

Ivan Tyrrell and John Seddon discuss why the Whitehall 'ideas machine' must go.

How bureaucrats destroy public services, and what can be done about it



TYRRELL: This is an absolute novelty for us because you are the first person we have ever interviewed twice for the journal. And that's because you have something so very important to say.

SEDDON: Thank you.

TYRRELL: For any readers who weren't around the last time, let me just explain that you are an expert on public and private sector organisations and how they can not only be made to work but to deliver an excellent service and also be cost-effective. You are known for being an outspoken management thinker and commentator. And you have written a brilliant new book called *The Whitehall Effect: how Whitehall became the enemy of great public services and what we can do about it*. As the blurb puts it, "When they come to write the history of our times, one of the great mysteries will be: how was it that for 35 years successive governments legislated, regulated and interfered in the public sector and consistently made it worse?" Targets, standards, inspection and regulation are part of the problem, not the solution. And the industrialisation of our public services has brought about such horrors as shared services, back offices, call centres and IT 'solutions' that all lead to service failure. You say that if we train people to do a job and give them a good job to do, then they will *do* a good job, and we don't need all this checking and ticking. But we can only undo this whole horrendous mess if first we completely change attitudes in Whitehall.

Funnily enough, when we interviewed you last time, it was in 2009,¹ and, just like now, the year before a general election. You were saying things like, "Well, Cameron seems to be realising that targets aren't a good way to manage things". Now, here we are, with another general election looming. Targets are still with us, and the Labour party keeps going on about the cost of living crisis. You have made it really clear that, if politicians were honest and perceptive, they would be talking about the cost of *management* crisis.

SEDDON: Before the last election, I was told by Cameron's people that they really liked my 2008 book,² but they thought it went a bit too far and you may remember that, although they announced, "No more targets", nothing really happened. That's why I wrote *this* book. I had a period of illness, and so I started reading the backgrounds and biographies of all the prime ministers and what struck me is that, it doesn't matter who

you vote for, it's the same old stuff. There is no choice. There is nobody who is saying, "Let's do this better."

TYRRELL: In your book you give many moving examples that vividly illustrate how easily a programme that has been working well is destroyed when unnecessary rules are imposed on it; regulation that you describe as "like a disease". The Camphill Village Trust disaster (see box, page 30) was one I remember. Camphill was a community where people with mental health disabilities were getting their innate emotional needs met until they had 'choice' imposed on them, so bureaucrats' boxes could be ticked.

SEDDON: They wrecked it because people in Whitehall got this idea that people with mental health problems are best kept in 'normal' society. But the Camphill Village Trust was built on the basis that these people need a community tailored to their needs and within which they could thrive. A lot of the residents ended up living on their own 'in the community' – where there was no community – and they quickly deteriorated, because the very thing that they needed they no longer had.

TYRRELL: It's heartbreaking. There's a blindness that seems to take over. Some people can see clearly what needs to be done and are trying to do it and other people – they've all had an education, sometimes even at Eton and Oxford, but it doesn't seem to make any difference to their intelligence and the way they see what is going on. It is a collective blindness.

SEDDON: I can remember when managers first started managing the health service, which takes us back to about the late 1970s. A lot of them did the kind of things that you would do if you had your brain engaged and you were using your common sense. And then along came Tony Blair's regime of management by setting targets, which I talk about in the book, and a lot of the good managers left. You would, if you were constrained by idiots, people behaving idiotically above you. Since then, the health service has bred its own type of myopic management. The managers fit the mould – they think targets have something to do with managing. Those are the people who destroyed Camphill. They really believe the nonsense in their heads and don't see how dysfunctional the effect of it all is. So the calibre of management in the NHS, I think, has gone down massively.

TYRRELL: Why do you think it is that, since Blair,

all political parties talk about targets now? How did target obsession disorder become endemic?

SEDDON: Managing by targets started with Thatcher but it was in the Blair era when everyone went mad over targets and inspection. I've always taken the view that you can't improve anything through inspection. I've just resigned from the Chartered Quality Commission because they won't get off the idea that quality is about specifications and inspection. It isn't! It's the last thing you want to do.

