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To: "Carol.Woodley-Byrne@taoiseach.gov.ie" <Carol.Woodley-Byrne@taoiseach.gov.ie>
Date: 28/05/2015 14:13
Subject: So that never again

Dear Carol,

I would like the attached paper, which I presented at the MacGill Summer School last year, to be included in the discussion regarding risk assessment, together with this additional comment:

“If one reflects on the catastrophes that have actually occurred in Ireland , they have happened largely because of the failure of our own political system, the civil service and other vital institutions of the State. The esteemed political scientist, Francis Fukuyama has said that the three essentials of a functioning modern democracy are technocratic competence, the rule of law and accountability. In Ireland we have had major failures in all three. We have ineffectual prosecution of white –collar crime, revelations at the Banking enquiry reveal that a shortage of technocratic resources was a contributory cause of the crash, and there remain endemic weaknesses in our systems of accountability/governance.

For this reason, in your five-box model of risk categories I believe it is imperative to place at the very centre the “deficits in the rule of law and in the technocratic competence, structure of our political, administrative and regulatory systems.” This same view has been expressed last year by the CEO of NESC.

In the latest National Risk Assessment Draft it refers in no more than a few lines to this key risk, alluding to the recently published Civil Service Renewal Plan. I have read this plan and it goes nowhere near addressing this risk.

In conclusion, the biggest risk is one that dares not speak its name, where there is a cultural taboo on naming the risk for what it is. Whatever about the large range of external risks identified, the biggest and most likely danger lies in the weaknesses of our own, home-grown political and administrative systems. “

Please confirm that the attached paper and this note have been inserted into the discussion.

Sincere thanks,

Eddie Molloy

MacGill paper

So that “never again”---Breaking the cycle of repeated institutional failures

“We must work to ensure that Ireland’s terrible reversal of fortune never recurs”

(An Taoiseach, Enda Kenny)

In the Introduction to the Draft National Risk Assessment 2014, disseminated for discussion by his Department in May, the Taoiseach set out the rationale for, and urgency of such an initiative:

“One of the priorities for our country and our people is to ensure that we learn from the mistakes of the past....We must identify the risks that Ireland faces and therefore ensure appropriate prevention....Never again should dissenting voices be silenced when warning of risks up ahead....We must work to ensure Ireland’s terrible reversal of fortune, with personally devastating consequences for many of our citizens, never recurs”.

Effective risk management systems are now ‘de rigueur’ in all organisations. They are an obligatory element of corporate governance in all sectors, so the establishment of a *national* risk management system is essential. Considering the devastating consequences of recent catastrophic institutional failures suffered by this generation and the enormous burden of debt placed on the shoulders of future generations, anything that can be done to reduce the likelihood of a recurrence is of the utmost importance.

The risks identified in the Draft Assessment are clustered under five main headings, as follows (and with illustrative examples):

Geo Political: e.g. Terrorism, EU fragmentation, UK exits the EU.

Economic: e.g. Vulnerable Banks, Loss of Competitiveness, Disruptive Changes to International Tax Regimes and the Impact on Multinational Companies.

Environmental: e.g. Food Safety, Energy supply, Adverse Weather.

Technological: E.g. Cyber Security, Nuclear Accident, Pandemics.

Social: e.g. Social cohesion, Increased Chronic Disease, Migrant Integration.

All of these risks merit consideration as to their likelihood of occurrence and their potential impact, with a view to adopting sensible mitigation strategies.

THE BIGGEST RISK IS INTERNAL: WEAKNESSES IN OUR POLITICAL AND ADMINISTRATIVE SYSTEMS.

However, if we look at the calamities that have **actually** occurred in Ireland, it is arguable that the biggest risk of all is missing from the list, namely the **weaknesses in our political and administrative systems**

Among the “terrible reversals of fortune” suffered were the implosion of the banking system and collapse of the State’s finances, together with a range of consequent setbacks, including serious damage to National Reputation, mass emigration and unemployment and widespread personal indebtedness. Other major national failures, that are either partly related to the collapse of the

State's finances or not related in any way, include seemingly intractable problems in our health system, chronic deficiencies in our water supply, the culture of impunity regarding political corruption and white collar crime, and the inadequacy of supports for vulnerable citizens.

