

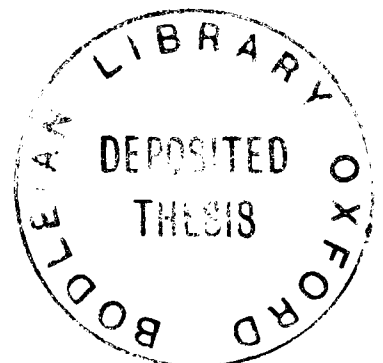
# **Bureaucratic Motivations**

## **An examination of motivations in the US Environmental Protection Agency and the Environment Agency for England and Wales**

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Thesis submitted in partial fulfilment of the requirements for the  
degree of D.Phil. in Politics in the Faculty of Social Studies at  
the University of Oxford

approx. 100,000 words





# Abstract

## *Bureaucratic Motivations: An examination of Motivations in the US Environmental Protection Agency and the Environment Agency for England and Wales*

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This thesis examines the motivations of bureaucrats in two government agencies: the Environmental Protection Agency in the US, and the Environment Agency for England and Wales. The model employed in this work is a Trifocal Model which utilises Rational Choice, Institutional and Cultural approaches in answering the thesis question. The aim of this work is two-fold: one aim is to explain motivations in two agencies; the second aim is to suggest why the existing literature in the field of bureaucracy often fails to capture the diversity of bureaucratic motivations. The claim is that the adherence to one particular paradigmatic approach prevents scholars from attaining a comprehensive understanding of motivations.

This work focuses on two elements of the Trifocal Approach, namely institutional and cultural explanations. Rational Choice explanations are given a limited explanatory role in this work, in large part because of the restricted usefulness of an approach which takes the preferences of agents as given. This thesis uses a scientific approach to the analysis of qualitative data, allowing other researchers to make use of, and indeed to question, the findings presented below.

The argument in this thesis suggests why scholars must pay more attention to what those people within bureaucracies tell us about themselves and their motivations. To take the preferences of agents as givens is to ignore much of what is most important about the study of politics-- that is, where preferences come from, and how they shape the political behaviour we observe in bureaucracies. This thesis will show that public sector reforms are often flawed, often failing to consider the interplay of cultural and institutional effects, and how these effects have a bearing on the motivations of staff in organisations undergoing reform. Furthermore, cultural and institutional factors must be considered whenever one considers the question what is it that motivates bureaucrats.

# Contents

## Part I

### Introduction: Bureaucratic Motivation in Comparative Perspective

#### Chapter One: Methodological and Conceptual Problems Encountered in the Study of Bureaucratic Motivations 1

|                                                                     |    |
|---------------------------------------------------------------------|----|
| (1.1) Overview of this Work                                         | 2  |
| (1.2) A Scientific Approach to the Study of Bureaucratic Motivation | 3  |
| (1.3) The Comparative Method                                        | 11 |
| (1.4) Motivation Defined                                            | 15 |
| (1.5) Summary of Main Points                                        | 17 |

#### Chapter Two: Max Weber, Ideal Types, and the Trifocal Approach 18

|                                                                                                                   |    |
|-------------------------------------------------------------------------------------------------------------------|----|
| (2.1) Overview                                                                                                    | 19 |
| (2.2) Weber and Ideal Types: The Foundations of the Analysis of Modern Bureaucracies                              | 20 |
| (2.3) The Trifocal Approach: The Need to Balance Competing Explanations of Motivation                             | 29 |
| (2.4) The Need to Use Culture as Part of the Explanation of Motivations                                           | 31 |
| (2.5) Institutional Analyses                                                                                      | 36 |
| (2.6) Rational Choice                                                                                             | 42 |
| (2.7) The Limited Role of Rational Choice in this Work                                                            | 45 |
| (2.8) From Trifocal to Bifocal: Why Institutions and Culture Constitute the Primary Means for Explaining the Data | 54 |
| (2.9) Summary                                                                                                     | 54 |

## Part II

### Bureaucratic Motivation in the US EPA

#### Chapter Three: Politics, Culture and Institutions: The Trifocal Approach and Bureaucratic Motivations in EPA 55

|                                                                                                                       |    |
|-----------------------------------------------------------------------------------------------------------------------|----|
| (3.1) Introduction                                                                                                    | 56 |
| (3.2) The Questionnaire Used and the Interview Data Collected                                                         | 58 |
| (3.3) Why the Data Should be Analysed Using a Trifocal Approach                                                       | 60 |
| (3.4) The Framework of Explanation: <i>the Trifocal Approach</i>                                                      | 63 |
| (3.5) Nesting a Trifocal Approach Within a larger Historical and Political Context                                    | 65 |
| (3.6) Placing the US EPA in an Historical and Political Context                                                       | 66 |
| (3.7) EPA: Inception                                                                                                  | 67 |
| (3.8) Politics and the Fledgling Agency                                                                               | 70 |
| (3.9) The Relevance of <i>Mission</i> to the Understanding of Motivations: Why Mission is not an explanatory variable | 76 |
| (3.10) Summary                                                                                                        | 82 |

|                                                                                                      |                |
|------------------------------------------------------------------------------------------------------|----------------|
| <b>Chapter Four: The Role of Institutions in Explaining the Motivations of Officials in EPA</b>      | <b>83</b>      |
| (4.1) The Need to use Institutional Analyses as part of the Explanation of Motivations               | 84             |
| (4.2) The Organisation of EPA in 1970                                                                | 87             |
| (4.3) Vertical Divisions                                                                             | 96             |
| (4.4) The Propositions                                                                               | 97             |
| (4.5) Summary: Institutional Analyses and Understanding Motivations                                  | 107            |
| <br><b>Chapter Five: The Role of Culture in Explaining the Motivations of Officials in EPA</b>       | <br><b>108</b> |
| (5.1) Cultural Groupings Within EPA                                                                  | 109            |
| (5.2) Organisational Culture                                                                         | 109            |
| (5.3) The Presence of Two Types of Culture in EPA                                                    | 111            |
| (5.4) The Propositions                                                                               | 113            |
| (5.5) Preliminary Conclusions: EPA is Cross-Cut by Cultural Identities that Affect Motivations       | 148            |
| <br><b>Chapter Six: Reinvention of Government: Motivations in EPA Headquarters and in Region III</b> | <br><b>149</b> |
| (6.1) Reinvention of Government                                                                      | 150            |
| (6.2) EPA's Strategic Plan: Why Reinvent?                                                            | 154            |
| (6.3) The Institutional Effects of Reinvention                                                       | 157            |
| (6.4) The Cultural Effects of Reinvention                                                            | 164            |
| (6.5) Region III: an Overview                                                                        | 171            |
| (6.6) Institutional Effects in Region III                                                            | 176            |
| (6.7) Cultural Effects in Region III                                                                 | 179            |
| (6.8) Reinvention in Washington and Region III                                                       | 182            |
| (6.9) Summary                                                                                        | 185            |
| <br><b>Part III</b>                                                                                  |                |
| <br><b>Bureaucratic Motivation: the Environment Agency in Comparative Perspective</b>                | <br><b>188</b> |
| <br><b>Chapter Seven: Bureaucratic Motivation in the Environment Agency</b>                          | <br><b>189</b> |
| (7.1) The Benefits of Comparison                                                                     | 190            |
| (7.2) The Environment Agency: Historical and Political Context                                       | 192            |
| (7.3) The British Policy Style                                                                       | 194            |
| (7.4) The Development of Environmental Regulation in Britain                                         | 196            |
| (7.5) Regulation in Britain: the 1980's to the Present                                               | 201            |
| (7.6) The Creation of the Environment Agency                                                         | 206            |
| (7.7) Legislative Debate and the Passage of the Environment Bill                                     | 210            |
| (7.8) Mission in the Environment Agency                                                              | 215            |
| (7.9) Summary                                                                                        | 218            |

|                                                                                                                                |                |
|--------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Chapter Eight: An Institutional Examination of Motivations in the Environment Agency</b>                                    | <b>219</b>     |
| (8.1) Explaining Motivations in the Environment Agency: An Institutional Perspective                                           | 220            |
| (8.2) Institutional Divisions Within the Environment Agency and Effects on Motivations                                         | 222            |
| (8.3) The Propositions: Institutional Structures and Their Effects on Motivations                                              | 222            |
| (8.4) Preliminary Conclusions                                                                                                  | 267            |
| <br><b>Chapter Nine: The Role of Culture in Explaining Motivations in the Environment Agency</b>                               | <br><b>269</b> |
| (9.1) How An Understanding of Culture Helps to Explain Motivations                                                             | 271            |
| (9.2) The Propositions: Cultural Groupings and Their Effects on Motivations                                                    | 273            |
| (9.3) Preliminary Conclusions                                                                                                  | 292            |
| <br><b>Chapter Ten: The Limited Role of Rational Choice in Explaining Motivations in the Environment Agency and the US EPA</b> | <br><b>294</b> |
| (10.1) Why Rational Choice Explanations are of Limited Use in Explaining Motivations in Two Agencies                           | 295            |
| (10.2) The Null Hypothesis: What Would A Rational Choice Account of Motivations Look Like?                                     | 296            |
| (10.3) Types of Rationality and Preference Formation: Atomism and Human Agency                                                 | 297            |
| (10.4) Institutional Rational Choice: King and Dowding, A More Useful Approach to Bureaucratic Motivation                      | 303            |
| (10.5) The Utility of Rationality: Niskanen, Downs and Dunleavy                                                                | 307            |
| (10.6) Bureau-Shaping: as the Most Useful Rational Choice Explanation of Data in Two Agencies                                  | 317            |
| (10.7) Preliminary Conclusions                                                                                                 | 321            |
| <br><b>Chapter Eleven: Conclusions</b>                                                                                         | <br><b>322</b> |
| <br><b>Bibliography</b>                                                                                                        | <br><b>337</b> |

# **Part I**

## **Introduction: Bureaucratic Motivation in Comparative Perspective**

*'Environmental protection came of age when my generation was growing up: JFK, Vietnam, the era of big resources put into government. Ask not what your country can do for you and all that, that led me and many people to want to work for the government.'*

--EPA Official

*'I was committed to public service...and became interested in public health. So I found a way to come to EPA...I believe in the Agency, in making life better for people.'*

--EPA Official

*'I have to be in government. I live ten blocks from the government of the most powerful nation on earth. I like that.'*

--EPA Official

*'The Environment Agency has lost its way, and we all realise that. We have local offices doing different things. The Agency is too national to be locally sensitive and too local to have national drives.'*

--Environment Agency Official

*'The Agency is still a river-basin manager, and the structure of the Agency shows this.'*

--Environment Agency Official

*'I did not like having to work with the Water people at first, but now I like it, we all get on really well now and I think it works better.'*

--Environment Agency Official

*'Primary loyalty in the Agency is to function. It is the functional life-raft that people cling to, which probably brought you into the job in the first place. If you have a vocation then this is probably it.'*

--Environment Agency Official

# **Chapter One**

## **Methodological and Conceptual Problems Encountered in the Study of Bureaucratic Motivation**

**(1.1) Overview of this Work**

**(1.2) A Scientific Approach to the Question**

**(1.3) The Comparative Method**

**(1.4) Motivation Defined**

**(1.5) Summary of Main Points**

## **Overview of this Work (1.1)**

This work is an attempt to answer the question: “What Motivates Bureaucrats?” The approach adopted in this work is a Trifocal Approach and is explained in detail in Chapter Three. Most of the explanation found in this work will focus on two of the three elements in a Trifocal Approach. However, it is essential that the researcher begins with (at least) these three explanatory approaches in mind. These approaches are lenses through which the researcher can make sense of his data. Whether one lens alone is sufficient for providing a good explanation of one’s data is a question that must be answered with reference to the data. Sometimes the most convincing explanation will combine all three lenses in different weightings.