TYRRELL: So, instead of inspection?

SEDDON: Prevention! It's interesting, isn't it, that we spend all this money training doctors and nurses and then, when we put them to work, we tell them that they've got to work according to the views and opinions of politicians and Whitehall apparatchiks. So they are not allowed to take responsibility for their actions. What they actually need is an immediate source of support when a problem arises that they have not encountered before and they are not equipped to deal with it, which might even include helping them to see that they can't be expected to solve every problem, and that's fine too. That's what we need, instead of the current adversarial climate, between the inspector with the checklist and the poor bugger who is worried about pass or fail. Life isn't pass or fail.

TYRRELL: Of course, it's not. We have experienced something similar in terms of frustration in dealing with this kind of thinking because we have, over the years, had to get embroiled with bodies that take it upon themselves in a categorist way to decide who can be accredited to deliver education and psychotherapy. You have to jump through all sorts of hoops and yet they are only interested in procedures. They never had one jot of interest in our outcomes and whether what we delivered was effective or not. The worst thing is that it is all really expensive and when we asked why, one of these organisations actually said to us, "Well, we've got to pay for our salaries!" It's appalling but you have to go along with it all. Anyone that has to seek approval from some bureaucratic body or other effectively becomes their slave. Slavery was supposed to have been abolished, although of course we know that it hasn't been, and we are certainly the slaves of all sorts of bodies and governments and ministers.

SEDDON: You can also argue that it puts a limit on the market. Only the people prepared to expend an awful lot of time and effort in getting the approvals will be able to provide the service.

TYRRELL: Yes, and that cuts back innovation and prevents progress.

SEDDON: Those arguments also apply to procurement – these days, if you want to provide a public service, you have to follow very tight procurement rules that are set by European legislation. It becomes self-fulfilling. I was having a chat with someone just before this interview and we were talking about procurement. When I asked what problem they were trying to solve, he couldn't give



me an answer. No one is clear about that. It is really just a charter for lawyers, who do quite well out of procurement legislation.

TYRRELL: And that destroys competition because only people who have access to a lot of money can afford to pay lawyers to fill in all these forms.

SEDDON: Yes. They can afford to play the game. They know *how* to play it. They might be the most nefarious, politically motivated, greedy bastards and yet they get the work.

TYRRELL: You say in your book, "The Whitehall ideas machine must go." Would you expand on that?

SEDDON: Well, I'll put it this way. I was at a dinner party the other night, where someone said to me, "It's great, my son's just got a job in the Treasury, writing policy". I said, "That's really interesting. How old is he?" And he said, "Twenty-three"! It's absurd, isn't it? All these children out of university – there are about 4,000 of them in the Cabinet Office alone, feeding nonsensical 'policies' to ministers.

TYRRELL: And that didn't used to happen?

SEDDON: No. In Winston Churchill's day, he managed to run the country in half a day's work and spent the rest of his time building walls, digging ponds and painting pictures.

TYRRELL: Wise managers had the idea that you gather experienced people around you to help you run things. They wouldn't use inexperienced people straight out of university, full of theory and concepts but out of touch with reality.

SEDDON: One of the things that amuses me when you listen to people in Whitehall is that they talk about doing research. But they don't do research. They just do sharing of opinions and writing them in papers.

TYRRELL: Key to your own approach is an understanding of failure demand, and getting it out of the system. While value demand is about res-

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ponding fully to a need the first time around – getting someone their grab rail or assessing their need for benefit and implementing it – failure demand represents all the further demands on the system that arise from the problem *not* being sorted out the first time. It's the "It's six weeks since I filled in a form and I've not heard anything" sort of stuff. It is what happens when the people at the front end aren't able to deal with the request but have to 'escalate' it or send it on somewhere else and it all gets choked up in the system. Would you say a bit more about failure demand?

SEDDON: I think about it as a vital signal. When failure demand is predictable, it is a sign that the system is failing and you have to find out why, because you won't eradicate it without changing the system. A lot of people, including in the Cabinet Office, think that failure demand is just an artefact of inefficient people and you get rid of it by setting stiffer targets. But the important thing about it is that it is systemic and understanding the system is the only way to turn it off. Demand is a big economic lever. The bureaucrats and inspectors and regulators, in my language, are 'system conditions'. They drive the way we design or measure or manage whatever it is, which then adds to why failure demand constantly increases.

