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HKSAR Government Civil Servants: a non-Drucker Organization?

ABSTRACT

Purpose: *Peter, F., Drucker (1909 – 2005) is an influential modern management theorist. This paper however challenges his diagnosis and prescriptions on the public sector for over-simplifying several complex issues and not being sufficiently comprehensive. With the support of the empirical findings of a survey in the Government of Hong Kong Special Administrative Region (HKSARG), we supplement Drucker's discussion on government and propose managerial actions for implementing change.*

Design/methodology/approach: *An email questionnaire survey of 700 randomly selected government employees in Hong Kong was conducted. Additional information wass gathered from senior management to validate the survey results.*

Findings: *In line with Drucker, Hong Kong government staff, as a whole, tend to be reluctant to change. Statistical tests show that there are heterogeneous behavioural groups within the organization. Specifically, younger and more educated staff are more willing to change. The existence of these groups has both practical and managerial implications for implementing change.*

Research limitations/implications: *The usable sample is relatively small (N=66)*

Practical implications: *The government should not be viewed and understood uni-directionally. Management should target the younger and more educated users first to build up sufficient user mass and adopt peer pressure for a more successful level of implementation of IT usage across all staff. Job rotation, flexible entry and exit options are worth considering, too.*

Originality/value: *This research empirically validates the nature of HKSARG. It demonstrates that researchers' challenges to Drucker's views on government are well founded. More research on the characteristics o fthe public sector is required for better understanding of the real nature of these large bureaucratic organizations*

Keywords: *Resistance to change, bureaucracy, sub-culture,*
Type: *Research paper*

Introduction

There is little dispute that Peter, F., Drucker (1909 – 2005) is an influential modern management theorist. He is even commonly referred to as the father of modern management by many scholars.

Given his widespread influence, researchers point out that there are weaknesses and limitations in Drucker's diagnosis and prescription on the public sector. With the support of the empirical findings of a survey in the Government of Hong Kong Special Administrative Region (HKSARG), we supplement Drucker's discussion on government and propose new paths of future research for better understanding of the real characteristics of these large bureaucratic organizations.

Drucker on government and the public sector

In fact, Drucker (1992) holds a negative view on public sector organizations. He uses many negative words to describe the public sector such as "big rather than strong", "flabby", "cost a great deal" "does not achieve much" (pp. 212 -213). He opines that government cannot perform well in a pluralist society (Drucker, 1995). As revealed by Dahlin (2000), Drucker's pessimistic view on government has been consistent through the years.

Drucker (1992) points out that government is inherently bureaucratic, as it needs to be. He states:

> "Government is a poor manager. It is, of necessity, concerned with procedure, for it is also, of necessity, large and cumbersome. Government is also properly conscious of the fact that it administers public funds and must account for every penny. It has no choice but to be 'bureaucratic' – in the common usage of the term." (p.229)

Concerning the government employee, Drucker points out that loyalty is more important than performance because while the established government structure protects it from distortion and political pressure, it also protects the civil servants from the demands of performance. As a result, the government is resistant to change. (Drucker, 1992; 1995).

Drucker proposes that government should transform itself and mimic the private sector for better efficiency and effectiveness. It should restrict itself to govern but not doing. It has to make use of other non-governmental organizations to do the job, i.e. “reprivatization” (1992; 1995).

And, Drucker advocates that government (or public sector more generally) needs to be transformed. Some researchers (e.g. Osborne and Gaebler (1992)) propose a similar way to reinvent the government by separating the governing and doing roles – this is exactly the “doer” role put forward by Drucker.

Challenges to Drucker's views

However, it is seen that researchers have challenged Drucker’s diagnosis of and prescriptions for government for various reasons. The following is a few typical challenges.

Garofalo (2000) views Drucker’s diagnosis of government as “simplistic and superficial criticism which, too often, passes for analysis and understanding. His prescription – apply market approaches to all manner of problems, privatize, and even ignore some problems – is equally inadequate, on both a theoretical and practical level” (pp. 100-101)

He goes on to comment “since (Drucker) is unable to discern the actual tenor and texture of public management, its variety and subtleties, he resorts to gross categories and generalities, without specifying the circumstances under which they might apply, how they might apply, what their consequences might be, or whether contrary evidence exists. Thus, Drucker’s work as a benchmark for the evaluation of public management is marginal, at best” (p. 104)

Moreover, Garofalo (2000) points out that Drucker's treatment of government and business entities is unfair for, in Drucker’s writings, the business is to be evaluated in its own terms but government is to be evaluated in business terms too.

