

The basic principles of management are not applied
to government in the UK

As soon as they are, the quality of public services will
improve and costs will fall dramatically

The principles of effective management apply to any organisation

A vision

An organisation must have a vision of what it is contributing to society and what it wants to achieve in the long term – Martin Luther King ‘I have a dream’.

This must be shared with everyone so people feel they are working for an organisation which is doing something worthwhile.

Government practice. Only two Prime Ministers – Attlee and Thatcher – since the war have had real vision that people can identify with.

Stability

There must be stability in the organisation, of leadership to provide continuity of ethos and vision, and of staff to develop and retain expertise and knowledge.

Government practice. Ministers, the de facto CEOs of a department, are in post for less than two years. Civil servants also frequently change their roles and departments.

Subsidiarity

Senior management should embrace subsidiarity. It should only undertake those tasks which cannot be performed at a more local level. Decisions should always be taken at the lowest possible level or closest to where they will have effect.

Government practice. Central control, not subsidiarity, is the practice. The UK is one of the most centralised democratic countries in the world. According to the OECD, Westminster controls 73% of our tax take compared with Washington’s 38.6%, Paris’s 32.1% and Berlin’s 27.5%.

Rules, levels of approval and bureaucracy

These must be cut to the minimum as they are time consuming, indicate a lack of trust and take responsibility away from staff.

Government practice. The Civil Service Reform Plan describes the civil service as being: 'Cautious and slow-moving, focused on process not outcomes, bureaucratic, hierarchical and resistant to change'.

Objectives

The board should set out the five major objectives for the organisation for the coming year. Within the framework of these, each subsidiary unit should set their own objectives. All objectives must be measurable.

Government practice. Few government objectives are quantified which makes it impossible to hold staff accountable. For example, the top "Business Priority" in the Home Office was to: "Transform the delivery of services through a whole-system approach, co-creating with users and industry to manage demand for Home Office services whilst streamlining existing business processes and identifying new ways of delivery." – [here](#).

Plans

Once objectives have been agreed, all units should set out the major steps for achieving their objectives. Plans must show who is directly responsible for each task, when work will start and be completed. Plans should not cover more than two or three pages.

Government practice. When objectives are unquantified, plans become wish lists.

Accountability

To hold people accountable:

- They must be involved in setting their own quantified objectives and plans.
- Plans must show who is directly responsible for each task, when work will start and end. completed.
- They must be given the responsibility and authority to achieve their objectives in the way they judge will be most effective.

Government practice. No evidence has been found that the three bullet points are practiced.

The Civil Service Reform Plan describes the civil service as being "Cautious and slow-moving, focused on process not outcomes, bureaucratic, hierarchical and resistant to change".

Applying the principles to the management of monopolies

Public services and some companies are monopolies where the supplier has no competition, no threat of customer loss or bankruptcy.

Monopolies therefore lack the external disciplines that force management to continually innovate, improve and reduce costs in order to survive.

The principles of managing public and private monopolies are the same with one exception. Private monopolies need a regulator.

The example of HM Prison & Probation Service illustrates how the principles should be applied.

Objectives

The board must have a vision and quantified objectives for the coming year. For example, in the case of HM Prisons & Probation service, the objectives should be:

- to keep the public safe from offenders by reducing escapes from xxx to yy
- to keep inmates safe from each other by reducing incidents from xxx to yy
- to rehabilitate prisoners so they do not reoffend. Quantify.

Budgets

When the plans have been agreed, budgets should be produced and agreed with the level above.

Government practice. Regular budgets are produced.

The role of governors

If prison governors are to be judged against measurable outcomes, they must have the authority to decide how the objectives will be achieved, and must control the hiring and dismissal of staff and their pay, terms and conditions.

There should not be 1,500 page contracts – 4,500 if the prison is to be built – as is the case today for privately managed prisons, telling the governor in detail how they must do their jobs. The contract goes into minute detail – ‘rewards for good prisoner behaviour must not exceed three’.

This approach is based on the mistaken assumption that there is such a thing as an optimum way to manage a prison – 38% of UK prisons are graded as being of concern or serious concern by HM Inspector of Prisons.

Accountability

Data

The minister and the CEO of HMPPS must have the data to hold governors accountable. A monthly report should include for each prison key data such as:

- Escapes
- Fights/attacks on prisoners and wardens
- Days sick for staff and prisoners, and absence for staff
- Prisoners' reoffending rates within one and two years of release.

Probation

If governors are to be held accountable for the reoffending rates they must control probation at prison level. Therefore, HM Prisons and the Probation services should be merged at prison level.

Inspection

The role of Inspectors, as now, should be to inspect and follow up prisons which have poor results. If these do not improve, they should recommend that the governor should be replaced.

The Inspectors should also visit high-achieving prisons to learn the reasons for their success and to disseminate information about how that success is being achieved.

Incentives

There should be incentives for achieving measurable objectives. In prisons, the main incentive should be based on the reduction in the re-offending rate below the average for each category of offence. It has been estimated that the cost of a reoffender is £60,000 so the bonus should be substantial.

The governor with the management team should decide the formula for sharing the bonus between the governor, senior management and staff.

Major benefits

- Clear responsibilities and the authority to achieve objectives in their own way will give people a sense of ownership – ‘this is my responsibility’. For managers and staff this will provide:
 - The motivation to achieve objectives, continually improve services and drive costs down
 - Real job satisfaction from doing a job well, improving methods and knowing they are contributing to something worthwhile, hence, lower sickness and absence rates.
- The governor and managers will be able to direct and manage instead of supervising.
- The management data will create benign competition between prisons that will spur management to innovate continually, improve performance and productivity, and reduce costs in order to move up the league table.