A community destroyed

"MANY years ago Camphill Village Trust (CVT) established a number of communities to serve the needs of people with mental health disabilities. 'Residents' lived in communities with 'co-workers', volunteers who worked in exchange for board and lodging; they were what you might call therapeutic communities, for example running farms where everybody worked, contributing according to their abilities.

Since the last Labour government, the political narrative in social care heavily emphasises personalisation, choice and 'independent living' over separate communities, which are now looked on with suspicion. The Camphill establishments became a regulatory responsibility of the Care Quality Commission, and when the regulators arrived they didn't like what they saw. They didn't see that these were prospering communities giving residents and co-workers a constructive purpose and a happy life; instead they saw a lack of what they considered to be 'best practice', such as record keeping and demonstrable knowledge of safeguarding regulations. The consequences was a series of damning reports on the CVT communities.

Acting through fear, the board of trustees brought in professional managers, largely from the NHS, whose task it was to 'up the game' to satisfy regulators. Volunteers felt crushed by the management factory that landed above them, issuing edicts

Let's say we help a council go out and study some service they provide. They learn what they learn, which is that they are not really achieving anything, then redesign it on the basis of designing to achieve a purpose. All of that takes them to the regulator, and when the regulator is shown the results of the study of the current design, for which they regulate, and the conclusions, do they leap out of their chairs and say, "What we need to do is re-think the way we're regulating!" No.

TYRRELL: What do you think is the difference between people who *do* leap out of their chairs and say, "Right, we need to do this differently" and are prepared to take a little risk – I'm thinking of the kind of organisations who have taken on board your ideas and worked with them – and all the rest? Is it just fear that is preventing useful changes?

SEDDON: In the public sector, yes, it's fear that drives compliance. I was at the Locality conference yesterday in Cardiff – Locality is a national network for community-led organisations – and what they were talking about, which is striking, is that all the institutional heads of the voluntary sector are complying with the narrative provided by Whitehall. The view is that they do this through fear because, if they didn't do this, their funding would be cut. Fear is pervasive in the

which to the volunteers' minds made no sense. Many left; many were squeezed out. Managers brought in paid professional care workers (increasing costs) who knew how to write treatment plans never considered necessary in the community and understandably viewed as a bureaucratic exercise by those who spent every day doing what seemed best for the people they helped.

The professionals introduced 'choice'. Residents, they noticed, didn't watch TV; instead evenings were spent engaging everyone in activities. Offered the choice, residents chose to watch TV in their own rooms. Some of the community got up early to milk the cows. Offered the choice, residents chose to have a lie-in. The milking herd had to go. When offered the choice of what to eat, residents chose sweets over healthy food, and obesity became a problem.

A vibrant and worthwhile community, a vehicle of vocation for idealistic co-workers and passionately supported by relatives and residents, was transformed into a 'shuffling' community that has increased its use of psychotropic drugs; residents in a position to leave started drifting away.

But at least CVT can now get a tick from the regulator."

From *The Whitehall Effect*. See also "Regulation: the unintentional destruction of intentional communities", a discussion paper by Bob Rhodes and Richard Davis, published in 2014 by The Centre for Welfare Reform.

public sector, whereas, in the private sector, the driving issue is making profit. So, while it is equally difficult to make the change, and it takes a while to get there, in the private sector you *will* get there, because you've seen what the numbers look like.

TYRRELL: Yes, we've found the private sector more amenable to improvement because effectiveness, eliminating waste and fulfilling the business's purpose are quickly measurable in the bottom line. But in the public sector fulfilling the purpose of the service *effectively* is way down the list of priorities – way below meeting targets and everyone people keeping their jobs, even if their jobs are unnecessary. But you've been in Whitehall, John, you get invited in to talk to politicians, and initially they are keen and interested, and then something happens. What's that about?

SEDDON: Well, they're not *that* keen!

