse • Clientilism • Cronyism
- Fear • Secrecy • Timidity
- Insufficiently intrusive and forceful
- The grubby, shifting, wheeling, dealing culture

Waterline

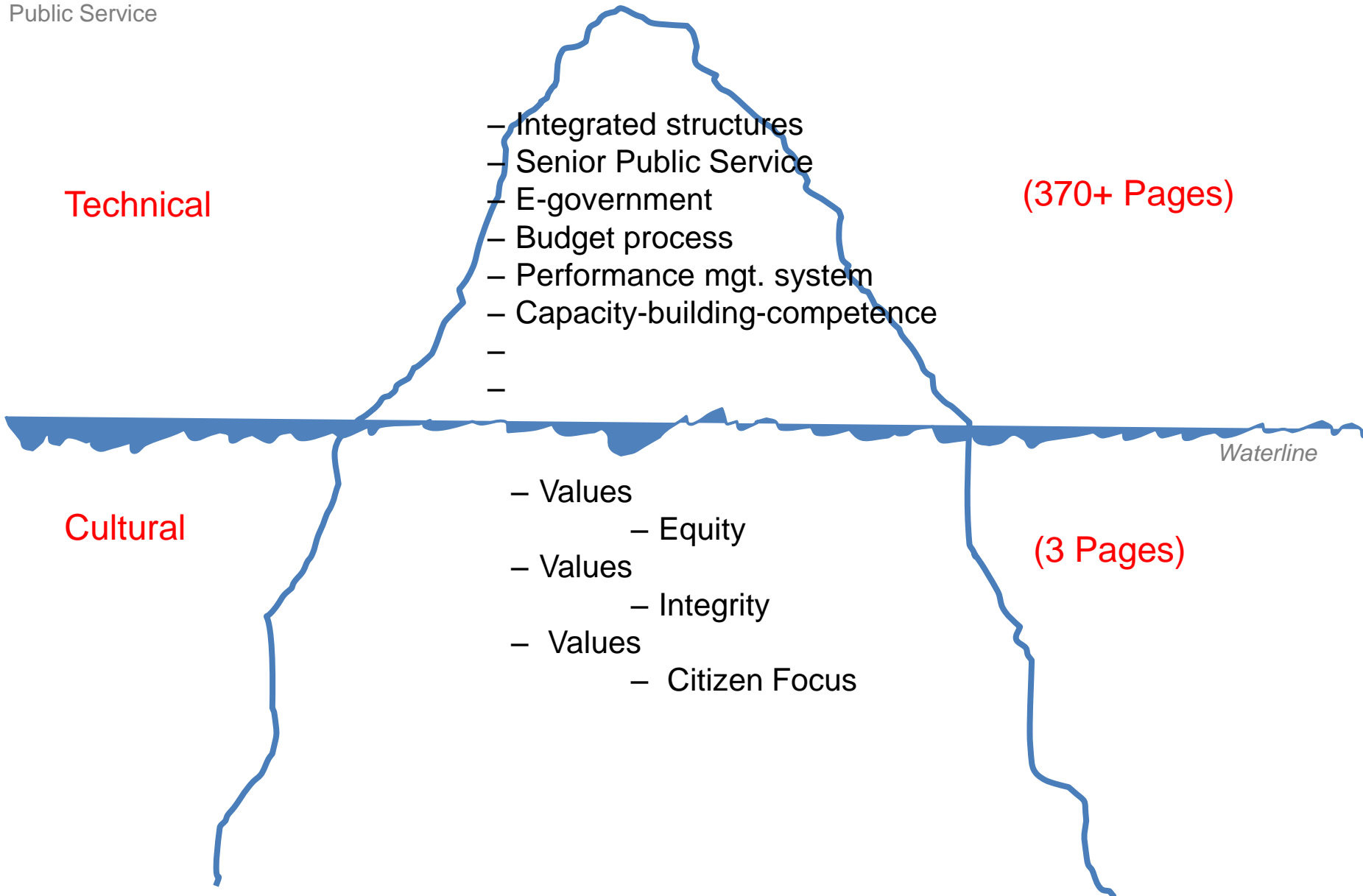
A dysfunctional culture is the root cause of recurring failure

Public Service Reform



OECD on Culture of Irish Public Service

2008 Review of Irish Public Service



OECD Report on Public Service Culture

“Achieving an integrated (and effective, etc.) Public Service will require mobilising its **greatest resource** – its **core values**” (p. 44 – 45)