Regarding Drucker’s concrete proposal to privatize governmental activities, Garofalo (2000) opines that Drucker fails to address both the political and constitutional challenges and the managerial and technical complexities of privatization.

He argues that public management environment is labyrinthine, multi-layered and is complex range of relationships, interests and problems. These characters do not remotely assemble the one-dimensional description proffered by Drucker. Garofalo suggests an understanding of the characteristics is essential.

Dahlin (2000) reveals that Drucker's diagnoses and prescriptions are lacking empirical support and are often over reliant on the private sectors. Maybe, the most conclusive observation from Drucker is that a new theory to move public management and government forward is badly needed.

Dahlin (2000) concurs that Drucker's proposed use of random audit instead of full audit to save cost and the proposed use of "sunseting" program to review the need of old programs are specific. Hence, Drucker concedes he has no answer to some problems caused by his own recommendations, e.g. the "Pork Barrel State" problem which may be caused by privatization. On this issue, Gazell (2002) suggests, to Drucker, replacing greater problems with lesser ones therefore represents a net gain for the country (p. 54).

To Dahlin (2000), the key shortfalls of Drucker's analysis of government include (i) focusing on economic criteria as the only proper performance measure; (ii) the failure to appreciate the human nature of government and the required structure of government; (iii) the priaise on private business by Drucker may be overstated; and (iv) Drucker's confidence in organization's apolitical nature is not empirically validated or supported.

Gazell (2002) refers to Drucker's emphasis that government rules should strike a balance between governance and market opportunity as "not specify comprehensively where the regulatory boundaries might be or should be. Nor did he initially demarcate the scope of the federal government that might be necessary for it to perform its regulatory responsibilities successfully" (p. 54)

But Gazell (2002) argues that researchers may have overlooked Drucker's appreciation of the difficulties unique to (or inherent in) managing the public sector effectively.

Resistance to change

While Drucker recommends the public sector to mimic the private sector, researchers point out that there is a cultural difference between the two sectors, and public sector

is specifically bureaucratic and resistant to change.

Being bureaucratic, the government is more motivated by political considerations than financial considerations. Because of its emphasis on and orientation to rules, procedures, stability and predictability, the government is resistant to change and does not like to take risk associated with change (Perry and Rainey, 1988).

Parker and Bradley (2000) conclude that decisions from above and managerial support are not sufficient to change an organization's culture. In their opinion, this is one of the reasons why the culture in the public sector remains so different from the private sector after so many years of reforming efforts. After all, their empirical findings show that the culture in the public sector (of Queensland) remains very much aligned with a traditional bureaucratic model. (p. 137).

Given the different nature and purposes of the public and private sectors, Parker and Bradley (2000) suggest that future research should examine the differences between public and private organization's characteristics and their employees. According to them, these differences may explain the resistance of the public sector to change and adopt a more private sector organization culture. In the end, “the prescriptions of management theory, which are drawn from the experience of successful private sector organizations, might be unsuitable for application to the public sector organization” (p.138).

Sinclair (1991) argues the sub-cultures and professional allegiances in the public sector and makes the change in public sector more complicated and difficult. Claver, et al. (1999) agree that there are subcultures in the government. They reiterate that these different cultures make it a complex task to study the characteristics, role and changes in the government culture from a general point of view. His explanation again amplifies the problem of Drucker's one-dimensional approach to describe the public sector (Garofalo (2000) above refers).

Guy and Hitchcock (2000) point out that “to the degree that Drucker's thought applies to government, it provides useful insights, yet it lacks the comprehensive applicability to public management that it offers to business” (p. 30)

Claver, et al. (1999) point out that the employees in bureaucratic organization have an excessive conformism and this leads to passiveness, mechanism and lack of new ideas (p. 458). The employees are highly reluctant to change.

To account for the resistance, Claver, et al (1999) argues that the daily routines and habits of government employees lead to safety and conformity. As a result, the modification of working habits will result in anxiety and discomfort.