That these misfortunes befell the nation was due mainly to our failure to anticipate and minimise local risks. Commenting on the Draft National Risk Assessment, Rory O'Donnell, Director of NESC remarked: "overall the greatest risk arises not from external events but from what is a two-pronged risk that:

- a) Our system of politics will not conduct interest mediation that leads to productive approaches; and
- b) Our public administration will not build a centre capable of governing autonomy on the front line."

O'Donnell adds: "There are good reasons to put this (internal) risk centre stage...while the international context is critical for Ireland, adapting our internal systems (of politics, policy-making, industrial relations, accountability, etc.) to the increasing international interdependence has been our weakness."

Whether the risks facing the State originate from external sources or internal factors any weaknesses in the adaptive capacity of our system of government and administration to respond effectively represent an overarching, meta-risk. In their 2013 review of 'Ireland's Five-Point Crisis' the National Economic and Social Council says "perhaps most dispiritingly, the crisis has revealed, and for some confirmed, that our overall system of collective decision-making and public governance is extremely weak." Unless this meta risk, weak adaptive capacity, is addressed then every other risk is accentuated.

Whatever about the likelihood and impact of the risks identified in the Draft Assessment, crucially, this weaknesses in our political and administrative systems pose a '**real and present danger**'. There is every chance that we could repeat the most recent disasters.

This is the context that gives urgency the government's programme of political and public service reform.

A FEATURE OF HOME GROWN DISASTERS IS THAT WE REPEAT THEM: WE SEEM TO BE STUCK.

NESC's contention that weaknesses in the adaptive capacity of State institutions constitute the biggest risk of all, and the suggestion that there is every chance of a recurrence of the 'Ireland's Five Part Crisis', are borne out by the fact that we have a long track record in repeating serious failures and tackling seemingly intractable problems effectively.

The most obvious example of the same debacle being repeated is the cycle of economic boom and bust that has recurred several times since the nineteen fifties. Unprincipled politics and a civil service either unable or unwilling to shout 'stop' resulted in the "terrible reversal of fortune and. personally devastating consequences" to which the Taoiseach refers. The Taoiseach himself has cited bad politics as the root cause of our woes, and in this context promised a "political revolution a new way of doing politics" and a comprehensive programme of reform to ensure we learn from our mistakes"

Many citizens would say that this promise of a new way of doing politics has not been fulfilled. This failure to deliver on a fundamental electoral promise is in itself at the core of the 'old politics'.

Another example that illustrates the weak adaptive capacity of the State is the long litany of serious problems in the Garda Síochána. In the past 10 years alone there has been the criminal behaviour of Gardaí in Donegal, the questionable behaviour in the du Plantier murder case, the Penalty Points fiasco and other systemic, organisational failures. Repeatedly, the State has been found wanting in putting in place the structures that would pre-empt or at least reduce the risk of similar goings on in the future,

There are numerous other examples of déjà vu, for example recurring mismanagement and improper conduct over several decades in the financial services sector, the failure of the State to protect vulnerable children, and the ineffectual efforts to tackle political corruption and white collar crime, recurring crises of homelessness and no end to the shamefully inadequate mental health services.

When she stepped down from her role as CEO of the Health Information and Quality Authority (HIQA) in May 2014, Dr Tracy Cooper remarked: "When things go wrong there's good practice and appalling practice in the HSE and that's inexcusable. ...the problem is there have never been any consequences... if there is a repeated systems failure, nothing really happens....We have not yet cracked accountability in the health service."

In principle, the pattern of repeating the same mistakes means that we lack the capacity to learn from failure and adapt, and in turn that means we have not addressed the root causes this debilitating national shortcoming. We seem to be stuck. So is there any way out of this predicament?

IT'S THE CULTURE, STUPID:

Over the past decade a long list of institutional failures have been attributed ultimately to the prevailing culture of those institutions, including FAS, the system of childcare, Fianna Fail, the Central Bank and Financial Regulator, the Department of Finance, the juvenile prison, various hospitals and the HSE as a whole, property developers, the political system, the civil service and so on. Strong words were used by respected commentators to characterise particular cultures, words like cover-up and collusion, denial, deference, irresponsibility, entitlement, corruption, clientilism, cronyism, secrecy, extravagance, greed and gombeen man.

Dr. Diarmuid Martin, Archbishop of Dublin spoke of the "culture of clericalism" that bedevils the Catholic Church and Judge Smithwick, in his report on the enquiry into alleged Garda collusion in the murder of RUC officers when they were returning from a visit to Dundalk, described the culture of the Garda Síochána as one that "places loyalty to colleagues before the truth".