The argument presented in this work is underpinned by two of the three lenses that constitute the Trifocal Approach. The data in Chapters Four to Ten are best explained by a combination of Institutional and Cultural approaches. Chapter Three examines the Trifocal Approach in further detail before presenting a brief account of the how and the why of EPA’s creation.

Chapter Four examines Institutional structures in the US EPA and their effects on motivations; Chapter Five examines Cultures in EPA and Chapter Six examines motivations in one of EPA’s Regional Offices. Chapter Seven presents an overview of the creation of the Environment Agency, with Chapters Eight and Nine focusing on Institutional and Cultural explanations of motivations within the Environment Agency.

In short, this thesis will show that bureaucratic motivations in the US EPA and the Environment Agency for England and Wales are best understood as the product of the interplay between Institutional and Cultural variables. This interplay is not consistent even across one Agency, let alone consistent across nations. But the lenses used to assess the question of motivations are, indeed must be, determined by the data collected and by the theories employed when formulating a research question. The data in this work do not require that the third of our lenses, that of Rational Choice models, be utilised extensively. Some data admit of a Rational Choice explanation,

and these are presented in Chapter Ten. However, it is argued in Chapter Ten that the Rational Choice approach to the study of bureaucratic motivations is flawed. Further, this approach leaves little room for explanations that focus on macro-social structures where the agent is not the primary unit of analysis. That agents may be shaped by their location in a larger context is integral to the argument in this thesis. That Rational Choice models allow almost no possibility of viewing the agent as shaped by his context requires that, in the present work, Rational Choice explanations are downgraded to a minimal role in explaining those data obtained in interviews at two agencies.

This work employs a scientific approach to the formulation and development of an argument based upon interview data. Chapter One presents an explanation of what a scientific approach is, and why it is useful in this work. The next task of Chapter One is to examine the Comparative Approach and the need for it in this thesis. The next task of Chapter One will be to discuss the way that this research was designed and constructed. Finally, the last part of this chapter will define *motivation* so that one can understand the question that this thesis sets out to answer.

## **A Scientific Approach to the Study of Bureaucratic Motivation (1.2)**

There is considerable debate within Political Science, and the Social Sciences more generally, as to whether the study of human beings can ever be scientific. The argument presented herein begins with the assumption that the examination of motivations can be conducted in a scientific manner. This is not to make the claim that the results presented below can be discovered *objectively* through a double-blind test or such like; however, the results presented in this work can be falsified, they can be reproduced, they are transparent in the interpretation given to each and every datum.

In *The Limits of Political Science*, Nevil Johnson argues that political science is not truly scientific, but rather is a: *courtesy title, shading from direct view the difficulty which arises when we try to state what kind of science it is.*<sup>1</sup> As Johnson argues, deciding what kind of science political science is remains highly problematic. The commonest

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<sup>1</sup>Johnson, N. (1989), *The Limits of Political Science* (Oxford, Clarendon Press) page 6.

yardstick for comparison is the method of the laboratory sciences. Where results are testable, falsifiable, and repeatable. Critics of the claim that political science is scientific argue that political science fails to meet such standards. Other scholars emphasised the distinction drawn between quantitative research, which they argue meets many of the criteria of science, and qualitative research which is not viewed as being scientific in its research. Qualitative research is not seen to be repeatable, testable, or falsifiable; therefore it cannot make a legitimate claim to be scientific.

The results that are discussed at length in the chapters that follow are not based on quantitative research. However, because these results are falsifiable, transparent, subject to rigorous analysis, they are underpinned by scientific method. That the nature of subject matter differs between social and physical sciences, or between politics and, say, physics does not mean that political scientists can have nothing rigorous and, more importantly, useful to say about bureaucratic motivations. What the researcher must do is ensure that terms such as Culture and Institutions are employed in a clear and consistent way. If terms are not defined clearly, then all analysis based on such terms will be largely meaningless. The first three chapters of this work set-out the conceptual framework used throughout this work.

An ideal-typical framework for rigorous scientific research, a benchmark, is the Deductive-Nomonological model, in which: *'to explain something is to exhibit it as a special case of what is known in general.'*<sup>2</sup> Showing a result to be a special case of a more general law is achieved when the particular case is deduced from a more general covering law that covers similar cases. This model emphasises why it is that generalisations play such an important part in deductive explanations. The explanatory power of the deductive-nomonological model derives from the fact that deduction from covering laws logically necessitates that which is deduced. The main problem arises, however, in the case of laws that appear to have exceptions, as often happens in political science. This approach is an ideal type of scientific research, moving from particular instances to inferred regularities and providing falsifiable, testable, repeatable results. A major element in the deductive-nomonological model is its emphasis on the search for

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<sup>2</sup> Johnson, N., *ibid.* page 8.

regularities and general covering laws that allow one to move from the particular to the general.

Quantitative research in political science is often seen as providing such general laws: for example, one such law might state that all bureaucrats pursue their goals in a rational way, with their goal underpinned by a desire to maximise some form of self-interest. Such a claim would be testable and would therefore meet at least one of the criteria of scientific research. Quantitative researchers in political science will often claim that their research is scientific because it posits a theory and then sets about testing it against large sets of data which are subjected to statistical analysis and mathematical techniques of many forms. Qualitative research on the other hand is viewed by many researchers as lacking the rigour of the laboratory sciences, as relying on small data sets that do not permit the researcher to draw wider generalisations about the data, as unscientific.

The benefit of using a Trifocal Approach in this work is that one is not restricted to using only one means of explaining the data. Furthermore, one is not forced to rely solely upon quantitative methods of investigation and analysis. The researcher can and should employ different explanatory approaches, be they quantitative or qualitative, in various weightings, in order to present the best possible explanation of the data. Yet much of political science remains divided between those who favour one approach over another (Rational Choice over Cultural Theory for example), and those who favour quantitative over qualitative research, or *vice versa*.

Gabriel Almond describes political science as a '*discipline divided*' between the qualitative and the quantitative camps<sup>3</sup> This polarisation is an incomplete representation of the complexity of the divisions but it highlights one of the most prominent of these divisions. Almond's characterisation posits polar categorical alternatives, and fails to pay sufficient attention to what Peter Evans calls '*the eclectic messy centre*' of political science. Researchers may dogmatically adhere to qualitative or quantitative methods, but

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<sup>3</sup> Almond G.A. (1990), *A Discipline Divided: Schools and Sects in Political Science* (Newbury Park, Sage).

most political scientists occupy a position between these extremes, and it is this position between extremes to which Evans refers.<sup>4</sup>

This centre represents a mix of both qualitative and quantitative methods of research and, Evans argues, will continue to dominate research in politics because: '*Particular cases are the building blocks for general theories, and theories are lenses to identify what is interesting and significant about particular cases.*'<sup>5</sup> To refer to research as occupying a "messy centre" is useful but misleading. It is possible to conduct rigorous, theoretically coherent research that straddles the qualitative/quantitative divide, or that uses more than one explanatory approach to a question. What should be taken from Evans' comment is that a good deal of the research questions examined by political scientists do not fall neatly into intellectually discrete, paradigmatic opposing camps. Most good research must rely on a battery of techniques if an explanation is to be both comprehensive and convincing.

Evans accepts that researchers often use particular cases, but argues that for them to be useful they have to be potentially separable from the settings in which they were originally derived. The present work uses two case-studies and presents findings based on these case-studies. However, many of the arguments propounded in this work could have generalisable significance. Yet one cannot claim such generalisability until further research is undertaken, using different case studies, which support one's original contention.

One prominent problem encountered in this work is discussed in Almond's *Discipline Divided* and represents a problem inherent in the natural sciences as well as in political science: that of constructing a research design, generating hypotheses, obtaining data, and drawing conclusions. There is the further problem of establishing causality in the process, of showing that conclusions are logically deduced from the premises, and that the data have not been distorted in order to ensure that the deductive process works. These problems are discussed below with the intention of making clear to the reader the

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<sup>4</sup> Evans, P. (1995), "The Role of the Theory in Comparative Politics- A Symposium" Kohli, A. Evans P. Katzenstein P.J. *et al.* in *World politics*, vol. 48, No 1.

<sup>5</sup> Evans P. *ibid.*

rationale behind the construction of the argument that follows, and the construction of the research upon which this argument is based.

Given the nature of its subject, political science can never do more than approximate to those methods used in much of laboratory science. Generalisations about people are not comparable to predictions made about carbon or the interaction of two chemical compounds. However, many political scientists attempt to emulate the methods of the natural sciences as far as possible. In this they adhere as strictly as possible to the quantitative polar extreme within the discipline. Qualitative researchers, on the other hand, have often eschewed such an approach in favour of those theories described as '*more thickly descriptive*'.<sup>6</sup> The approach adopted in this thesis represents an attempt to pursue a scientific methodology while noting the limitations imposed on political science by its subject matter. Further, this approach seeks to apply the rigour of the natural sciences to the qualitative analysis of a data set on bureaucratic motivations.

This thesis avoids a dogmatic adherence to methodological extremes and attempts to undertake research which represents a synthesis between the most convincing of those explanations that constitute the Trifocal Approach. This is not to claim that any explanation not found in this model is of no use. Rather, this model incorporates the three dominant approaches within political science, and uses two of them to account for a set of findings pertaining to motivations.

The use of only two case-studies as the basis for an argument about bureaucratic motivations might be viewed as insufficient to say anything significant. Yet the case study is the building block upon which the general theories must stand or fall. Indeed, one of the limitations of Rational Choice is its beginning with some general assumptions about human agents, with little or no focus given to the structures in which agents are embedded.<sup>7</sup> However, two case studies are sufficient to allow the presentation of an argument that can be substantiated, and that can be questioned or built upon by other researchers.

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<sup>6</sup> Geertz, C. (1973), *The Interpretation of Cultures: Selected Essays* (London, Fontana Press).

<sup>7</sup> This point is discussed in Chapter Ten

formidable array of scientific methodologies, deductive, statistical and experimental.<sup>8</sup> Yet such approaches have no more claim to being scientific than the more descriptive, small-n approach of the qualitative end of the continuum, since both methods, or neither, may employ a rigorous methodology. Through the use of qualitative research this thesis sets-out the testing of questionnaire data, allowing a set of conclusions to be posited which have a basis in empirical research, the validity of which is subject to verification or falsification.

When considering the question of bureaucratic motivation, a quantitative approach is insufficient to explain the behaviour of actors in the '*operational milieu*' of a bureaucracy.<sup>9</sup> As Almond argues, the complexities of human and social reality are such that the explanatory strategy of the natural sciences has only a limited application to the social sciences. The quantitative approach constructs:

*'Models, procedures, and methodologies created to explore a world that looked for determinate results...[ these] will capture only a part of the much richer world of social and political interaction.'*<sup>10</sup>

Almond maintains that the search for regularities, characteristic of the physical sciences, will not explain social outcomes, but only some of the conditions affecting them. Understanding political reality requires that we focus on more than its determinate aspects and pay attention to the creative, adaptive, and problem-solving aspects of actors which can be called the *essentially human property* which constitutes the major difference between inquiry in the physical and social sciences. This difference in essence with respect to the subject being studied in politics as opposed to the natural sciences suggests that to understand social reality one cannot adopt a methodological stance identical to that employed in the natural sciences.