Similarly, Goldsmith (2002) considers government is bureaucratic, “clunky, inefficient, and often ineffective machines”. If someone tries to change the government, “a rash of negative reactions from disgruntled employees and interest groups, including the flow of misleading information to the press, so reductions and changes of the magnitude that we were suggesting were certain to be met with tremendous resistance” (Goldsmith, 2002, pp. 108-109)

As a solution, Goldsmith (2002) highlights the need to convince the employees of the pressing need of the change immediately and to make a case that the changes would actually work to their benefits. He suggests to cultivate a new culture in the government is vital for it to meet more changes in the future. But such a shift in culture requires considerable time and effort.

Khan (2005) points out that, in the private sector, the use of positive or negative incentives to motivate change is easier. In the public sector, positive incentives like bonus pay, stock options and promotion are prohibited by laws or the pay is simply a grade-based system. Negative incentive like removing the poor performer from service is extremely difficult under the existing systems. Without these tools, change in the public sector is uniquely difficult.

In conclusion, Drucker argues that the government requires change, very radical change -- restructuring the organization; changing the reward system; abandoning unproductive processes; and even rethinking the purpose of the government. However, at the same time, he reveals that government would resist change fiercely (Drucker, 1995, pp. 288-301).

Drucker’s diagnosis that government needs to undergo change is widely agreed and accepted (e.g. Garofalo, 2000; Gazell, 2000; Khan, 2005). However, researchers conclude that one of the reasons for the dissatisfactory reinventing of government results in resistance to change. As pointed out by Khan (2005), the performance of the government rests on its employees in the end (in particular the low and middle ranking ones). Therefore, the willingness of the government employees to change is determining. The combined effect of these arguments indicate a rather hopeless

conclusion – the government needs to change but it resists change.

If Drucker admits that government has to be bureaucratic and one prevailing character of it is resistance to change (Drucker, 1992), what is the practical way to change? When Drucker discusses the disappointing results of the US government "reinventing" programs, he says "the reason most often given for this embarrassment of nonresults is 'resistance by the bureaucracy'" (p.288). This strongly indicates how researchers generally explain the failure of government reform efforts by resistance to change. Following Drucker's argument and observations on government, theoretically, his prescription is impractical and hopeless to achieve the goal – at least until the culture of government changes. In fact, Drucker has never proposed any comprehensive plan to make the change possible.

The recommendations by Drucker (1999) in his book *Management Challenges for the 21st Century* for both private and public organizations to become a change leader, to a large extent, are not applicable to the public sector because it is Drucker's own conclusion that public sector organizations are bureaucratic and resistant to change (Drucker, 1992; 1995) that makes "change" so difficult.

For example, his proposals that the use of compensation packages to reward innovators and adjustment and reconfiguration of the organizational structure are inherently prohibited by the existing policy restrictions and rules.

Given the need to transform the government, this paper wishes to explore more in-depth the characteristics of government and to open up new paths for further researches so that reinventing government can be practical and feasible.

Research method

The most recent and service-wide change in the government is e-government, which requires the government employees to take advantage of the advancements in information and communication technology (IT) to enhance efficiency. Undoubtedly, the use of IT at work will change a lot of the routines and accustomed procedures. Based on the above arguments, this should result in a high level of resistance to change (RTC) and low level of IT usage. A questionnaire survey by email was considered appropriate for this study for limited time and other resources. It was also conjectured that perceived anonymity may also encourage a higher return rate from conservative civil servants. However given the very nature of the organisation, its history and the 'politically sensitive' nature of the subject matter this latter advantage

was not in fact realisable.

In the survey, we presented “email”, “downloading of information”, “browsing”, and “communication” as related activities in using IT within the workplace. To operationalize the measurement of resistance level, assistance was obtained from the ‘checklist’ of the ‘degree of resistance’ provided by the Price Waterhouse Change Integration Team (PWCI Team) (PWCI Team, 1995, pp. 23-24) which is essentially derived from the ‘lists’ proposed by Rumelt (1995), Drafke and Kossen (1998), Kotter and Cohen (2002) and Pardo del Val and Martinez Fuentes (2003). Adapting these a series of 12 statements was drawn up (Appendix I) and used in this research to generate HKSARG respondents comments. The actual usage is obtained by asking the users to self-report using the scales in Appendix II. The questionnaire was pilot tested by a small group of randomly selected civil servants to ensure suitability and understandability of the questions.