In all cases of dysfunctional cultures, commentators invariably add that 'there will be no lasting reform unless there is cultural reform' and commonly say so with an air of despair that anything can be done to remedy the situation. Cultures are embedded, deep rooted, part of the DNA of the organisation, and difficult to change.

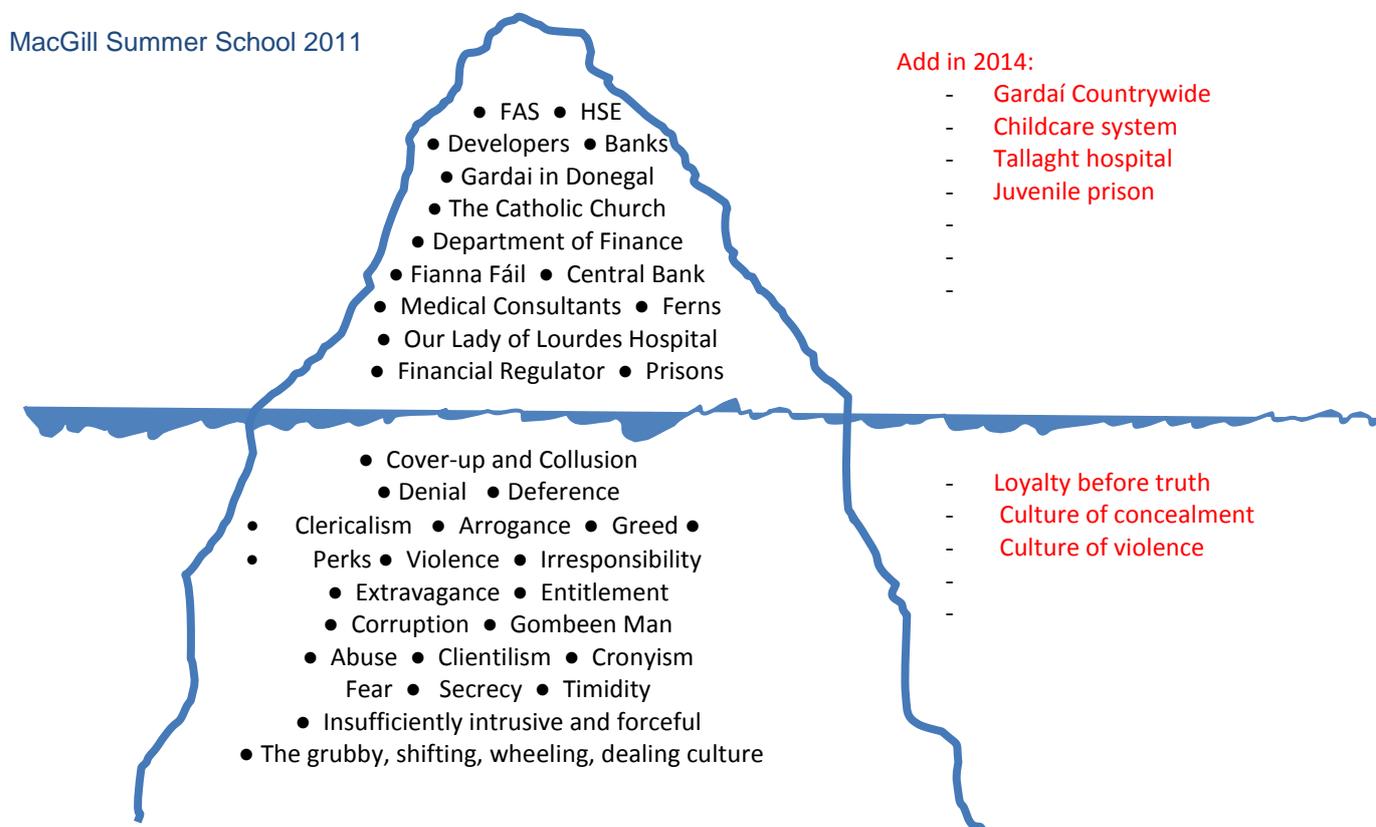
The main reason that it is so difficult to root out dysfunctional cultures, especially in relatively closed systems, such as the civil service, the Church and the Garda Síochána, is that the people who have risen through the ranks to the top leadership positions will have shown themselves to be a 'good cultural fit' as they progressed in their careers. By the time they reach these powerful positions they cease to be aware of the dysfunctionality of the culture. A fish is not aware of the water it swims in!