“Behaviour is less determined by formal sanctions and incentives than by **values that are established in their hearts and minds**” p. 119)

“ - - - importance of **rethinking core values** in public management reforms - - ”

” - - **governments have found it crucial to restate traditional and new values to provide an ethical framework for staff behaviour**” (p. 120)

“ Countries – renewed emphasis on rethinking **their core values in public management reforms** - - many countries **formalising core values**”

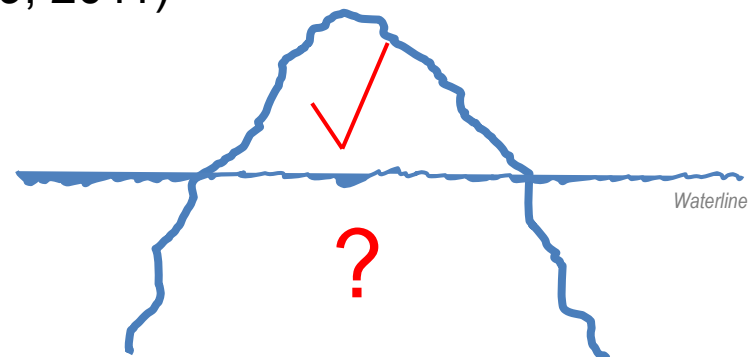
(Although only 3 out of 370 pages, culture/values **vital**)

The view from A + E

(Depty. CEO Major Hospital)

“Your focus on culture and mindset is of real interest to me, along with many others. I am of the view that successful implementation of clinical care programmes **to improve quality and quantity of care requires cultural and behavioural shifts as well as pathway and process improvements.**” (April 21, 2011)

“I have been waiting with interest for any progress - - **in grasping the nettle on culture/behavioural change** in addition to the technical/project management methodologies” (June 29, 2011)



A Public Servant's perspective

Structures, Systems:

“Attaining a better balance between policy formulation and administration, introducing a harmonised grading system, providing training and strategic resources, essential though they are, **may not suffice**.”

Culture, Values:

A new perspective is required. The public service ethos, once the subject of legitimate pride, suffered during the era of the Celtic Tiger. The sense of dedication and commitment to the common good that was such an admirable characteristic of an earlier, possibly more innocent age, gave way to a rather more instrumentalist approach that saw public service not as an end in itself, but rather as a pathway to richer pastures.- - -

There is need for a moral re-awakening.”

Noel Coughlan (former Senior Public Servant)
Rethinking the Irish Civil Service
Studies: Summer 2011

Practical Suggestions

- Cultural Renewal
- Character Development and a safe environment for speaking out

Reforming an embedded culture

First Step: “Re-think - - - - formalise core values”. (OECD)

Examples of Core Values:

- | | | |
|---|--------|--|
| 1. Primacy of serving public good | ←————→ | Self interest, vested, political |
| 2. Truth and transparency | ←————→ | Lying, secrecy, deceit, non-disclosure |
| 3. Integrity re. money, appoints. | ←————→ | Impropriety, fraud re. public money, appoints, cronyism |
| 8. Professional, technical competence | ←————→ | Professional, technical incompetence |
| 10. Personal responsibility and accountability. Moral courage
'Speak truth to power' | ←————→ | Avoidance of personal responsibility and accountability. Moral cowardice
timidity, deference. |

Reforming an embedded culture

Second Step:

Breathe (new) life into the Values by:

- Trenchantly test if policies, structures, etc. are consistent with espoused values
- **Sustained** engagement with the values: From Top – Board, SMT
To Bottom – All staff

Third Step:

Governance: Just as there is an annual report and audit about everything else - - - -

- - - make it a **statutory requirement** that all public bodies report annually on the health of their culture and on the programme they have carried out to instil the espoused values and transform the culture

Fourth Step:

Assurance: - “Invasive scrutiny and effective sanctions” (Elderfield)



Assess the value system of your organisation/department/unit

Past - Present - and Plans for the Future

Core Values

- | | | |
|--|----|--|
| 1. Primacy of serving public good | ←→ | Self interest, vested, political |
| 2. Truth and transparency | ←→ | Lying, secrecy, deceit, non-disclosure |
| 3. Integrity re. money, appoints. | ←→ | Impropriety, fraud re. public money, appoints. |
| 4. Intly. Benchmarked excellence | ←→ | Shoddy service, inflated view of Irish standards |
| 5. Efficiency/VFM within and x-silos | ←→ | Inefficiency/waste within and x-silos |
| 6. Respect and Fairness | ←→ | Disrespect, contempt, unfairness |
| 7. Well led, well managed | ←→ | No leadership, poor management |
| 8. Professional, technical competence | ←→ | Professional, technical incompetence |
| 9. Bias for action, focus on outcomes | ←→ | Inertia, focus on process, activity |
| 10. Acceptance of personal responsibility and accountability.
Moral courage | ←→ | Avoidance of personal responsibility and accountability. Moral cowardice |