Data collection

An email questionnaire survey and personal interview were used to secure the best possible information for analysis. Emails explaining the research and attaching the questionnaire form were sent to 700 randomly selected civil servants during the period from 6.1.2007 to 29.1.2007. A total of 64 questionnaire forms were returned but only 63 were usable. During the period from 10.5.2007 to 28.6.2007, follow-up emails and telephone calls to 52 randomly selected non-respondents were sent to urge them to complete the questionnaire forms and/or an interview to investigate if there was any non-response bias. Unfortunately, only three non-respondents were willing to complete the questionnaire. Ten letters and follow up contacts were sent to department heads (change agents) on 9.11.2007 for an interview. Five of them completed and returned the open-ended type questionnaire in writing and one assistant director agreed to the interview.

It is noted that the email survey response rate is low but this is not surprising given the reported responses in other mail or email surveys conducted in the local context, the very nature of the topic and the inherent distrust of such information gathering amongst civil servants. We found no evidence of non-response bias because both the three (initial) non-respondents and the five change agents produced a range of responses that had no systematic pattern. This raises significantly the response quality and validity. In addition, the data from different sources can be used to triangulate the findings and reveal more information from the analysis.

Data analysis and findings

The SPSS 10.0 statistical software package was used to explore the data collected by correlation, regression and t-tests.

The correlation results show that RTC significantly correlates with actual usage (AU) ($r=0.759$, $p<0.01$). It implies that when the score[1] of RTC is high, the score for AU is high. Therefore, when the level of resistance to change is low, the IT users use more IT.

Regressing the score of AU against the score of RTC shows that AU=0.205RTC ($p<0.001$, R2=0.575). It implies that if level of resistance is low, the IT usage is high. It validates the causal relationship between resistance level and usage level.

T-tests were used to explore if there are different behavioral or sub-cultural groups in the HKSARG sample. The results suggest that there is no significant difference between genders or civil servant rank.

Table 1: Summary of t-test results

Group		**RTC**	**AU**
Pooled	(66)	High	Average
By gender	Male (31)	NSS	NSS
	Female (35)	NSS	NSS
By age	Older (aged 36+/51)	High	Low
	Younger (aged 35-/15)	Low	High
By education level	More educated (degree+/23)	Low	High
	Less educated (43)	High	Low
By rank	Senior (19)	NSS	NSS
	Junior (47)	NSS	NSS

Note : NSS stands for “No statistically significant inter group difference”;

However different age and education level groups are observed to behave differently. The older and less educated groups have a higher level of RTC. These staff tend to have a low level of IT usage. An opposite direction of the chain is seen in the younger group and more educated group.

[1] Meaning of scores are : For RTC : high score means low level of resistance; for AU: high score means higher IT usage.

An important point here. While younger or more educated groups are more ready to change, these are relatively small groups (15 younger and 23 more educated, respectively). As a result, the overall resistance level of HKSARG is still on the high side. This may be why bureaucratic organizations employees are perceived as reluctant to change. Because HKSARG offers good job security and employee protection policies, the turnover rate is very low. Together with the systematic difficulties and clumsiness to remove non-performers, even the less competitive staff (possibly less educated or have lesser job skills) can stay until retirement or voluntary departure. Furthermore, there are a large number of supporting staff (lower education level) work in the HKSARG. All these factors contribute to the high percentage of older or less educated staff and overall higher resistance level in HKSARG. Table 2 shows the t-test results when the IT users are divided into different groups by RTC level.

Table 2: Summary of t-tests results in different resistance level groups

Groups	**AU(7)**
High resistance group (RTC score<36) (N=41)	Low Mean score= 5.63
Low resistance group (RTC score >=36) (N=25)	High Mean score= 10.04

Note :

1. Numbers in brackets are the mean values of the scores of that construct
2. All the differences between the means of the two resistance groups for the respective constructs are significant at $p<0.01$
3. All the mean scores calculated are significantly different from the test values at $p<0.01$.

The results are obvious that the high resistance user group uses less IT. The opposite holds true in the low RTC level group.

The correlation, regression and t-test results reinforce each other while the t-test results reveal that sub-cultural groups exist in the government as expected (see p.5).

Validity and reliability

Cronbach's alpha for the construct RTC is 0.9597. This value significantly exceeds the widely accepted threshold of 0.7 (Hair, et al, 1998). RTC is a new construct

formulated in this research and a factor analysis shows that the 12 items in the RTC construct load sufficiently from 0.618 to 0.92, compared to the desirable level of 0.3 (Hair, et al, 1998; Foster, 1998), again confirming reliability and validity in this research.