If this thesis can highlight only some of the conditions affecting social outcomes then it will have gone some way towards enhancing the understanding of bureaucratic motivations. The researcher can assume that all agents are rational and self-interested for

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<sup>8</sup> Econometrics would be an example of such research, employing complex analytical devices and seeking to be rigorous and scientific in its methods.

<sup>9</sup> Almond G.A. (1990), *A Discipline Divided: Schools and Sects in Political Science* (Newbury Park, Sage).

<sup>10</sup> Almond *ibid*.

example, but equally it might be reasonable to assume that agents are constituted, at least in part, by the cultural and institutional structures within which live and work. The argument presented in this work focuses on the political and historical context in which structures are formed, and the ways in which these structures affect, and are affected by, individuals within and around them. By extension, those arguments underpinned by some form of *methodological individualism* are relegated to a secondary position in this work, not because such explanations are of no merit, but more practically because they are largely unconvincing as ways of accounting for those data collected herein.

Where possible it is desirable to adhere to the model of science wherein:

*'Science is concerned with establishing causal relations and general laws. To do this the social scientist must concentrate on systematic patterns of human conduct. Only if an event is a recurring instance of a general class can it be treated scientifically'*<sup>11</sup>

Such a description of science is compatible with the deductive-nomological model put forward at the beginning of this chapter as a paradigm case of scientific research, yet this construction must be seen as an ideal type and not as a blueprint for dealing with the actual political structures that constitute the subject matter of politics. Therefore, regularities are not the only important objects of scientific political inquiry, and to focus on them in isolation is to ignore the whole qualitative approach to political science research, an approach essential to any study of bureaucratic motivation. Through the examination of qualitative case studies, the researcher will not easily establish a general covering law of political behaviour; but this may not be the objective. Rather, such an approach can supplement quantitative work which postulates general theories, by incorporating into such theories the essentially human property of political science research. Only by combining qualitative and quantitative approaches can one avoid the pitfalls of a dogmatic adherence to either of these polar extremes of political science.

## The Comparative Method (1.3)

*'Thinking without comparison is unthinkable. And, in the absence of comparison, so is all scientific thought and research.'*<sup>12</sup>

Using the comparative method to analyse bureaucratic behaviour has the advantage of allowing the researcher to test whether variables differ between structures, countries, or organisations, and to test whether any of one's research findings appear to be generalisable across agencies, governments, even nations. Two case studies are sufficient to establish when a finding is not generalisable, and the more case studies employed in a research project, the higher the quality of the findings (*ceteris paribus*).

One can examine the importance of culture groupings within an agency, first delineating how many cultural groupings there are, prior to analysing how these cultures affect, if at all, the motivations of bureaucrats within the agency. This is the task of Chapter Five and Chapter Nine. Research might also concentrate on the relationship between institutional structures and the motivations of agents within an organisation. For example, both in the US EPA and in the Environment Agency, the part of the organisation one worked within, for example Head Offices rather than Area (field offices in EPA) Offices, or Water Programs rather than Waste Programs, to give two examples of how institutional location (and indeed cultural identities) can shape motivations. The point to note here is that in both case studies similarities are apparent, for example, agents in both case studies identified very closely with others from the same professional background (discussed in detail in Chapters Four to Nine). A single country study would not permit the researcher to monitor how variables differ across countries, or to establish the relative weight of cultures, institutional structures, or rational maximising behaviour to an explanation of motivations.

One problem which comparativists must face is that of choosing the unit of analysis appropriate to one's research. Often, analysis proceeds at one level with the explanation couched at another level, with this duality prevalent in much comparative work. Ragin

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<sup>11</sup> Frohock F. (1979), *Public Policy: Scope and Logic* (Englewood Cliffs, N.J. Prentice Hall).

of Weber: '*...the tools are there, we should explore whether they can be made to work.*'<sup>14</sup>

This thesis uses the work of Weber as a starting point for the analysis of qualitative interview data. One major potential problem encountered when using qualitative interview data is that the researcher may find it difficult to assess how useful these data are. When analysing what motivates bureaucrats, interview data may show only what bureaucrats want the researcher to show. In order to improve the validity of results based on qualitative interview data it is useful to pursue a scientific approach. The approach adopted in this work is based on the techniques advocated by King, Keohane and Verba.<sup>15</sup>

King, Keohane, and Verba (KKV) argue that there is a '*unified logic of inference*' which underpins both qualitative and quantitative political science research.<sup>16</sup> Their goal is to allow causal inferences to be drawn in qualitative research by following certain rules of research design. They argue that non-statistical research will produce more reliable results if researchers pay more attention to the rules of scientific inference, which they argue to be more clearly stated in quantitative research. They aim not at certainty as the goal for political science research, but rather at a method of arriving at valid inferences through the systematic use of established procedures of inquiry, thereby improving the reliability, validity, and integrity of research.

The goal of their research design is inference: the making of descriptive explanatory inferences on the basis of empirical information. Scientific research adheres to a set of rules of inference on which its validity depends. For King, Keohane and Verba, the content of science is primarily the methods and rules, not the subject matter under examination, because the adherence to these rules will allow the researcher to study '*virtually anything*'.<sup>17</sup> In undertaking research it is useful to consider some of the issues raised by King, Keohane and Verba. However, the most important questions to consider are how and why the case studies were chosen.

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<sup>14</sup> Page E. *ibid.* page 16

<sup>15</sup> King, G. .Keohane, R. and Verba, S. (1994), *Designing Social Inquiry* New Jersey, Princetown University Press).

<sup>16</sup> King, Keohane and Verba *ibid.* pages 3-7.

Environment Agency was based on the fact that it is the closest equivalent to the US EPA that exists in Britain. The rationale behind wanting a comparative project has been discussed above.

To have chosen EPA and the Environment Agency is not to select on the dependent variable. The question is what motivates bureaucrats, but by choosing one agency rather than another we may get different answers to the same questions, yet one will not corrupt the validity of one's findings simply because one selected the case-studies without any random element involved in the selection process.

### **Motivation Defined (1.4)**

The Oxford English Dictionary (OED) defines *Motivation* as:

*'The action or act of motivating something or someone...the (conscious or unconscious) stimulus, incentive, motives, etc, for action towards a goal, esp. as resulting from psychological or social factors; the factors giving purpose or direction to behaviour.'*

One definition of *Motive* is:

*'An inward or spiritual impulse or prompting...A factor or circumstance inducing a person to act in a certain way...an emotion, reason, goal etc. influencing or tending to influence a person's volition.'*

As defined here, the concept of motivation involves some form of force of desire, or compulsion, which leads an agent to act in order to obtain specific ends. It is the desire to attain these ends that, in the absence of coercion, explains why an individual behaves in one way rather than another, seeking to fulfil one wish or desire, while ignoring other possible attainable ends. Motivation is that impetus which moves an actor from a state of desiring an end to a state of pursuing, if not necessarily achieving, this end. Motivation, then, is an active process requiring agency in the pursuit of a particular goal or end-state. The choice of the end-states themselves can be what the OED describes as an inward or spiritual prompting, or an emotion or goal that influences behaviour. The

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<sup>19</sup> McKeown T., and George A., "Case Studies and Theory of Organisational Design Making" in *Advances in Information Processing in Organisations* 1985, 2, pages 21-58.

point to note here is the absence of any reference to the motives held being arrived at in all circumstances through some process of rational thought. It is possible that motives to act can be the result of emotional mind-states, thus allowing for the holding of motives based on what I have described as *non-rational* (as opposed to irrational) processes. This assertion is highlighted in order to show that it is possible for bureaucrats to hold motivational goals that are not the result of rationality of thought in some form or another.

This is not to eliminate totally any hint of rationality, since it can still exist (within the terms of the definitions I have employed) as an act or motivation that may be a '*conscious or unconscious*' stimulus or incentive. If it were the case that rationality were 'hard-wired' into the brain then all motives to action, even those that appeared to be based on emotions, could still be based on a criterion of rationality. This is a possibility not dealt with here. However, it is too easy to say that whatever an agent is maximising is desired by that agent, *ergo* every agent maximises self-interest by definition. This is to miss the substantive point that much of the explanation of motivations could be based on values and attitudes, beliefs, or on the particular macro-social structures within which agents pursue goals. to *assume* that all agents are motivated by self-interest is not to answer the question of what motivates bureaucrats, it is to side-step the question altogether.

## **Summary of Main Points (1.5)**

Motivation is understood in this work as compatible with rational behaviour, but motivations are not assumed to be understood solely in terms of the notion of rational maximisers of utility. As Chapter Ten will show, to focus only on explanations which rely on Rational Choice is to miss out much that is useful. In short, two of the three lenses in the Trifocal Approach will be used to examine bureaucratic motivations. The third lens, that of Rational Choice, is not ignored, but rather is given a secondary role that is very limited in its explanatory power. However, in another agency the relative weightings of these three lenses could be very different. In sum, to adhere dogmatically to one paradigm is to miss out much that may be interesting in the study of bureaucratic motivations.

# **Chapter Two**

## **Max Weber and Ideal Types: Weber as the Building Block for the Study of Motivations using Two of the Three Lenses in a Trifocal Approach**

**(2.1) Overview**

**(2.2) Weber and Ideal Types: The Foundations of the Analysis of Modern Bureaucracies**

**(2.3) The Trifocal Approach: The Need to Balance Competing Explanations of Motivation**

**(2.4) The Need to Use Culture as Part of the Explanation of Motivations**

**(2.5) Institutional Analyses**

**(2.6) Rational Choice**

**(2.7) The Limited Role of Rational Choice in This work**

**(2.8) From Trifocal to Bifocal: Why Institutions and Culture Constitute the Primary Means of Explaining the Data**

**(2.9) Summary**

## **Overview (2.1)**

This chapter examines some of the most important models that examine bureaucracies and bureaucratic motivations. Beginning with the work of Max Weber this chapter illustrates how Weber's ideas have shaped so much of the work carried out since his seminal examinations of bureaucracies in the last century.

The three explanatory models considered in this thesis build on the work of Weber, and much of this chapter will focus on the three models of bureaucratic motivation considered in this work. Weber's framework is not used in this work to examine motivations, rather the three models which constitute the Trifocal approach (discussed below) form the bulk of the explanation presented in the following chapters. This chapter also explains why it is that one of the three elements in the Trifocal Approach, namely that of Rational Choice explanations, is limited to a secondary role in explaining motivations in the US EPA and the Environment Agency for England and Wales.

## **Weber and Ideal Types: The Foundations of the Analysis of Modern Bureaucracies (2.2)**

The approach of King, Keohane and Verba, can be seen to mirror in many ways the Weberian approach to the social sciences. King, Keohane and Verba, like Weber, note that the subject matter of political science is imbued with what was described in Chapter One as the *essentially human nature* of political science research.

Weber argues that approaches used in the natural sciences cannot be employed without first adapting such tools for use with what he calls the ideal or spiritual phenomena of politics, where subject matter is unlike that of the subjects of study in the natural sciences. Weber (and King, Keohane and Verba) suggests that any distinction between subject and object does not require the sacrifice of objectivity in the social sciences, or require intuition to replace causal analysis. In presenting briefly an exegesis of Weber's approach to the study of bureaucracy the hope is to illuminate a method of analysing bureaucracy which pays attention to the importance of historical, structural, and cultural explanations of bureaucratic motivation, rather than focusing on rationality alone to explain motivation.