Engaging with our espoused values – one at a time

Craft your own statement of Values, then **interrogate** as below

	In our Behaviour	In our systems, policies, decisions, etc.	Lessons learned and Remedial Actions
Looking Back How did we live the Values?			
How did we betray the Values?	“Administrative relocation does not seem to correspond to the current set of core values” (OECD)		
Observing first 100 days How are we (or Govt.) living the Values?			Do more of
How are we (or Govt.) not living/betraying the Values?			Remedial actions
Looking to next 5 years What should we avoid re. the Values			Do less of, cut out
What should we do to give expression to the Values			Plans, programmes of change consistent with the Values

How can you develop Character and make independent thinking less risky?

If an individual feels a strong need to dissent, speak out, it should not require Solzhenitzin-like courage and the prospect of being sent to the Gulag

- H.R. Policies:
 - Hire vs. Values
 - **Formation** vs. Values
 - Reward vs. Values
 - Promote vs. Values

 - Make it safe for 'contrarian' voice:
 - FOI (Restore Freedom of Information)
 - 1924 Act (Change to allow Public Servants answer before Parliamentary Committee)
 - Whistleblowers Charter
 - Management practices
- There is no System of Formation

Now for the crunch point: How will individual senior officials respond to OECD or my proposal re. values?

Opportunist: (Cute Hoop)

- This pious rubbish about values and culture is for the birds
- Get a life
- “The only ethics are the ethics of being re-elected” (B. Ahern)

(Former, deeply discredited
Prime Minister)

Conformist: (Safe pair of hands)

- Watch the way the wind is blowing
- Superficial engagement
- Go through the motions
- Fill in the forms

Self-Directed/ Integrated: (“Contrarian” mind)

- I have been waiting for this
- It’s up to me - - -, a sense of personal responsibility
- But is it for real, is it safe to break cover and give a lead?

(i.e. will I be supported politically or by my boss)

So do I think it will happen? A Salutary Tale

- Late '60's in Rome, Vatican II:
- Fundamental, radical renewal, "Ad fontes"
 - Cultural reform, end of Clericalism
 - Church = people of God
 - Primacy of Individual Conscience
 - Ecumenism

Today – Over 40 years later:

- | | | |
|---|----------------------------|---|
| Re
Child
Protection
Guidelines | 2010:

June
2011: | <ul style="list-style-type: none"> • There are dark forces at work <small>re. resisting implementation of child protection guidelines</small> (Diarmaid Martin)
<small>(Archbishop of Dublin)</small> • Battle lines are being drawn. Church leaders have to decide whether they are in favour of transparency and change • Being accountable to an outside body is painful for people who never had to be accountable (Monica Applewaite)
<small>(International expert on child protection)</small> |
| Re
Renewal
of Church | June
2011: | <ul style="list-style-type: none"> • I am frustrated at the delay in publication of the report of the apostolic visitation (Diarmaid Martin)
<small>To review the state of the Catholic Church in Ireland</small> |

Resistance to cultural change will be fierce

- Embedded institutional cultures are tenacious
- People who have prospered in the inherited culture have much to lose and will resist ferociously
- Politicians, public servants, other vested interests
- Culture will devour good intentions

Summary

“Governments have found it crucial to restate traditional and new values to provide an ethical framework for staff behaviour.”

– and to establish these values in hearts and minds (OECD)

There will be no sustainable reform without cultural reform.

There will be no cultural reform without leaders with the **competence and character** to drive the reform

No. 1 Critical Success Factor for Public Service Reform

The emergence from within the senior ranks of the Civil Service of a small number of individuals with the competence and character to lead the way in transforming the culture of the Public Service

Ken Whitaker, a revered Civil Servant, who was mainly responsible for Ireland's economic success from the '60's onwards. A man of total integrity and high competence

**If a few Whitaker-like figures do not emerge
reform will not occur
or a Political leader with the instincts of a Statesman,
interested more in the next generation
than in the next election**

Thank you