THE ICEBERG METAPHOR:

An easy way to appreciate the significance of culture in the context of institutional reform is to adopt the metaphor of an iceberg. Fig.1 recalls some of the strong labels used to describe the dysfunctional aspects of the culture of various organisations that have been in the spotlight in recent times, as mentioned above.

Fig. 1

Dysfunctional Culture: Root Cause of Institutional Failures



Before going any further it must be emphasised that in all of these institutions there were, and are still positive aspects of their respective cultures. The purpose of this paper is to address the damaging aspects. Also it is stressed that these labels cannot be applied to each individual who works in these places. The vast majority public servants, Gardaí, nurses and social workers or priests are good people doing their best every day, but they will be the first to tell you that they feel trapped in a cultural web that they feel powerless to change. 'It's the way things are done around here'.

CIVIL/PUBLIC SERVICE REFORM AGENDA:

The iceberg metaphor is helpful in understanding the vital role of cultural reform in the larger reform journey. Above the surface and visible are the 14 programmes that are being implemented in varying

degrees by DPER to address such matters as procurement, property, the potential for shared services, harnessing the power of ICT and strengthening the performance management system. On the political front there are the reforms to Freedom of Information, political funding and lobbying.

Below the surface, however are the embedded attitudes to these and other rules and regulations. Machiavelli said that it is insufficient to have the laws, you also need the norms or morals. Put more colloquially, 'culture eats strategy for breakfast'. Culture also eats new protocols, new structures, new performance management systems, new rules about penalty points or new rules designed to limit political patronage.

Such is the destructive power of a dysfunctional culture in frustrating and undermining the very best efforts to genuinely reform any organisation that it becomes imperative to name and explicitly address the relevant underlying culture or shared mindset regarding particular reform initiatives. Repeated attempts to introduce an effective performance management system in the Civil Service, for example, have floundered not because the instruments and method were technically unsound but because there was a wider-spread antipathy to taking personal responsibility and confronting poor performance. Extensive training in how to use the PMDS system, as it was called, was not sufficient to overcome the norms that had developed over decades regarding performance management. Elsewhere expensive new IT systems have been rendered useless because of the prevailing attitudes towards inputting accurate information.

AN EXPLICIT PROGRAMME OF CULTURAL REFORM:

In its 2008 review of Ireland's Civil Service the OECD recommended that, as in other countries, the values of the Civil Service should be codified and, crucially, systematically "embedded in the hearts and minds of staff". Although the Dept. of the Taoiseach has issued a list of public service values, such as integrity and transparency, there has been no *explicit* programme to embed these values in the hearts and minds of all staff.

The reason I emphasise the need for an *explicit* programme is because the way an organisation's culture is imbibed by new members is via the *hidden* curriculum. Within days of joining an organisation the new member learns 'how things are done around here', no matter what the official line says. For example, think of the predicament of a young Garda, who on his first day on the job saw how penalty points were being cancelled.

Establishing or changing a culture is a developmental task, not a technical one. Therefore it takes years rather than weeks to change a culture. Organisations that take culture seriously, such as some of the outstanding multinational companies or the Canadian Civil Service, ensure that the espoused, published values (such as those published by the Dept. of the Taoiseach, mentioned above) become salient in everyone's day to day work and decision-making. In these organisations the espoused values/culture feature in all HR processes from recruitment through induction, career progression and performance management and the reward systems. On a regular basis staff at all levels take time out to reflect on 'how we are living the values and not living the values in our behaviour and in all our systems'.

CULTURE AND CHARACTER: THIS IS NOT A SPECTATOR SPORT:

Back to our young Garda or a young civil Servant who see things happening that they disapprove of. The individual has four options: to fight ; to speak up; to take flight and leave the organisation; to 'go along to get along', quickly falling in with what they see as the prevailing norms; or to simply endure the daily stress of seeing their own values violated at work, but feeling powerless to anything about it.

