

# Public Management Report

An occasional (and maybe insightful) examination of the issues, dilemmas, challenges, and opportunities in leadership, governance, management, and performance in public agencies.

On the embarrassment of:

## Grading Agencies

Any teacher—from first grade through graduate school—dreads grading students. It's no fun. But that isn't the real reason that teachers hate grading. There are two, other, much more significant reasons.

First, grading takes time. If the instructor is conscientious, grading can take a lot of time. To be fair to every student, he or she must be diligent. The instructor has to read each paper carefully—perhaps twice—to be sure that the work of a student who is awarded a higher grade than another truly deserves it. Unless the students are simply checking boxes on a multiple-choice exam—in which case the grading can be done by a machine—the instructor must invest a lot of time to ensure that every grade is, indeed, fair.

The second reason why an instructor dislikes grading is even more fundamental. An instructor does not need to be in the teaching business very long to realize that any grade does not just reflect on the students' learning. It also reflects on the instructor's teaching.

When students fail to perform well on a test, on a short essay, or on a major project, the instructor wonders: "Whose fault is it? Did the students perform poorly because they are stupid, incompetent, and lazy? Or did they perform poorly, because I didn't teach well? Perhaps—just perhaps—it is my own fault."

Any honest answer to the teacher's question can be embarrassing. That is why instructors are always looking to improve their teaching. They recognize that they are grading not simply the students but also themselves.



In government, however, those who seek to grade public agencies rarely grasp this elementary insight. The graders simply assume that, if an agency is doing a poor job, it is obviously its leaders', managers', and employees' own fault. Yet in two ways, the graders themselves have affected the grades they are assigning to others.

First, an agency's performance clearly depends upon the resources and flexibility that it has been allocated. Unlike a business, a public agency cannot generate its own resources. Rare is the agency that even gets to keep its own fees. In most governments, agencies that collect fees for some of their services must return them to the general fund to be allocated by the legislature.

Thus, the leaders of any public agency are constantly begging for resources. They can always argue that, because they improved performance this year, their agency deserves more resources next year. But budget decisions are, rightfully, political decisions. And past performance is only one of the many factors that elected officials should consider when negotiating the annual budget.

Moreover, most public agencies don't get to set their own operating rules. The legislature and the internal regulatory units do that. And in a government dedicated more to preventing scandal than to producing results, winning operating flexibility can be quite difficult.

Second, an agency's performance depends upon its mission. Managing an agency with a clear mandate is much easier than managing one with an ambiguous or conflicting one. In what kind of public agency will winning a high grade be easier? (1) In a check-writing agency that everyone agrees is primarily responsible for putting accurate and timely checks in the mail? (2) Or in a regulatory agency that is subject to constant and vociferous debate with some interests arguing that it needs to be tougher to achieve its obvious benefits while others assert that its work is destructive and thus that it should be eliminated?

*When students fail to perform well on a test, the instructor wonders: "Whose fault is it? Did the students perform poorly because they are stupid, incompetent, and lazy? Or perhaps—just perhaps—is it my own fault?"*

Of course, the reason that an agency has a conflicting mandate is because society—or, at least, the legislature—has yet to resolve exactly what its mission should be. Yet the existence of the conflict over the agency's fundamental mission makes it difficult to manage. Not only does this conflict make the organization's operations more delicate. It also requires its top leadership to invest much of its time coping with the conflicting demands from the battling interests.

The graders, however, never seem to take this into account. It is relatively easy to manage any organization—public, non-profit, or for-profit—that has been given a specific, unambiguous, and widely-accepted performance target to achieve along with the resources and flexibility necessary to achieve it. It is exhausting to manage an organization with a vague or contested mission, or one that lacks its own capacity to achieve its mission. We don't have to make it humiliating too.

Yes: Creative public executives can figure out how to improve performance even when faced with conflicting mandates, inadequate resources, and complex constraints. They can mobilize constituencies around core purposes, focus resources, and creatively circumvent constraints. But shouldn't any effort to grade public agencies reflect the rather obvious differences in these realities?

Whenever Congress, a legislature, or a city council belittles a public agency, its members ought to ask the teacher's question. Whenever an Office of Management and Budget, or a state inspector general, or a municipal auditor assigns a low rating to a public agency, its leaders ought to ask the teacher's question. Whenever journalists or scholars, give a poor grade to a public agency, they ought to ask the teacher's question. Whenever citizens complain about the failure of a public agency to deliver their service effectively, efficiently, instantaneously, and at zero cost, they too ought to ask the teacher's question:

Is this a failure of the agency's leaders, managers, and employees, who are stupid, incompetent, and lazy? Or perhaps—just perhaps—is it my own fault?

An honest answer can be embarrassing. **B**

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