TYRRELL: Then how come you get there in the first place?

SEDDON: They keep inviting me, even though I bop them when I get there. I think they know I've got something but they would like my something to be turned into something they are familiar with. What happens is that what I provide as evidence for a different way of doing things just gets put into their big ideas machine as an idea, and they don't do anything with it. We've had civil servants going to visit public sector sites where we have achieved amazing things, and their bosses call them away for what they describe as a more important priority. But what's more important than improving things radically?

TYRRELL: It's amazing that you're not disheartened!

SEDDON: I'm not. There are now quite a large number of councils who are following our method right across their area. One example is Fareham Council, which hired us to help them improve their services. A year in, they announced that they had improved their services and, as a consequence, their costs had gone down. The opposition politicians in the council then started bleating, because reducing costs was not the agenda. It's pathetic, isn't it? But that's politicians for you. Last week, Fareham announced it was giving its staff a five per cent pay rise, which is against all current norms. Why? Because they are doing so much better. There are quite a few councils doing this in spite of Whitehall and I think the reason for that is that they've got good local politicians using common sense.

TYRRELL: And that doesn't apply where health services are concerned?

SEDDON: The health service is tightly governed centrally. We have had quite a lot of experience in taking them through the process and showing them what the opportunity is, and then they get cold feet. It goes in the too-difficult box. If you really want to improve a service, you can never find one leader who is responsible for it. There could be as many as seven different parties, all of whom have to be working together with a common view. And, of course, they are all strung

up by the regime above them, which will judge their performance against targets. It is what I was talking about earlier. You tend to find quite a lot of weak people in management now, even though they know that what they are doing is having a deleterious effect on the patient. It's awful. But we mustn't get depressed! And the good news is that, since we last met, my organisation is probably three times the size that it was then, and is now operating in nine countries.

TYRRELL: Goodness!

SEDDON: And *that* makes me feel optimistic. We are doing private and public sector work in Norway, Denmark, Sweden and Finland, and in Australia and New Zealand, and private sector work in South Africa, and so on.

TYRRELL: That's excellent. And perhaps it leads me on to what I want to raise next, which is motivation. You say in the book that it needs to be understood that people motivate themselves: 'incentives' don't work, and we know this is absolutely true. We say that the motivators are innate emotional needs – the human givens – and that nature put those needs there to make us support ourselves and build a life that works. Of course, those needs include such things as you've mentioned, like feeling autonomous and in control and, where you talk about pride in work, we talk about the need to learn and develop competences. It's the same thing, really.

SEDDON: Absolutely.

TYRRELL:

How do you find people in government understand that principle: that when people get innate needs satisfied, they will work well, stop bickering, be effective in what

they do and so on? When you talk to these politicians and these managers, do they understand how profoundly important that is?

SEDDON: No!

TYRRELL: So few people do.

SEDDON: I find that understanding comes afterwards. They've been conditioned to believe in carrots and sticks, command and control, and if you put it to them that what they need to do is create three conditions – autonomy, mastery and purpose – they would think you were nuts. For them, that means there would be anarchy. But when we have made our intervention, and the work is being controlled by the people doing it, who then demonstrate pride and what could be described as joy in their work, *then* the organisation gets it. Then you can articulate what the framework is. It is a very important lesson, really, for an interventionist: if you go out saying, "I'm going to turn your people on", you'll fail.

TYRRELL: That's very interesting.

“ They are conditioned to believe in command and control. If you said they needed to create three conditions – autonomy, mastery and purpose – they would think you were nuts ”

SEDDON: Yes, because the only thing they are going to buy to turn their people on is another incentive programme.

TYRRELL: And they don't work, as you very clearly describe – they are a disincentive! They don't work at all.

SEDDON: No, not at all. Well, they are carrots and sticks; they have the same consequence, which is quite extraordinary. So, no, they don't understand it until afterwards.

TYRRELL: So, in effect, by doing this work, you are indirectly raising their intelligence, giving them a bigger context.