The work of Weber on bureaucracy is too extensive and complex to be summarised here, but what is provided below is a brief account of those aspects of the Weberian approach relevant to this thesis: namely, an account of his methodological approach (specifically his typology of action); his classification of social action; his notion of science; his discussion of science and action; and his employment of ideal types.<sup>1</sup>

### *1) Weber's typology of action*

Weber can be viewed as holding two main conceptions of action: *zweckrationalitat* and *wirtrationalitat*. The former is distinguished by the fact that the actor conceives of his goal clearly and combines a means with a view of attaining it; it is *rational action*

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<sup>1</sup> Sahay, A.(1971), *Max Weber and Modern Sociology* (London, Routledge).

Sahay suggests that one of the most important insights gained from a systematic study and application of Weber's work is that theory and research are inseparable: '*...for no substantive conclusions can be valid without their quality of generalisability.*' The conclusions of analysis, if valid in the specific, must be valid also in the general.

*in relation to a goal.* The latter can be defined as *rational action in relation to a value.*<sup>2</sup>

*Zweckrationalitat:* although this form of action is characterised by the actor clearly conceiving of his goal and having a view of how to attain it, Weber does not explicitly state that action in which the actor chooses unsuitable means because of the inaccuracy of her information is therefore non-rational. To use Aron's words, Weber defines rationality in terms of the knowledge of the actor; rather than that of the observer.

*Wirrationalitat:* here an action is rational not because it seeks to attain an external, definite goal, but because not to perform the action (Aron gives the example of a duel) is not honourable. The actor is rational in accepting all risks for the attainment of the goal.

## 2) Social Action

What should be understood here about Weber is that he saw sociology as a *comprehensive* science of social action: that is, as an examination of the meaning man places on his conduct. In the Weberian framework one focuses on these subjective meanings, then proceeds to a classification of types of conduct, as an introduction to the understanding of the intelligible structure of behaviour. For Aron, this classification of types of action, to an extent, governs Weber's reading of the contemporary era.<sup>3</sup> For Weber our world is characterised by *rationalisation*: that is, a widening of *zweckrational* actions (actions in relation to goals) as societies tend toward *zweckrationalitat* (in economics and bureaucracy for example). The problem addressed by Weber was to identify a sphere of society in which another type of action could exist. It is, as Aron asserts, this classification of action which is at the 'heart' of Weber's thought and which explains his linking of science and politics (explained below).

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<sup>2</sup>Weber discusses a third and fourth type of action: namely affective (or emotional) action, and traditional action. Neither are discussed here.

<sup>3</sup> Aron R. (1967), *Main Currents in Sociological Thought* (London, Basic Books).

### 3) Science

In the Weberian approach science is an example of *zweckrationalitat*, with the goal of science being universally valid truth. But this is a goal determined by a value judgement: namely, the value of a truth demonstrated by universally valid facts of arguments. Science here is a part of the process of rationalisation; further, scientific truth, though it is essentially incomplete insofar as there are no truths “out there” (thus going against the arguments of Comte), can yet have universal validity.<sup>4</sup>

Though abstract, this discussion of Weber derives a coherent means of conducting scientific research for application to the social sciences. Weber asserts that the scientist should not project his value-judgements, his aesthetic or political preferences into his research. Preferences regarding research are driven by human curiosity, but this does not exclude the universal validity of the historical and sociological sciences.

The sciences of history and culture, though they have the same rational inspiration, differ in certain respects which Aron reduces to three main propositions:

- 1) comprehending (*verstehen*)
- 2) historical<sup>5</sup>
- 3) culture<sup>6</sup>

Weber argues that to understand natural phenomena requires that one has: intermediaries of mathematical propositions; observed constants; previously established laws. That is, one must explain phenomena by propositions confirmed by experiment in order to have the feeling that one understands. Comprehension Weber describes as *mediate*, it occurs through the intermediaries of concepts or relationships. We can *immediately* interpret the behaviour of a friend, but without study, we cannot know *which* interpretation is true. The man does not, in Weber’s terms, always know the motives for his actions; the observer is less capable of guessing them intuitively.

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<sup>4</sup> This point is discussed by Aron *ibid.*, in his chapter on Weber

<sup>5</sup> see Chapter Three for a discussion of the importance of *historical and political context* to an examination of motivations

<sup>6</sup> A definition and discussion of *Culture* is given in Chapter Five.

For Weber then, science as applied to the domain of the political, seeks to explain the values we believe in, and have believed in; this account of science is perhaps more clearly understood if one examines how Weber combines his analysis of science and action. It is useful to consider Weber when analysing data on bureaucratic motivations in terms of cultural identities (see Chapters Five and Nine). Indeed, at least implicitly, Weber informs the explanation presented in this thesis. His framework is not adopted explicitly, yet the Trifocal Approach used, and the emphasis on two of the three lenses in this Approach, owe much to Weber's analysis of bureaucracy.

#### 4) *Science and Action*

Weber contends that the sciences of history, sociology, and culture seek to understand the human productions that create values, or are defined with respect to values. Science is a rational activity the goal of which is to arrive at judgements of fact which will be universally valid. The question raised here is how such judgements can be arrived at about works defined within the Weberian framework as creations of values. Weber answers this in his explanation of *value judgements* and *value reference types*: the former is self-explanatory, the latter requires explanation. A value reference type is a means by which the sociologist selects and organises a part of the reality to be studied. The scientist must make a selection from reality and elaborate the object of his study: he therefore he requires a *value reference type*.

The sociologist and the historian select what to examine on the basis of values. A person's value judgements become historical objects. Each *reconstruction* is selective and governed by a system of values; therefore, in the end, there will be as many historical or sociological perspectives as there are systems of values governing selection. The task which Weber sets out to complete is to devise a method of being objective given that we must always indulge in this reconstruction. Such a method requires, in Aron's words, that we:

*'...have a feeling for the importance of what men have experienced in order to understand them, but one must detach oneself from one's personal concern to find a universally valid answer to a question inspired by self-interest.'*<sup>7</sup>

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<sup>7</sup> Aron R. *ibid.* page 184.

After the initial subjective choice by the 'scientist', results must then be obtained by procedures subject to verification by others. That is to say, as Aron suggests, the procedure of causal determinations allows one to ensure the universal validity of scientific results.<sup>8</sup>

The goal of science is universal truth in Weber's work, but history and sociology begin with a procedure that depends upon the personality and situation of the observer, his frame of reference. Therefore, to get to universal truth, the subjectively conditioned frame of reference must be followed by procedures of universal validity. One begins with an attempt to establish causal relations:

- 1) historical causality: the influence of antecedents on a particular event;
- 2) social causality: the regular connection between one term and another.

The procedure for arriving at the former involves the creation of the hypothetical situation "what if such and such happened at time X, or Y never happened at all?" Such constructions of the unreal are used to understand how real events unfolded. The requirement here is not that one reconstruct in detail an imaginary chain of events, but rather that one begins with historical reality as it was to show the probable effects of changes in the antecedent events on later events.

As one acquires more general propositions with which to create imaginary solutions, the establishment of historical causality will become more exact. In short, this approach stems from Weber's belief that all causes are partial and probable relations, with no single element of reality being in any sense fundamental.<sup>9</sup> For Weber there is, to quote Aron once more, '*...an intimate relationship between the analysis of events and the establishment of general propositions.*' (p205) The synthesis of Weber's epistemological doctrine is found in his employment of the ideal type framework (p206).

### 5) *Ideal Types*

Ideal types attempt to render subject matter intelligible by revealing (or constructing) its internal rationality; they help us to understand historical elements or entities but are

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<sup>8</sup> Aron. *Ibid.*, page 199.

<sup>9</sup> Thus Weber rejects the notion of historical materialism as utilised by Marx.

only a partial comprehension of the total whole. However, at least in Aron's (1967) characterisation of Weber, the ideal type has two constructions:

- i) to designate a tendency within all concepts in what Weber calls the science of culture;
- ii) to designate certain precise species of concepts.

The former, which Aron describes as the *ideal type tendency*, is used by all concepts in the science of culture, with those concepts most characteristic of this science: power, bureaucracy etc., involving an element of stylisation or rationalisation. Such a stylisation is implicit in much of the analysis of bureaucracy prevalent in the public administration literature. However, this thesis seeks to make explicit and transparent the employment of concepts, and the use of ideal types wherever they are employed, thus allowing this research to approximate to a methodology which may be described as scientific.

Unlike Weber, the present thesis does not demand that this research make sense of a past historical period; what it does require is an understanding of the conditions in which each of the two agencies examined herein were created, and the reasons underpinning this creation. The ideal type framework can help place this research in an intelligible context, as well as allowing the assessment of where reality and ideal typical constructs of bureaucracy diverge and why. In employing the ideal typical framework this research notes explicitly the limitations of any and all of the conclusions presented. In focusing on a particular bureaucratic agency, one can examine only particular aspects of the whole entity. This is an ideal typical reconstruction, and it must be noted that it is but one of many possible reconstructions. Further, the ideal type framework allows the researcher to designate abstract elements of the historical reality which are found in a large number of cases and to generalise across cases.

The ideal type allows the researcher to create rationalising reconstructions of a particular kind of behaviour. For example, axioms of economic behaviour are ideal typical reconstructions of how men would behave if they were pure economic subjects. It is a misconceived project when political science undertakes research

which assumes these axioms to be anything more than partial, stylised approximations to reality. Rationality is a useful concept in analysing bureaucratic behaviour but one should not, in the absence of corroborating data, employ the concept as a complete means of explanation. To do so is to ignore Weber's concept of *verstehen*: that research can focus on only one aspect of political reality at one time with the choice of what is studied depending on the value judgements made by the researcher. In all cases such ideal types (as rationality) are a means rather than an end, the end of science and culture always being to understand subjective meanings.

To summarise, we can distinguish value judgements (*werturteil*) and value reference types (*wertbeziehung*): people make the first; they create values. Historical existence is the creation and affirmation of these values. Weber's science of culture is a comprehension, through the latter (*wertbeziehung*) of existence defined by the creation of values. Political science research can be scientific, but this scientific approach cannot ignore the essentially subjective element: the making of value judgements, which is ontologically prior to all of the research we undertake. The considerable contribution of Weber to an analysis of bureaucracy and, specifically, the value of his work to the present thesis are to provide:

*'An analysis of modern civilisation and culture in terms of rationality and rationalism.'*<sup>10</sup>

Weber demonstrates that it is possible, indeed beneficial, to study bureaucracy using an approach which pays attention both to rationality and culture as methods of explanation. The present thesis goes further insofar as it uses a trifocal approach which emphasises the importance of an institutional focus in accounting for data on bureaucratic motivation. The utility of such an approach is demonstrated in the account given of the findings drawn from the data employed in this work.