Change agents' responses

The department heads are identified as change agents. Their viewpoints and comments are collected from their responses to an open ended questionnaire and a personal interview with an assistant director. These senior staff do not recognise there is higher than normal resistance in their departments. Concerning the possible effect of resistance, they expect that when resistance is high, the IT usage will be low. They suggested that training, management support, incentives and communication are key factors to lower resistance.

Discussion and conclusion

The empirical findings in this research show the HKSARG is exhibiting higher than average[2] resistance to change levels but only by a small margin, not as serious or extreme as many critics have suggested. More research using the same instrument in this research should be done to have a more thorough understanding of the relative resistance levels amongst organization types.

When approaching HKSARG as a whole, the level of resistance is higher than average, which is consistent with Drucker's expectations. But this pooled result hides away some useful and critical details. However, there are sub-cultural groups in the HKSARG and their behaviors are different, namely, younger and more educated staff are willing to change while older and less educated staff are reluctant to change.

In fact, the more number of older and less educated staff than younger and more educated staff contributes to an overall higher resistance level. The vital point is that the existence of sub-cultural groups opens up new possibilities for management to go out of the theoretical dead end depicted in Drucker's arguments. In particular, the findings of a lower resistance level in younger or more educated groups implies that management would be better advised to target these staff as a starting point in any new IT implementation plan. This is more likely to generate a positive demonstration effect for the other groups in the organization.

A better strategy to implement change is to approach the easier groups – more

[2] The numerical average of resistance level stands at 36. The possible range of the scale is 12 to 60.

educated or younger groups to build up a critical mass and cultivate peer pressure to reluctant to change groups

In general, the findings in this research emphasize that management cannot approach the government, the department or unit by taking them to have a unified culture, they must deal with sub cultures in their respective departments.

It is proposed that management can use measures such as job rotations to “loosen” some of the deep-rooted cultures of certain groups; to recruit more educated and younger employees and provide more flexible entry and exit options for talent to work in and leave government for specific projects or as and when specific expertise is necessary

There are several limitations in this research. The unavailability of a full directory of all the IT users in the HKSARG meant the researchers could not access all potential respondents. Restricted by time and other resources, only 700 IT users were contacted and the response rate was around 9% only. The statistically higher than average resistance level was taken to mean reluctant to change. The result should be compared with other organization’s resistance level to clearly indicate whether bureaucracy is more resistant to change than other organization types. Self-reported IT usage is taken as the dependent variable. It may not be an accurate reflection of the actual usage. Lastly, the use of a cross-sectional survey design makes the establishment of causal relationships between the constructs more difficult and less convincing. A larger scale and longitudinal study is desirable to reinforce the findings in this research.

In conclusion, we concur with Drucker’s assessment that government will need to change. However, his arguments may need to be refined and supplemented. In particular, Drucker’s uni-dimensional view of the government is over simplifying the nature of the organization and is unable to point to practical and comprehensive strategies to implement the required change initiatives. This is an area of Drucker’s writing that is under constant criticism. The empirical findings of this research show that management in HKSARG can take advantage of sub-cultures in government to move the organization ahead in the new environment.

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Appendix I

12 statements used in the questionnaire to measure level of RTC

1. there is no need for the change in HKSARG
2. I do not know or understand why the change is needed
3. there will be costs for me (e.g. I will need to sacrifice other things) to adopt the change
4. the change is not to my benefit
5. the change is to the management's benefit
6. the change will make my department/team/myself suffer
7. the change does not tally with the values or culture or routines in HKSARG
8. I believe "the way we do things here" is the best way to do the work
9. even the change is needed, I do not want to be the "first mover"
10. I am afraid I do not have the necessary capabilities to implement the change
11. there are too many uncertainties about the change
12. there may be a threat to my job if the change is implemented

(Actual System Use)

(1) Frequency of Usage

On average, how frequently do you use the IT (e.g. browsing, email and downloading) in the workplace?	Please indicate your answer by putting the number (i.e. 1-6) in the space below
1. Never	_____
2. Less than once a month	
3. A few times a month	
4. A few times a week	
5. At least once a day	
6. Several times a day	

(2) Daily Usage

On an average working day, how much time is spent on the IT (e.g. browsing, email and downloading)?	Please indicate your answer by putting the number (i.e. 1-6) in the space below
1. Never	_____
2. Less than 0.5 hour	
3. From 0.5 -1 hour	
4. From 1- 2 hours	
5. From 2- 3 hours	
6. More than 3 hours	