SEDDON: I'm often talking about this with our own consultants. You have to let the client get there, otherwise our own work will be undermined. People tell us, when they go through one of our interventions, that it has completely changed the way they look at things. But if you tell them in advance that you will do that for them, you will fail.

TYRRELL: So, when people call you in, how do they phrase what it is they want from you?

SEDDON: They say they want to change their system. They've got curious. That might be through reading something, seeing a video or hearing about something from a friend or colleague or seeing it working in another organisation. But, at that stage, they also have their heads on wrong in terms of what the intervention would look like. So they might ring up and say, "Oh, I saw what you did in such-and-such a company and it's quite fantastic. Could you send us the training?" I say no, really politely. That is not how we do things.

It won't surprise you to know that I study my own system, and the way I articulate it – apologies for the technical speak – Vanguard has four customer acquisition processes, and they are, "I saw you speak"; "I read your book"; "You did it for me before"; or "You did it for someone I know." It is really important to understand and one of the disciplines we have whenever we get a new piece of work is to find out what process generated it, and it is always one of these four. So if I want to generate more work, what can I do? I can speak more and write more, and just let the other stuff happen.

TYRRELL: Something else I want to talk to you about is caetextia – context blindness. As you know, Joe Griffin and I introduced the idea of 'organisational caetextia' being caused by some people on the high end of the autistic spectrum gravitating towards management roles where they can exercise power and feel more in control. Having control lowers their stress levels in a world where they don't easily feel in control because they don't understand people's behaviour, nor do they have an instinct for picking up subtle clues from others, appreciating metaphorical references etc. They love stats. They love targets. They think of people as objects and numbers, not individuals. They love simple black-and-white solutions to problems, because it is less stressful

for them. But their behaviour raises the stress levels of all around them. Certainly, working in businesses, we have found that a huge number of managers tend to be of that ilk: the effects of what they are doing on other people, their customers, staff, etc, is invisible to them. Have you noticed that sort of thing in politicians and managers?

SEDDON: Those characteristics are common in command and control thinkers. They have a belief in what they describe as 'the levers' that they have: the controls that are in place. Part of what we do with companies is that we take those levers through what we describe as normative loops, which are designed to show them, in practice, that their current means of control are doing quite the opposite to what they think they are doing.

TYRRELL: Do they have to be coached in that?

SEDDON: No, you mustn't coach them because then you are talking to them – that's what I call a rational intervention – and they will try to fit what you are saying to their current world view. We've got to change their world view, and the way to do that is to have them go and study a part of their organisation. They come back and say, "You'll never guess what I've found out!" And, of course, we know precisely what they've learned. But the point is, they've got it.

TYRRELL: What might they have noticed and learned about?

SEDDON: That we treat all demands as work to be done, that we think targets are telling us what's going on, that sort of thing – all of these conventional ideas about control that are wrong. When we first start with a company, we do a step we call familiarisation. All that means is that we walk through their organisation and have a look at the things that need to be changed, in terms of management thinking. And then we do what we call scoping – we call it scoping because they can understand that word. They think it means – and it does mean – understanding the scope of improvement. What they are not aware of when we first talk about it is that *they* are going to do it. So, having done the familiarisation, we know where to go, and then we take them out to see things they have never seen before about the way they are going about delivering their service. That motivates them to do something about it. But very often, when we say we are going to take you scoping, they say, "No, no! We've already got people who do that sort of thing". And we say, "Then we can't help you."

TYRRELL: That is what we have found, too, using the human givens approach in business: you've got to teach the people at the top, the CEO. Only when top management have bought into it do we make real progress. They've read the book, understood it. And then they want human givens principles applied. But, John, why don't those running Whitehall and the NHS and so forth listen?

SEDDON: In the NHS they are governed by Monitor, the regulator, which is full of neo-liberal thinkers tending to favour free-market capitalism and obsessed with privatisation. It comes back to fear again.

TYRRELL: And yet you would think, with the election ahead and the NHS being such a huge issue for so many people, and seen to be failing in so many areas, that they would be desperate for new ideas. But you haven't had much interest from that quarter, have you?