The Weberian approach to the analysis of bureaucracy can be made consistent with the approach to political science research advocated by King, Keohane and Verba through an ideal-type framework complementing empirical research. The ideal-type

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<sup>10</sup> Almond, G. A. (1990), *A discipline Divided: Schools and Sects in Political Science* (Sage, Newbury Park CA) page 12.

allows the researcher to focus on aspects of an organisation which may help to explain how a particular bureaucratic structure operates, and how motivations within this structure are affected. The ideal-type is more than a conceptual schema that posits only generalisations about the relationships that characterise bureaucracies; rather, the relationships described by the ideal-type can be tested against empirical evidence. One can look for a strict hierarchical ordering, of promotion based on merit, or perhaps the presence of a commonly pursued collective rationality. The Weberian approach, and that propounded by King, Keohane and Verba, can be made consistent when the researcher moves from the generation of untestable hypotheses to posited relationships which are susceptible to empirical analysis, with hypotheses modified according to data obtained. We are, then, dealing not with generalisations but with prevailing tendencies in bureaucratic organisations.<sup>11</sup>

Weber was the precursor of later models of bureaucracy that emphasise rationality. His ideal-typical account of bureaucracy is based on a legal-rational model in which bureaucracy is hierarchical, formalistic, impersonal, with abstract rules, specialisation of work tasks, and promotion based on seniority but also on achievement. These are some of the main characteristics of his legal-rational account, with the aim of this structure being administrative efficiency.

Yet this account raises immediately the problem encountered in those models based on a criterion of rationality, namely that one is asked to accept the axioms of rationality as accurate, with examination proceeding from this assumption. One may ask whether utilising Weber's approach will result in what Giddens refers to as a '*rationalist bias*'.<sup>12</sup> This construction of the Weberian account may pay insufficient attention to the possibility of bureaucratic motivations, or efficiency, being explained by factors not explained solely in terms of rationality. The data obtained in the case studies suggest that rationality does not explain fully the motivations pursued by bureaucrats, or from where these motivations are derived.<sup>13</sup> As such, Rational Choice

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<sup>11</sup> Weber's use of the ideal-type framework is rooted in a Kantian general epistemological framework which views concepts as incapable of direct observation, with all observation being dependent on subjective interpretations.

<sup>12</sup> Giddens A. (1971), *Capitalism and Modern Social Theory: An Analysis of the Writings of Marx, Durkheim, and Max Weber* (New York, Cambridge University Press).

<sup>13</sup> Carl Friedrich (1968), (in Merton R.K., (ed.) *A Reader In Bureaucracy* New York, Free Press) objects to Weber's use of ideal-types as applied to non-ideal forms such as bureaucracies as if they were ideal. If they 'were

accounts have only a limited and secondary role to play in the analysis presented in this thesis.

The structure of bureaucracy, as Weber characterises it, generates full rationality through organisational structure.<sup>14</sup> However, the case-study data show that bureaucrats do not act in a manner consistent with the behaviour of agents whose motivations are congruent with the collective rationality of the organisation in which they are embedded. Neither in the US EPA nor the Environment Agency for England and Wales was an Agency-wide commitment to clear goals discovered. This absence suggests that merely assuming agents to be pursuing some form of self interest which is '*structurally suggested*' by the institutional form (*beruf*) in which an agent is embedded, is to ignore the most important contributions that institutional and cultural analyses can make to an examination of bureaucratic motivations.<sup>15</sup>

An examination of institutional form alone is insufficient to explain, even in part, the complex motivations that constitute bureaucratic behaviour. To understand how the institutional context can shape the motivations pursued by bureaucrats one must examine both individual explanations of motivation and the particular relationships that characterise a specific organisational form. Furthermore, the researcher must also consider the cultural identities of individual agents prior to making any judgements as to what motivates bureaucrats. Research must focus on institutions and culture and not solely on rationality, attributing weight to each of these three according to the case study data under examination.

The relationships within a bureaucracy, both formal and informal, can be essential ingredients in any explanation of bureaucratic motivation. As Peter Blau argues:

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*ideal...they would not be types*' Friedrich argues, since types derive their form from the empirical reality which they typify. Friedrich criticises Weber's ideal-types on the grounds that they do not process by empirical observation and analysis. Rather, ideal-types are used as mental constructs not derived by deductive reasoning from higher concepts, or built up from empirical data via relevant inference. Giddens (1971) defends the use of ideal-types (as discussed in the text), noting that they were not intended to supplant empirical observation, but to supplement it.

<sup>14</sup> Through his notion of *beruf* (office) Weber argues that individual bureaucrats become imbued with the collective rationality of their organisation. As such, there is no clash between individual accounts of motivation and larger, organisational goals. The case study data examined in this work suggests that such a formulation is incomplete and may be misleading because individual accounts of motivation may not be congruent with the larger goals of the organisation.

*'Bureaucracies are complex systems of co-ordinated human activities. The understanding of these social structures require a knowledge of the patterns of social interaction within them.'*<sup>16</sup>

Blau conducted a case study that examined two US federal agencies, focusing in particular on the interpersonal relations that developed within these formal organisations, and how such relations influenced bureaucratic operations. This thesis cannot examine the findings of Blau's study in detail but it does follow his approach considering the importance of interpersonal relationships within a bureaucracy, as well as examining how these relationships contribute to, or detract from, a process of rational decision-making. To quote Blau again: *'By taking pains with details, we[social scientists] hope to acquire the systematic knowledge needed for the scientific analysis of the important problems of modern society.'*<sup>17</sup>

Both in the examination of the US EPA and the Environment Agency for England and Wales the way that sections of each agency worked with other sections was important. Further, the relationships between institutional groupings were integral to an understanding of motivations in each agency. Of importance also were the cultural groupings within each organisation and the interaction between and across these groupings. To focus only on formal institutional relationships would have been to miss out much that is of interest in the analysis of motivations within these two agencies.

### **The Trifocal Approach: The Need to Balance Competing Explanations of Motivation (2.3)**

Prior to any discussion of the nature of particular bureaucratic organisations it is necessary to examine the divisions within the political science literature with regard to how research in public administration should be conducted. For example, Weber argues that bureaucrats can be rational and efficient, and focuses on ideal-typical organisational forms as a means of conveying his ideas. However, if one turns to Rational Choice

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<sup>15</sup> The term *structural suggestion* is used by Dowding, K and King D., in *Preferences, Institutions and Rational Choice* (1995) Clarendon Press, Oxford (pages 1-18)

<sup>16</sup> Blau P. (1956), *Bureaucracy in Modern Society* (New York, Random House) page 14.

theory (discussed below) then bureaucracies appear riddled with waste and inefficiencies, as officials over-supply public goods, or in some way pursue maximising strategies focused on self-interest, usually to the detriment of the bureaucracy.

This section analyses some of the divisions between theory and practice and posits one way of conducting research in this area without adhering dogmatically to a single paradigmatic approach. As the above discussion has suggested, Weber used an ideal-typical approach to the study of bureaucracy arguing that:

*'Experience tends universally to show that the purely bureaucratic type of administrative organisation, that is, the monocratic variety of bureaucracy is, from a purely technical point of view, capable of attaining the highest degree of efficiency and is in this sense formally the most rational means of exercising authority over human beings.'*<sup>18</sup>

This is to say nothing of bureaucratic motivation and discusses only formal organisational structures, ignoring the importance of the goals which individuals pursue. A failing in Weber's framework is his circumvention of any discussion of rationality by assuming that on entering a bureaucracy individuals move from a personal relationship to an impersonal one structured according to formal rules. The bureaucrat becomes devoted to his office (*beruf*) thereby determining motivations (consonant with the goals of the organisation itself). Though Weber's work is useful, an understanding of motivation requires something more than that provided by his approach.

The approach used in this work, the Trifocal Approach, assumes that the three major approaches of Rational Choice, Cultural explanations, and Institutional analyses all have a role to play in the study of motivations. However, in this work Rational Choice approaches play only a very limited explanatory role. This chapter will examine each of these three approaches prior to outlining some of the reasons why Rational Choice has been relegated to a position of secondary and limited importance.

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<sup>17</sup> Blau *ibid.*, page 17.

## The Need to Use Culture as Part of the Explanation of Motivations (2.4)

*'Any number of the scientific concepts we accept today may be simply convenient schemata that impose order upon the experiences we have collected so far. They may have little or no relation to 'reality'....A theory is thus neither true nor false; it simply works or it doesn't. Now it is true that many scientists (including myself) believe that their theories closely approximate or correspond to 'reality,' but this is an act of faith, for no 'proof' can be adduced for or against it....The large number of modified or even discarded scientific theories should serve as a useful warning.'* (George Schweitzer)<sup>19</sup>

Cultural divisions within both the Environmental Protection Agency and the Environment Agency have real and important effects on the motivations of staff, both across institutional boundaries, and across the layers of each Agency.

In EPA, from Washington DC to Region III, and down to field office level (Wheeling, WV), and within the Environment Agency, from Head Office down to Area Office level, cultural divisions constitute a necessary part in our understanding of motivations in these organisations. It is essential that the use of the term *culture* be made explicit and, importantly, that an operational definition be used so that a number of propositions can be generated. Having generated these propositions, the interview data are analysed in order to highlight the relevance of culture to an explanation of motivations.

The interview data highlight important cultural divisions within each agency that affect motivations. Chapter Five examines cultural groupings in EPA, and an important contention raised in this chapter is that institutional structure and cultural groupings are not congruent in EPA. This lack of congruence has had effects since the creation of the Agency, but the impact of Reinvention has exacerbated the tension between existing cultural identities and the move towards new institutional structures. Chapter Eight examines how cultural groupings affect motivations in the Environment Agency. This chapter will demonstrate how the attempt to impose a culture onto a new institutional form generated adverse effects on motivations.

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<sup>18</sup> From Weber M. (1978), *Max Weber: Selections In Translation* Runciman W.G.. (New York, Cambridge University Press) p223.

<sup>19</sup> Quoted in Freund, P. (1965), *Myths of Creation* (New York, DC Square Press, 1965). Reproduced in Frost *et al* (1991), *Reframing Organisational Culture* (Newbury Park, CA Sage Publications) (page7).

The next part of the definition of culture, and one that is relevant both to an understanding of the creation of EPA in 1970, and to the creation of the Environment Agency for England and Wales in 1996, is the question of how groups deal with two sets of issues: external adaptation and internal integration. The culture of a group will reflect what that group has learnt in solving the problems in its own history. Such an analysis helps to explain, for example, how groups within EPA reacted to the attitude of President Nixon to the new agency, to the leadership of Administrator Burford under President Reagan, and to the threat of severe budget cuts proposed during the 104<sup>th</sup> Congress, the first time both Houses were in Republican hands since 1954 in the 83<sup>rd</sup> Congress.

| External Adaptation Tasks                                                                                                                                                                                                                                                                                                                                   | Internal Integration Tasks                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Developing Consensus On:</p> <ol style="list-style-type: none"> <li>1.The core mission, functions, and primary the organisation vis-a-vis its Environments.</li> <li>2. The specific goals to be pursued by the Organisation.</li> <li>basic means to be used in Accomplishing the goals.</li> <li>criteria to be used for measuring Results.</li> </ol> | <p>Developing Consensus On:</p> <ol style="list-style-type: none"> <li>1. The common language and tasks of conceptual system to be used.</li> <li>2. The group boundaries and criteria for inclusion.</li> <li>3. The criteria for the allocation 3. The status, power, and authority.</li> <li>4.The criteria for the allocation 4. The of rewards and punishments.</li> </ol> |

(Adapted from Frost P., *et al* page 248.)

Cultural groupings can be compared with this table, thus allowing the clarification of each cultural grouping as being just that: a cultural grouping, rather than another way of classifying officials. Having identified each grouping the data are analysed. The cultural groupings are examined prior to the analysis of how these cultures affect motivations.