Culture may be understood as a *shared* mindset or set of values, assumptions and attitudes. Generally speaking, there is a taboo on anyone challenging the prevailing culture, not least because people who have risen to senior positions, by definition, have shown themselves to be a good 'cultural fit'. This means that an individual who decides to challenge the 'way things are done around here' runs the risk of paying a very heavy price for such temerity. In a paper published in January 2014, Strengthening Civil Service Accountability, this existential predicament is sharply captured in the question posed by the Civil Servants who produced the paper: "How far should public servants rely on their professionalism and personal morality and how far should they simply follow instruction from their political masters"?

An Independent Expert Panel was established to take this January 2014 paper into public consultation and to make recommendations to Government. The panel reported in July but sadly they were silent on this absolutely vital issue.

Over the past decade we have seen the price that individuals have paid for questioning the prevailing group norms, perhaps most dramatically in the cases of the two Garda whistle-blowers, Maurice McCabe and John Wilson. Others who come to mind include Fr. McGinty who raised questions regarding the behaviour of Monsignor Ledwidge in Maynooth for which he, Fr. McGinty, was sent to Coventry, literally; Marie Mackle, an official in the Dept of Finance who repeatedly warned of the impending dangers of a financial crash; or in politics, Des O'Malley, who was expelled from Fianna Fail for "conduct unbecoming", on account of his challenging the 'group-think' surrounding Charles Haughey.

The new whistle-blower's legislation holds out the prospect that people who feel a need to speak up about wrongdoing in future, about mad or bad politics or administration, will not have to run the risk of sacrificing their careers in doing so. This new legislation is bolstered by the Taoiseach's ringing declaration that "Never again should dissenting voices be silenced". But a note of caution: as already mentioned having the law will not be enough; what will determine the success of the new legislation will be the culture surrounding whistle-blowing.

LOYALTY IS A NOBLE VIRTUE;

Judge Smithwick, in the report mentioned above remarked that the culture among the Gardaí "placed loyalty to colleagues before the truth".

Loyalty is a noble virtue, so it would be more apt to describe the closing of ranks around wrongdoing among Gardaí, members of political parties or any other group as anything ranging from self-serving collusion to criminal conspiracy, depending of the gravity of the matter in question. The silence of the other 13,000 Gardaí, mentioned by the Garda commissioner before the PAC, regarding the cancellation penalty points was not a demonstration of loyalty.

ULTIMATELY IT COMES DOWN TO MORAL LEADERSHIP BY SENIOR PEOPLE

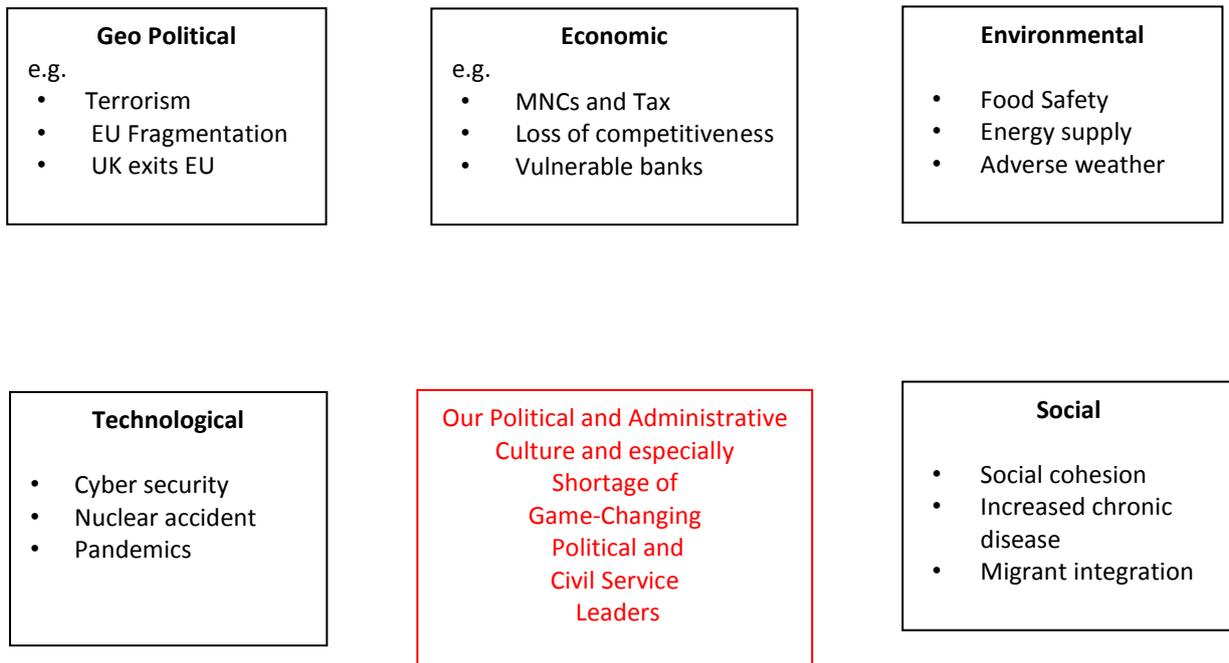
Ultimately, any progress in reforming the culture of an organisation will depend on individuals who possess the character to challenge the prevailing ethos of the organisation. While the heroic deeds of individual whistle-blowers are to be applauded unless such moral leadership in confronting the inherited culture comes from senior people in our political and administrative systems there will be no sustainable reform of the inherited culture. There will be an outpouring of rhetoric and the appearance of change for a while, until the 'empire strikes back' and the inherited culture reasserts itself.