SEDDON: That's why I wrote the book. Why now? Because, unless we go and have an argument with these people, it doesn't matter who we vote for, we are going to get the same old same old in the public sector. And it is about time we got somebody willing to introduce better approaches to the public sector. There is nothing wrong with the public sector itself. The scope for improvement remains enormous. We don't have an austerity problem in the public sector.

TYRRELL: Yes, in the book, you say very succinctly that resources are not the problem; it's the design that is. So we could manage fine with the money we've got.

SEDDON: We don't even need as much money! That's not politically correct, is it, but it's true.

TYRRELL: And it ought to be music to their ears. But you say politicians are not managers. What should they be doing, if they are doing their job right?

SEDDON: They should be concerned with *purpose*. If they took responsibility for articulating the purpose of all public services, then that ought to encourage them to get out with their constituents in their communities, to understand what their 'purpose' is achieving in practice and how disastrously poorly it does so, and what 'purpose' is from citizens' point of view. It would make the whole democratic process work better. Currently, they are remote from constituents. They live in what's called the Westminster bubble.

TYRRELL: If, by some amazing miracle, they all suddenly got it and said, "Yes, we are going to do it your way", is it actually doable or is the amount of change that would have to take place just too vast?

SEDDON: It's both. It's doable and it's vast. It's like, how do you eat an elephant?

TYRRELL: Yes, little bit by little bit.

SEDDON: That's right. But also, in practical terms, one of the things that I've been doing is putting all that intellectual property into a website, an e-learning type of environment. We've got to the stage where it works if you have an expert with you for key moments but you can use the educational material on the site to operate independently. So that increases our capacity. If Whitehall turned round and said, "That's it! Public services are going to be run by the Vanguard method, then that's our vehicle. Right now they would still need a person with it but the website teaches them how to study and de-

sign a service. And it is important that they only use the website to support them as they study their own organisations. If they sit in a room on the website for three days, that won't help.

TYRRELL: Can anyone sign up to this website?

SEDDON: Not yet. We spent four years building it and then we gave it out for free to a number of local authorities and housing associations to see what they could achieve with it. It showed us that they needed guidance as well. That is why, currently, we are only selling it to people with an expert. It's like, before you go and do your studying, let's make sure you are looking at the right things. If you come back at the end

of your study phase and you haven't done certain things, we'll tell you and you've got to get that right before you move on. Equally, the Vanguard person will then learn what else needs to be included on the site. My view is that, if we keep going through those iterations, then we'll get

to a place where we can actually sell it without expert help, or provide it in a different way. But we've got to get there first, however long that takes.

TYRRELL: Perhaps they will always need some sort of hand holding at some stage or other.

SEDDON: Yes, that might well be so. If I wanted to make a ton of money, I would simply open that site to anybody who wants to pay to subscribe. And then the big market called 'the improvement people' would buy into it immediately. But they are not the people we need.

TYRRELL: No, they're the people that are supposed to be responsible for improvements in bureaucracies.

SEDDON: If the improvement people understood this stuff, then they would recognise that their biggest hurdle is upstairs. And they are not in a position to deal with that.

TYRRELL: And they are subject to fear like everyone else.

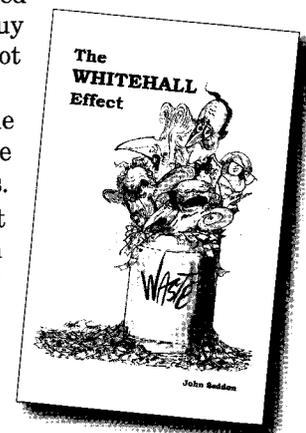
SEDDON: So what would happen, I think, is that they would take a few of our clever ideas and stick them into their current intervention paradigms. And that would kill my work. I'm not going to let that happen.

TYRRELL: No, you certainly mustn't. Your book is brilliant and I just hope it has an impact. I love the cover.

SEDDON: Yes, someone said to me recently, "How did you get Gerald Scarfe to draw the cover?" And I said, "I just asked him." I don't think he is a big fan of politicians.

TYRRELL: I think we know that! ■

“ We don't have an austerity problem in the public sector. Resources are not the problem – it is the design that is. We don't even need as much money as we've got ”



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