The dynamic aspect of culture helps to account for the evolution of motivations over time. We have discussed how the Agency was formed, and why, but to understand motivations we must pay attention to who populated the fledgling Agency, where these people came from, how we might classify their attitudes, beliefs and values, and how all this categorisation helps explain motivations. As Schein observes *‘If we are to understand the stability of shared assumptions, we must investigate historically how*

*the group learned those assumptions in the first place...The definition emphasises that if we make basic assumptions about different aspects of reality, those assumptions will influence perceptions, thought, and feeling as well as overt behaviour.'*<sup>25</sup>

It is not enough then to observe behavioural regularities: to count as a culture a grouping must share common perceptions, thoughts and feelings obtained through a common learning process.

The interrelationship of cultural identities and institutional structures together explain much of those data obtained from the two case studies. Culture will be shown to be a *patterned, persistent, perception* of social reality that binds members together, and permits the exclusion of others who do not share the *values, beliefs* and *attitudes* which constitute the identities of those members who share a culture.

Cultural groupings may not be congruent with institutional divisions. Indeed, where there is such a lack of congruence it is possible to say a good deal about the motivations of bureaucrats. It will be the task of Chapter Five to define Culture, to examine the relevance of culture to the study of motivations, and to examine the data in relation to the definition of Culture provided in Chapter Five. What should be noted here is that Culture is one of the three lenses in the Trifocal Approach, and one of the two lenses, along with Institutional Analyses, that will form the major underpinning for the examination of the data presented in the rest of this work.

## **Institutional Analyses (2.5)**

The recent trend in political science has, in the words of March and Olsen's (1989) book, been to *Rediscover Institutions*.<sup>26</sup> In most contemporary theories of politics, as March and Olsen argue, institutions have receded in importance coming to be portrayed from a behavioural point of view as simply arenas in which political behaviour, driven by more fundamental factors occurs.

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<sup>25</sup> Schein E., *ibid* page 251.

<sup>26</sup> March J.G. and Olsen J.P. (1989), *Rediscovering Institutions: the Organizational Basis of Politics* (New York, Free Press) page 1.

*'From a normative point of view, ideas that embedded morality in institutions, such as the law of bureaucracy, and that emphasised citizenship and community as foundations for political identity, have given way to ideas of moral individualism and an emphasis on bargaining among conflicting interests.'* (page1)

The resurgence of institutions in political science reflects the fact that institutions have become larger, more complex and resourceful, and more important to collective life.

From about 1950 onwards, with what is termed as the behaviourist revolution, politics was viewed by many scholars as:

- 1) contextual: not inclined to see the policy as being separable from the rest of society;
- 2) reductionist: viewing political phenomena as the aggregate consequences of individual behaviour, less inclined to ascribe the outcomes of politics to organisational structures and the rules governing behaviour;
- 3) utilitarian: seeing action as stemming from calculated self-interest, not as a response to obligations and duties;
- 4) instrumentalist: defining decision-making and the allocation of resources as the central concerns of political life, paying less attention to the ways in which political life is organised around the development of meaning through symbols, rituals, ceremonies;
- 5) functionalist: viewing history as an efficient mechanism for reaching uniquely appropriate equilibria, and having less concern for the possibility of non-uniqueness in historical development (March and Olsen, p3).

Many contemporary political scientists have sought to emphasise the importance of institutions to an understanding of politics. As March and Olsen argue:

*'...our efforts proceed from a...general concern with interpreting political institutions as fundamental features of politics and with understanding the ways in which they contribute to stability and change in political life.'* (page4)

Although an institutional approach, as employed by March and Olsen, does not deny the importance of both the social context of politics and the motives of individual actors, they do posit a more independent role for political institutions. For example, bureaucratic agencies are arenas for contending social forces but they are also

It is essential to note here how the logic in the above argument suggests a means of analysing bureaucratic motivation which does not rely on notions of rational self-interest, or a logic of instrumentality. In the above approach politics is organised by a logic of *appropriateness* in which political institutions are collections of interrelated rules and routines that define appropriate actions in terms of relations between roles and situations. The process involves what the situation is, what role is being fulfilled, and what the obligations of that role are. When individual actors enter an institution, they try to discover (at least in March and Olsen's model), and are taught, the rules. Through rules, and a logic of appropriateness, political institutions realise both order, stability, and predictability on the one hand, and flexibility and adaptiveness, on the other.

This logic of appropriateness is unlike the logic of consequentiality which underpins rational choice models of bureaucratic behaviour. In the latter, behaviour is driven by preferences and expectations about consequences. Behaviour is wilful, as agents attempt to make outcomes and desires congruent. Agents are rational insofar as they maintain a consistency between behaviour and realistic expectations of its consequences. In a logic of appropriateness behaviour is '*...intentional but not wilful*' (p160) and involves fulfilling the obligations of a role or situation, and trying to determine the imperatives of holding a position. Action, in this model, stems from a conception of necessity rather than preference. A person is consistent, in this account, if behaviour and a conception of the self in a social role are consistent. Conflict is resolved not through calculations of rational self-interest but by attempts to clarify rules, and ascertain what behaviour is appropriate to the situation.

Unlike a rational choice account, there is no presumption in the above model that agents are ontologically prior to the structures or communities in which they are embedded: the role of the bureaucrat must be seen in relation to notions of organisational goals, collective interests, and the shared understandings of rules and norms. One need not adhere to either model of rationality or of institutional analysis; rather, it is possible to accept elements of both models. This is the approach adopted in this thesis.

The second element in March and Olsen's analysis is that political institutions not only respond to their environments but also create them. Again, contrary to much rational

choice analysis, preferences are not viewed as exogenous to institutional frameworks but rather are moulded by them. Institutions affect the ways in which individuals and groups become activated within and outside established institutions, and institutional change can affect the political environment.

Thirdly, institutions change, often through an encounter between institutional rules (or the actions they produce) and an environment, partly consisting of other rules. Such changes are not predicted simply by institutional environments. Therefore, we cannot portray institutions as an equilibrium solution to the conflicting interests of current actors. Institutions are not simply reflections of current exogenous forces or micro-behaviour and motives. They embed historical experience into rules routines, and forms that persist beyond the historical moment and condition. To quote March and Olson again:

*'Political institutions simplify the potential confusions of action by providing action alternatives; they simplify the potential confusions of meaning by creating a structure for interpreting history...and they simplify the complications of heterogeneity by shaping the preferences of participants...it is hard to be sanguine about theories...that relegate [institutions] to a secondary role.'* (p158)

An understanding of institutions is essential to the analysis of explanations of motivations and the formulation of preferences within bureaucracies. As much of the New Institutional literature emphasises, areas of research such as policy analysis are a fruitful area of study for those using an institutional focus.<sup>28</sup> Policy outcomes are heavily conditioned by policy legacies, by decision-making rules, traditions and routines within established organisations and by intermediary structures between state and society. Unlike the Rational Choice approach, the proponents of the New Institutionalism do not seek to wash away the fine detail of historical development and institutional custom and practice. However, such approaches can yet produce predictive hypotheses (Ostrom, 1986; March and Olsen, 1989). In the context of the present thesis, one benefit of an institutional approach is that it provides a focus on factors which constrain decision-makers, and suggests a method of analysing the relationship between structures of rules

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<sup>28</sup> See for example Sharkansky I. (1970), *Policy Analysis in Political Science* (Chicago, Markham Press).

Insights from sociology, psychology, and anthropology are often absent from Rational Choice theories, as are explanations of structural and cultural, and institutional factors. In seeking to explain the data drawn from the case studies, this thesis will neither eschew the use of explanations drawn from outside the Rational Choice approach, nor discard this approach as being of no intellectual or explanatory value. This is evident in the attempt to place the case studies within an institutional and cultural context, while giving some, albeit a limited amount, of explanatory weight to Rational Choice explanations.

In the social sciences, rationality is often identified with behaviour that maximises the satisfaction of preferences. The holding of a preference can be seen as similar to having a motivation to act, with the difference being that a preference need not require an act (agency) on the part of an actor. An agent may express a preference of X over Y, or Y over Z. It may reflect a transitive ordering, or a preference for more of X rather than less of it. A motivation to X, however, will entail that the agent will pursue the goal X, whereas a preference of X need not entail this agency. Rational Choice seeks to analyse human behaviour on the assumption that humans are capable of maximising their preferences at the lowest possible cost to themselves. Analysing motivation in terms of maximising behaviour is an example of actors viewed as rational self-interested maximisers.

Rational Choice models are viewed by their proponents as rigorous in method, capable of technical sophistication and the generation of powerful explanations across a wide range of situations on the basis of a few simple theoretical assumptions.

However, as Elster argues, action is not always rational but yet:

*'...explanations in terms of optimisation remain the paradigmatic case of intentional explanation in the social sciences outside of psychology.'*<sup>33</sup>

For Elster, then, all other cases of intentional explanation are to be understood as departures from this paradigmatic norm.

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<sup>33</sup> Elster, J. (1983b0, *Sour Grapes: Studies in the Subversion of Rationality* (New York, Cambridge University Press) page 14.

Rational Choice as an analytical approach has many advocates who reject the claim of its unrealism. As Riker argues, although the rational self-interest assumption may waver at the individual level, in the context of a fiduciary, client based relationship, as exists in a government bureaucracy (where the legislature is the client, and the bureaucracy the trustee), the assumption will hold because the trustee is obliged to maximise the interests of the client.<sup>34</sup> Therefore, at the aggregate level, the self-interest assumption is seen to hold.

Many scholars adapt the self-interest assumption. Downs, for example, qualifies the self-interest assumption, saying:

*'In reality, men are not always selfish even in politics. They frequently do what appears to be individually irrational because they believe it to be socially rational...[altruism is necessary in explanation]. Nevertheless, general theories of social action always rely heavily on the self-interest maxim...because it tends to be realistic.'*<sup>35</sup>

A better construction of rationality, when dealing with explanations of bureaucratic motivation at least, would replace the assumption that actors maximise material self-interest with a rational maximising assumption that relates to any kind of goal or end. If the bureaucrat is indeed a rational self-interested maximiser, then his motivation will be determined by how best he can maximise his own gains and personal goals. For the Rational Choice theorist then, bureaucratic motivations are always viewed as based on self-interest.

An emphasis on rational self-interest may capture only a part of social reality. To understand and explain the motivations of bureaucrats a narrow focus, looking only at self-interest, is not sufficient. To exclude non-rational explanations, or those based on institutions or culture, is to promote a research design that fails to consider many variables which may be of use in explaining the dependent variable of bureaucratic motivation. This study aims to avoid this criticism by placing its case studies within an institutional and cultural context. While it does not posit a 'new' theory of bureaucratic motivation based on political culture, or a new institutional approach, it does seek to

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<sup>34</sup> Riker, W. (1962), *The theory of political coalitions* (New Haven, Yale University Press).

<sup>35</sup> Downs A. (1967), *Inside Bureaucracy* (Boston, Little Brown).

emphasise the paucity of an approach that focuses on individuals only, ignoring their situational placement and contextual embeddedness.

Barry Hindess suggests that the Rational Choice approach, despite its being seen by many to yield powerful and determinate results, generates results which depend on an implicit structural determination of the forms of thought employed by political actors.<sup>36</sup>

He argues:

*'The assumption of actors rationality tells us that there will be a certain consistency in their behaviour, but it tells us nothing about the substance of these concerns.'* (page 36)

In placing individuals as ontologically prior to social structures, many Rational Choice models ignores the importance of context to an understanding of bureaucratic motivation. As suggested by the case studies, factors other than self-interest explain the motivations of the bureaucrats examined in the EPA and EA. It may be that Rational Choice, as Almond suggests, can at most capture only a part of social reality. It is the aim of this thesis to cast the theoretical net as widely as possible in asking the question of what motivates bureaucrats, and to ascertain as much as possible about the explanatory variables that lead to a better understanding of these motivations.