CONCLUSION:

In summary, the weakest link in our national risk management system is not mentioned in the Government's National Risk Assessment, 2014, namely the weaknesses in our local political and administrative systems, as depicted in Fig.2, the Weakest Link.

Fig. 2 The Weakest Link

Weakest link in our defences against repeating calamities is missing from the National Risk Assessment 2014



“Nothing really happens”

A Tragedy in Six (or more) Acts
(by Muintir na hÉireann)

“The problem is we have never
had any consequences

- - - if there is repeated system failure –
nothing really happens”

Dr. Tracy Cooper
Departing CEO HIQA
25th May, 2014

What happens after a calamity in Ireland?

Tragedy in 6 Acts

		The Plot	Memorable Lines
Act 1	"What calamity?"	<ul style="list-style-type: none"> Denial Whistleblower reprisal Circle the wagons 	<p>"They should go and commit suicide" (B. Ahern)</p> <p>"The man's not well" (Re. Tom Gilmartin) (P. Flynn)</p>
Act 2	"The Cover up"	<ul style="list-style-type: none"> Delay Self-serving terms of reference Internal enquiry Safe pair of hands 	<p>"Only administrative shortcomings" (Enquiry into planning corruption in 6 Co. Co.s)</p> <p>"Only 8 questionable penalty points cancellations" (Internal Garda Enquiry)</p>
Act 3	nd 2, rd 3, "Snow job(s)"	<ul style="list-style-type: none"> Fake sincerity Still terms of reference too narrow Delay, sanitisation, missing files, perjury, redaction Get spin in first 	<p>"On advice of Attorney General - - - "</p> <p>"The main point of the report is - - - "</p> <p>"RTE has learned that - - - -"</p> <p>"A systems failure"</p>
Act 4	5 - 10 years on "All is revealed"	<ul style="list-style-type: none"> Independent, courageous, investigator Guerin, Mahon, Cooper Unambiguous findings Hope at last 	<p>Donegal was not a statistical blip" (Morris)</p> <p>"A culture that favours loyalty to colleagues - - - over the truth - - -" (Smithwick)</p> <p>"Limerick A & E not fit for purpose" (HIQA)</p>
Act 5	"Waste of a good crisis"	<ul style="list-style-type: none"> Irish solution to Irish problem Half-hearted, flawed new system, e.g. GSOC, FOI until recently Implementation deficit disorder No personal consequences 	<p>"We have now put in place world class - - - -"</p> <p>"Mr. X has been moved to a prestigious position in - - - as the best man for the job"</p>
Act 6	"The Empire Strikes Back"	<ul style="list-style-type: none"> Reformers seen off Old culture re-emerges and eats reforms Old Guard regain control 	<p>"Nothing really happens" (Dr. Tracy Cooper, former CEO HIQA)</p>

Postscript

(November 2014)

In the Introduction to the Draft National Risk Assessment 2014, disseminated for discussion by his Department in May, the Taoiseach set out the rationale for, and urgency of such an initiative:

“One of the priorities for our country and our people is to ensure that we learn from the mistakes of the past....We must identify the risks that Ireland faces and therefore ensure appropriate prevention...Never again should dissenting voices be silenced when warning of risks up ahead....We must work to ensure Ireland’s terrible reversal of fortune, with personally devastating consequences for many of our citizens, never recurs”.

- and then along came Irish Water - - - -