



The Blunders of our Governments

King, Anthony, & Crewe, Ivor. (2013). *The Blunders of our Governments*. London: Oneworld Publications.

Short of outright fraud (and not necessarily even then) blunders of governments tend to be noticed and publicly investigated more than those in the private sector – as witnessed by some of the reports from the New Zealand Office of the Auditor General. For those in power, this book ought to be a powerful antidote for blunders – assuming they accept they are capable of making blunders!

The Oxford English Dictionary defines blunder as "a stupid or careless mistake", the antithesis of what risk managers try to achieve. The authors use the word in a similar way but include failure to achieve objectives, or achievement of some or all objectives but at a totally disproportionate cost, or causing a significant amount of "collateral damage" (eg, unintended and undesired consequences). The costs and consequences of government blunderers can be financial, political, human or some combination of all three.

The authors provide a range of well researched examples to show how government blunders can arise for a range of reasons including a failure to assess risks or conduct market research into the proposed activity or service. They also comment on how Margaret Thatcher moved from being risk averse to being casual – even unconcerned – about risk.

For Thatcher, the most egregious example was the poll tax. This was developed to fulfil a promise to get rid of local authority rates and replace them with a fairer system. However, the decision to move to the poll tax was taken at a meeting of ministers and some advisors in 1985 without the support of pre-circulated formal papers, or analysis of alternatives, or the presence of key members of the Cabinet, and despite widespread doubts that the poll tax would work. Those doubts were ignored and the Government promptly became victim to optimism bias. This ultimately led to widespread protests on the streets and Thatcher losing power.

The authors also show how the UK government decision to move as many people as possible from state pensions to privately managed schemes failed, in the planning stage, to asked "what if" questions. Such questions might have been developed using SWIFT (structured-what-if-then) or some other risk assessment technique. This failure led to widespread mis-selling of pensions and, as a reaction, contributed to the rise of regulatory systems in the financial services sector in the UK and, subsequently, in New Zealand.

The chapter on IT blunders felt very familiar, especially after our own Novopay debacle (Jack & Weavers, 2013). Several examples are given showing how easy it is to assume that the development of complex IT solutions can be achieved – on time and on budget as well as achieving the deliverables – only to discover that one or more of these has not or cannot be achieved.

The book contains lessons for all organisations, not just governments. Many blunders have been caused by cultural disconnect, groupthink, intellectual prejudice, operational disconnect, and symbolism and spin. Arguably, these can be avoided by better management, greater humility and wider consultation (including pretesting of "products"). The authors explore the role of Parliament (and, indirectly, governance entities more generally) in delivering strong oversight of major projects. They also mention the need for improved risk and project management.

The book is a sad commentary on the state of affairs – or rather the affairs of State – too many blunders have been and continue to be made at taxpayers' expense; and it reminded me of an earlier book about private sector blunders that showed 50% of decisions fail in some way (Nutt, 2002). While it only uses examples from the British government, *The Blunders of our Governments* should be read by all New Zealand politicians (national and local) and senior bureaucrats. It should also be read by directors and senior managers who are, or should be, accountable for decisions and major projects.

Chris Peace is a risk management mentor, consultant and trainer. In private, he admits to occasional blunders that were his learning experiences. He hopes readers learn from their own blunders and, perhaps from this book.

References

- Jack, Murray, & Weavers, Maarten. (2013). *Ministerial Inquiry into the Novopay Project*. Ministerial Inquiry; Wellington, NZ. Retrieved from <http://www.minedu.govt.nz/theMinistry/NovopayProject/MinisterialInquiry.aspx>, 5 June 2013.
- Nutt, Paul. (2002). *Why decisions fail : avoiding the blunders and traps that lead to debacles*. San Francisco: Berrett-Koehler.