Failing to learn? The impact of new public management on public service innovation

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We have witnessed over the years a catalogue of failures in the public sector. King and Crewe's (2013) book, *The Blunders of our Government*, provides a litany of government failures. Often there is a promise that lessons will be learned, but why are lessons rarely learned?

Amann (2006) wrote that the role of public servants had become more complex with the demands for leadership, innovation and entrepreneurship. The expectation of being innovative, underscored by New Public Management (NPM) reforms, is confronted by traditional bureaucratic accountability (Amann, 2006). Public servants are caught in a conundrum of an 'innovation narrative' and 'accountability narrative' (Amann, 2006). Public servants fail to learn because they are concerned about the accountability narrative. Hood and Lodge (2006) argued that NPM has resulted in public servants becoming defensive about performance rather than being innovative. NPM has introduced a proliferation of performance management regimes. Power (1997) argued that we are living

in an ‘audit society’ with an explosion of auditing activity to measure the performance of government. The pendulum has perhaps swung so far to the accountability narrative of measuring performance that public servants are error and risk averse. Johnsen (2005), writing for *Public Money & Management* (PMM), reviewed 25 years of performance management and concluded that, although there are advantages to performance management such as benchmarking of service performance potentially leading to service improvement and responsiveness, there are, however, dysfunctional behaviours such as negative feedback (Johnsen, 2005), centralized control (Boland and Fowler, 2000), and perverse incentives such as goal displacement and work to performance indicators (Davies, 1999). The result is many innovative processes are hindered, with potentially damaging outcomes for performance (Johnsen, 2005).

Data churn rather than learn

The result of the accountability narrative is that public servants avoid blame and errors (Crosby et al., 2017). Public servants face a complex landscape of accountabilities, coupled with a proliferation of performance measures that stifle a culture of learning. Studies have shown that learning from failures and errors enhances performance (for example Keith and Frese, 2005). Organizations that enable a culture of error learning and error management encourage a systematic analysis of the cause of the error and the potential solutions (Keith and Frese, 2005, p 687). Organizations that enable an error management culture take the view that errors are unavoidable, recognizing that they provide an opportunity to learn in order to manage future errors and encourage innovation (Cusin and Goujon-Belghit, 2019; Frese and Keith, 2015). Borins (2006), however, argues that government is a flawed learning organization and not a fertile ground for innovation. The consequence of being caught in

the quagmire of accountabilities is the failure to learn and innovate (Crosby et al., 2017). Thus, instead of performance measures providing opportunities for improvement and learning, enabling innovations, public servants are involved in data churn rather than learning.

Learning Compliance

A case in point, which PMM's academic readership will be familiar with, is the performance management of research in the UK—the Research Excellence Framework (REF). According to Agyemang and Broadbent (2015), REF is a performance management system for the control and the distribution of quality research funding, rather than a system to improve the quality of research. It trumps almost any other feature of educational policy or practice when it comes to driving behaviour because it is linked to rewards and punishments (Bridges, 2011). University managers exert potent pervasive performance effects in commending and resourcing certain forms of research, while devaluing others (Mingers and Willmott, 2013). This does not lead to innovation in research but, rather, compliance and conformity, short-termism of research for journal publication and 'salami slicing' of data. The consequence is that the academic community learns how to comply with technocratic game playing, focusing on outputs, rather than being innovative, learning from research and educating future generations. Thus, a sector that is supposed to be innovative, generating knowledge and learning, is failing to learn. It is a sector that is learning how to comply with performance regimes.

Decades of NPM reforms and the proliferation of performance management regimes have resulted in a data churn, often used to control public servants and convenient for

accountability. However, with more challenging policy problems, public servants have failed to use performance measures to learn and to manage errors. The public sector is caught in an 'egregore' (Massey, 2019): an ideology of control and over-regulation through performance management. Convenient control and easy, crude measures for accountability, but inconvenient for more innovative solutions. Thus, public servants have become caught up in data churn and a fog of accountabilities, performance measures and compliance, displacing the more important task of innovative solutions and learning.

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