## **The Limited Role of Rational Choice in This work (2.7)**

In *The Rational Choice Controversy* Jeffrey Friedman distinguishes Rational Choice from public choice, noting that the former refers to both market and non-market situations, for example extending into the realm of family life, whilst public choice is restricted to the public (political) sphere only.<sup>37</sup> Ferejohn posits a distinction between 'thin' and 'thick' rational choice models: in the former, individuals are assumed to have only the inclination to satisfy their stable and ordered preferences, whether selfish or not.<sup>38</sup> But public choice has, in Ferejohn's typology at least, a decidedly thick connotation, referring to the tendency of political actors to pursue their material self-interest.

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<sup>36</sup> Hindess B. (1988), *Choice, Rationality and Social Theory* (London, Unwin).

<sup>37</sup> Friedman J., (ed.) (1996), *The Rational Choice Controversy* (New Haven, Yale University Press).

<sup>38</sup> Ferejohn, J. (1991), "Rationality and Interpretation: Parliamentary Elections in Early Stuart England." In *The Economic Approach to Politics* Monroe, K.(ed.) (1991), (New York, Harper-Collins).

Friedman criticises public choice for what he calls a '*polemical oversimplification*' (page2) whereby the possibility that people are self-interested in their political and economic behaviour may be treated as the assumption that self-interest is always and everywhere the fountainhead of politics. Empirical researchers may take for granted the fact that finding a correlation between private interests and the adoption of a given public policy which establishes the possibility that the public choice explanation may be valid, actually demonstrates causality, and moreover, causality of universal scope. Citing Kelman (1988)<sup>39</sup>, Blais and Dion (1991)<sup>40</sup>, Lewin (1991)<sup>41</sup> and Kelman (1987)<sup>42</sup> as examples, Friedman asserts that there is a disjunction between the prevalence of self-interest in the economy and, contrary to the public choice assumption, in other spheres. For Friedman then, the extent of selfishness will vary historically as perceptions of appropriate behaviour change.

Green and Shapiro criticise rational choice models, arguing such models have yet to be tested in the political sphere. They accuse rational choice of *post hoc theory development*, or what we might call curve fitting.<sup>43</sup> That is, rather than formulating bold predictions falsifiable by empirical data, Rational Choice theorists look first at the data, then design a rational choice model which fits it. The second major criticism made by Green and Shapiro is that of *arbitrary domain restriction*. The assumption that Rational Choice theory is applicable wherever the theory seems to work. Rational Choice is valid *ceteris paribus*, where the scope of the caveat is unspecified by the theory. A third criticism is that Rational Choice models look for confirming, not falsifying, evidence, and often misconstrue the former as the latter. Rational Choice models are made unfalsifiable by adopting a very wide definition of rationality, which is all-encompassing. The fifth point made by Green and Shapiro is that RC research is method-driven, with a precommitment to particular methods rather than a determination to understand political phenomena. Although an advocate of the public choice approach, Niskanen argues that:

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<sup>39</sup> Kelman, M. (1988). "On Democracy Bashing: A Sceptical Look at the Theoretical and Empirical Practice of the Public Choice Movement." *Virginia Law Review*, 74, 199-273.

<sup>40</sup> Blais A. and Dion S. (eds.) (1991), *The Budget Maximising Bureaucrat* (Pittsburgh, University of Pittsburgh Press).

<sup>41</sup> Lewin, L. (1991), *Self-Interest and Public Interest in Western Politics* (New York, Oxford University Press).

<sup>42</sup> Kelman, S. (1987), *Making Public Policy* (New York, Basic Books).

<sup>43</sup> Green, D. and Shapiro, I. (1994), *Pathologies of Rational Choice: A Critique of Applications in Political Science* (New Haven, Yale University Press).

*'much of the [public choice] literature is a collection of intellectual games. Our speciality has developed clear models of first and second order derivatives but cannot answer such simple questions as 'Why do people vote?'* (1993; 151. Quoted in Friedman, p13).<sup>44</sup>

Friedman argues that while macro-economists use instrumentalism to justify predictions bereft of theoretical underpinnings, micro-economists and public choice theorists use a degenerate form of instrumentalism to sanction implausible theories with scant predictive power.

Examination of the behaviour of so-called budget maximising bureaucrats cannot, if Friedman's arguments are accepted, permit the treating as equivalent the actions of several bureaucrats, who may have very different motivations and yet pursue seemingly similar actions. Friedman demands that we discover whether the agents in a given real-world instance actually have the particular attitudes that constitute the initial conditions of a non-tautological social science theory. What he advocates is in fact similar to the methodology used in this thesis, advocating a form of scientific method that uses theory to explain facts, which restrains the theory using the facts, and yet allows for an imperfect fit between the two.

Friedman posits the argument that ideal-type models have no scientific value until empirical research begins to assess the extent of their applicability and the magnitude of their effect in particular cases. Friedman contends that the main goal of social science is the determination of how far, in given cases, the initial conditions of theoretically derived hypotheses hold good and are not 'disturbed'. The ideal-type approach has the advantage of placing the inexact fit of theory and reality at centre stage, redirecting scientific research away from the use of data to verify or falsify laws towards its use in showing how close competing 'laws' come to explaining behaviour in a given case.

This does seem like a second-best approach insofar as it admits that social science cannot reproduce the law-like statements of the natural sciences. The inexact fit between theory and reality is symptomatic of research in political science but the ideal-type

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<sup>44</sup> Niskanen, W. (1993), "The Reflections of a Grump" *Public Choice* 77: 151-158.

approach has the utility of highlighting the divergence between theory and reality, particularly noticeable in some of the research in public administration. Weber's framework prevents researchers from papering over the failure of data to be consistent with theory by making the theoretical framework transparent and explicit.

For public administration research to be scientific it must draw attention to the methods it employs, the theory underpinning them, and how well the data fits with the theory. Such an assertion is contained both in Weber's work, but also in the work of King, Keohane and Verba (1995) and provides a one means through which the study of political science can be improved.

An important example of the preceding argument is found in the seminal work *The Logic of Collective Action* which uses an ideal-typical approach within a rational choice framework, with Olson arguing that the presence of instrumental rationality must be proven in each instance.<sup>45</sup> This leads him to agree that rational choice theory can be compatible with other explanations and, further, that it may even facilitate them.

Susanne Lohmann addresses this point stating:

*'...without a theory of how much people should contribute to a public good if they are rational and self-interested, there is no way of assessing whether empirical contribution patterns reveal altruism, systematic mis-assessments of the probability that a given contribution will be decisive, or total incomprehension on the part of individuals involved.'*<sup>46</sup>

Lohmann is in agreement with the claims of this chapter here, arguing that rational choice cannot ignore explanations which do not accept the potential of other paradigmatic approaches to explain social reality. Further, an explanation of behaviour couched solely in terms of rationality, using a grammar based on an instrumental model of motivations, will fail to understand all non-rational, non-instrumental forms of behaviour. Motivations may, for example, be based on an *expressive* and not

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<sup>45</sup> Olson M. (1971), *The Logic of Collective Action Public Goods and the Theory of Groups* (Cambridge, MA, Harvard University Press).

<sup>46</sup> Lohmann, S. (1993), "A Signalling Model of Informative and Manipulative Political Action" *American Political Science Review* 88, 319-330. Page 323.

instrumental model of behaviour, in which actions are performed for their own sake, with no apparent rational consideration of the material consequences for the actor.

Robert Abelson argues that instrumentality is a mindset that can be learned and which is situationally manipulated. He argues that:

*'... [instrumentalism] is valued in our society...provid[ing] a privileged vocabulary for justifying behaviours that may have been performed for other reasons, and encouraging the illusory belief in the universality of rational choice.'*<sup>47</sup>

It is Abelson's claim that this instrumentalism is a mindset which can be switched on and off. Different types of individuals and organisations have different mixes or settings determining the extent to which this mindset is switched on. This ability to toggle one's mindset limits, on Abelson's view, the applicability of predictions based on self-interest as the pursuit of instrumental self-interest becomes a sometime state of mind, with the opportunities for the holding of such a mindset limited by factors not easily assessed from within an instrumentalist paradigm.

Dennis Chong defends the Rational Choice approach against the criticisms made by Green and Shapiro (1995), arguing that in concentrating single-mindedly on the degree to which rational choice explanations have (or have not) been verified, they overlook how the theory supplies a powerful causal mechanism that is a prerequisite to interesting empirical inquiry.<sup>48</sup> Alternative hypotheses, Chong asserts, often identify social regularities without clearly specifying their causal mechanisms-in other words, they *fail* as explanations. For Chong then, Rational Choice theory, like any good theory, raises interesting issues for study and charts a program and methodology of research. Comparing sociological approaches with those of rational choice, Chong notes that the former approach gives priority to values with motivation grounded in people's attachment to social norms rather than in their assessment of opportunity costs. Rational choice focuses on the intentions of agents, with rational behaviour motivated by the relative attractiveness of different alternatives, rather than by the internal regulation

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<sup>47</sup> In Friedman (ed) *ibid.*, page 25.

<sup>48</sup> Chong D. (1996), in Friedman (ed) *ibid.*, Chapter 3 (pages 37-59).

provided by values or dispositions. Rational choice therefore compares what Chong describes as *environments of choice*.<sup>49</sup>

Chong does pay attention to the controversy surrounding the problems presented to a rational choice analysis by social norms, expressive behaviour, principled commitments, symbolic benefits and the like. It is a subject of many debates as to whether such *extra-rational* incentives stretch the rational choice model. Chong does not dismiss those models propounded in this thesis as integral to an understanding of bureaucratic behaviour. He does, however, view structural explanations (of which institutionalism should be a part) as frequently imprecise about causal mechanisms, favouring an emphasis on the role of individual choice as a necessary constituent of explanations. This thesis does not suggest that there is no room for such an individual focus in attempting to understand bureaucratic motivation, but that this focus alone is insufficient to generate a full understanding of the phenomena under examination.

Another criticism of the Rational Choice approach is provided by Robert Lane (Friedman (ed), 1996, p107) who maintains that politics is not a fertile domain for rational choice theorists because politics deals with *ends* as well as *means*, thus preventing the employment of a model of means-ends rationality. Lane views the politics domain as less hospitable to rational choice than is the market and, in general, asserts that any theory of human behaviour that ignores the qualities of actors as likely to fail. This is consistent with what I have described as *the essentially human characteristics* that underpin explanations of the motivations of actors in bureaucracies.

Karl Mannheim and Harold Lasswell have discussed politics as the domain of the irrational, sharing with Lane the conception of politics as concerned with ends rather than means. As the discussion of Weber suggested, *wirtrationalitat* and *zweckrationalitat* also highlight this means-ends distinction, with the former being the rationality of fitting means to ends, and the latter that of deciding among ends. It may not be necessary to discard the concept of rationality in politics, but its employment should not be seen as unproblematic. For example, in Niskanen we find the argument

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<sup>49</sup> Chong *ibid.*, page 40.

that bureaucrats maximise *utility*, which manifests itself as the motivation to maximise budgets.<sup>50</sup>

However, Joan Robinson has criticised Niskanen's use of the term utility arguing that utility:

*'...is a metaphysical construct of impregnable clarity; utility is the quality in commodities that makes individuals want to buy them, and the fact that individuals want to buy them shows they have utility.'*<sup>51</sup>

Indeed, one of the problems associated with using utility as the means of explaining what motivates bureaucrats is that the explanation one presents can easily appear tautologous. That is, one asks "what motivates bureaucrats?" The answer one receives is "utility!" One then asks "what is utility?" The answer one gets is "that which motivates you to do X or Y!" One is not furthering the understanding of bureaucratic motivations by *assuming* some rational maximand that is in some way underpinned by utility, to rely on utility as the only means of explanation is to dismiss all other explanations. The Trifocal Approach is an attempt to move away from such paradigmatic dogmatism.

Unless the analyst specifies what people are seeking to maximise, all choices are *rational* choices. But 'thick' rational choice theories which specify the content of utility will have trouble predicting political choices from political stimuli when these choices are guided by the symbolic identifications that constitute much political decision-making. Particularly with many decisions depending, at least in part, on factors which do not fit easily into a model of political behaviour based on utility calculations.

This circularity in the usage of utility as discussed by Robinson is mirrored in the work of Lane (1996) who suggests rational choice approaches fall down with regard to their failure to generate testable propositions. He says:

*'Rational choice is to decision theory what Weber's ideal-types are to sociology...What is needed now is a set of testable propositions...that, when tested, will mark out the area where RC is a reliable guide to economic and political behaviour.'*<sup>52</sup>

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<sup>50</sup> Niskanen, W. (1971), *Bureaucracy and Representative Government* (Chicago, Aldine Aldeshot).

<sup>51</sup> Robinson, J. (1964), *Economic philosophy* (Penguin, Harmondsworth).

Lane's reasoning is in keeping with the argument presented in this thesis: that is to say, Lane is not claiming rational choice has no place in explanations of behaviour, any more than this chapter has suggested that Weber's ideal-types are of no consequence in the examination of bureaucracy. Research which focuses on behaviour in political environments cannot assume away difficulties by adopting explanations based on rationality, or utility, without examining in detail the importance of the environment in which a decision is made: specifically, the institutional and cultural contexts that encapsulate the decision arena.

Similarly, as Taylor (Friedman (ed.), p223) has noted, the rational choice model ignores forms of social identification whereby agents may adopt the norms of their group, or intrinsic motivation, where an act is performed for its own sake rather than being reducible to explanations couched in terms of utility maximisation. Taylor, while accepting that social identification does not have any clearly defined causal path, does suggest that such identification is unlikely to work through a form of instrumental rationality. Of course, the Rational Choice theorist can explain all action, be it collective action in the form of co-operation within a community, or a seemingly altruistic act, in terms of rational self-interest operating at some level; however, there is something disconcerting in explaining community, social networks, repeated action within a social group, solely in terms of incentives, iterated games, or prisoner's dilemmas (Axelrod, *The Evolution of Co-Operation*<sup>53</sup>). What is disconcerting is the view of agents as unencumbered by any social or community ties, and this point is discussed in detail in Chapter Ten.

An alternative explanation of the above behaviour, in Taylor's words, would attempt to show that:

*'A community provides the conditions in which normative motivation, social identification, and in some cases intrinsic motivation are mobilised. Community is conducive to encouraging the hitherto mentioned social identification.'*<sup>54</sup>

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<sup>52</sup> Lane R.E., (1996), in Friedman (ed.) *ibid.*, page 124.

<sup>53</sup> Axelrod, R.(1990), *The Evolution of Co-Operation* (Harmondsworth, Penguin).

<sup>54</sup> Quoted in Friedman (ed) *ibid.*, page 232.

Admittedly, there is immense difficulty attached to the problem of trying to establish whether all behaviour, at base, is underpinned by some form of rationally self-interested behaviour. The question is too expansive to be adequately addressed in this thesis, with the aim in this section being merely to draw attention to the paradigmatic differences which constitute the intellectual debates surrounding the Rational Choice approach to politics. Further, this section forms the basis for the limited explanatory role attributed to Rational Choice in Chapter Ten.

Another interesting question which highlights the paucity of Rational Choice approaches focuses on the possibility of altruism in human behaviour. Despite its obvious centrality to any debate on the nature of bureaucratic motivation and the use of Rational Choice approaches in explaining such motivation, the issue of altruism is not discussed at length in this work. Rational choice theorists are divided on this subject, with some theorists defining away altruism in terms of explanations based on a *reputation* for altruism (ie. as good for business). However, as Lane notes, this is to make rational choice unfalsifiable and, as such, unscientific.<sup>55</sup> Only by examining specific cases of motivation within particular bureaucratic contexts can we begin to understand what it is that explains what motivates bureaucrats. The rational choice approach may be useful in seeking to answer this question, but it cannot, as a stand alone approach, hope to provide a comprehensive answer to this question of motivation within bureaucracies. The most useful means of explaining those motivations examined in the rest of this thesis is to focus primarily on two of the three lenses in the Trifocal Approach, using Institutional and Cultural explanations to constitute the main body of the argument propounded in the following chapters.

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<sup>55</sup> Lane R., in Friedman (ed) *ibid.*, page 107-127.

## **From Trifocal to Bifocal: Why Institutions and Culture Constitute the Primary Means of Explaining the Data (2.8)**

The Trifocal Approach is examined in Chapter Three. The majority of the explanation presented in Chapters Four to Ten focuses on Institutional and Cultural Analyses. Analyses. A discussion of the Rational Choice approach and its application to the data is presented in Chapter Ten. In short, the approach used in this thesis is Trifocal, but most of the work in this thesis utilises only two of the three lenses available to the researcher. This use of only two lenses is driven by a consideration of the data, rather than by any dogmatic adherence to a favoured paradigm, decided upon in advance of any consideration of those data with which one will be working. The benefit of a Trifocal Approach is that it allows the researcher to use the most approach in examining the data, rather than being forced to choose one's approach when one is formulating what are, at best, only tentative hypotheses.

### **Summary (2.9)**

This chapter has considered the seminal approach to bureaucracy provided by Max Weber. The approach used in this thesis does not follow Weber explicitly, yet the Trifocal approach used herein benefits from the lessons learnt from Weber's work. In particular, Weber combines in his work an emphasis on rationality, on cultural values, and on the role of structure in understanding the behaviour of individual agents. The chapters that follow attempt to combine a focus on each of these three approaches, giving different weightings to each approach according to the nature of the data under examination. Chapter Three presents a brief exegesis of the Trifocal approach, with the rest of the chapter forming the basis for an examination of motivations in the US EPA. Chapters Four to Ten will examine the US EPA and then the Environment Agency for England and Wales. Chapter Eleven will provide an overview of the discussion and argument put forward in these chapters with the intention of providing a useful account of bureaucratic motivations in two agencies.

# **Part II**

## **Bureaucratic Motivation in the US EPA**

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# Chapter Three

## Politics, Culture and Institutions: The Trifocal Approach and Bureaucratic Motivations in EPA

(3.1) Introduction

(3.2) The Questionnaire Used and the Interview Data Collected

(3.3) Why the Data should be analysed using a Trifocal Approach

(3.4) The Framework of explanation: *the Trifocal Approach*

(3.5) Nesting a Trifocal Approach Within a larger *Historical and Political* Context

(3.6) Placing the US EPA in an Historical and Political Context

(3.7) EPA: Inception

(3.8) Politics and the Fledgling Agency

(3.9) The Relevance of *Mission* to an Understanding of Motivations. Why *Mission* is not an Explanatory Variable

(3.10) Summary

## Introduction (3.1)

The discussion in the first two chapters outlined the classic approach to bureaucracy propounded by Max Weber in which *ideal-types* are used as a means of exploring bureaucracy by rendering subject matter intelligible by revealing (or constructing) its internal rationality. Although not used explicitly here, the present chapter benefits from the use of the *ideal-typical* approach in highlighting the inexact fit between theory and empirical findings. The framework presented in this chapter suggests that motivations are not capable of being explained solely in terms of one approach and one major explanatory variable.

The argument put forward in this thesis borrows from Weber in viewing agents as cultural beings, and in advocating a focus on culture and the structure of an organisation as necessary to an understanding of bureaucracy. In particular, this chapter emphasises institutions and culture as the most important explanatory variables in explaining the dependent variable of bureaucratic motivation.<sup>1</sup>

This chapter presents data collected during interviews at the US EPA in order to highlight the need for a Trifocal Approach when analysing such data. A brief examination of these data will show why it is necessary to use only two of the three lenses from the Trifocal Approach when providing an account of bureaucratic motivations in two agencies.

The next task of this chapter is to locate the examination of motivations in two agencies within the larger political and historical context in which each agency was created and, by extension, within which each agent must work. It is essential that an understanding of motivations be informed by an understanding of: how an agency was created; why an agency was created; why one organisational form was chosen over other alternatives; how the creation of an agency shaped the way the agency operated; how the political climate at the time of creation affected the operation of the agency; why agents chose to work in one agency over others, or why agents chose to work in the EPA or Environment Agency in particular. These are some of the questions that

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<sup>1</sup> See Hall, P. (1989), *Governing The Economy* Cambridge, Polity (page 9) Hall views the terms *organisation* and *institution* as almost synonymous.

are integral to an understanding of bureaucratic motivations, and the answers to these questions are illuminated by a consideration of political and historical context.

The next task of this chapter is to consider the importance of *mission* to an understanding of motivations in EPA. Mission constitutes an important element in much of those interview data collected at EPA. However, “mission” is not an explanatory variable. Section (3.9) demonstrates that “mission” is not an agency-wide, over-arching motivating force that can tell the researcher what it is that motivates bureaucrats. Rather, mission is best understood in terms of the interplay of institutional and cultural values.

The explanatory power of the Trifocal approach rests on its providing an explanation of motivation which captures the complexity of political reality, and avoids the tendency in political science towards hypothesis driven data analysis, with paradigmatic approaches viewed as competing rather than complementary explanations. The reasoning behind the employment of the approach rests with the nature of the data collected: the data suggest that motivations have institutional and cultural components which may work together, or may become dissonant as the two variables pull in opposing directions.

The model is Trifocal and not Bifocal for the reason that some of the data suggest a role for rational choice explanations: notably in the case of data where no reference to mission is made, no reference to a desire to serve the public, the public interest. Despite its having a secondary role Rational Choice accounts are not discarded altogether. The point of the Trifocal approach as utilised here is to assess how the three paradigmatic approaches of Culture, Institutions and Rational Choice must be combined in various weightings in order to provide the best account of individual accounts of motivations obtained in the fieldwork interviews. Yet it will be clear from the discussion in the following chapters that the vast bulk of explanation utilises only two of the three lenses in the Trifocal Approach, relegating Rational Choice explanation to a position of limited explanatory importance.

The interview questionnaire and the fieldwork research are introduced in this chapter in order to presage the discussion of the data in later chapters and to show how the

Trifocal Approach is to be used in this work. Chapters Four and Five examine data drawn from the US EPA, the combined use of cultural and institutional explanations is employed against the backdrop of Vice President Gore's Reinvention of government. Reinvention is a test-bed for the Trifocal approach, providing an opportunity to study an Agency undergoing wide-ranging, rapid change. Reinvention generated institutional dynamism within EPA with far-reaching effects on the motivations of Agency officials, but the explanation extrapolated from the data suggests a need to focus on more than the institutional changes only, with culture again playing an integral part in the explanation.

Motivations, and especially those accounts of motivations expressed in the testimonies of bureaucrats interviewed at a time when EPA was reorganising to meet the demands of Reinvention, are explained most completely when the focus of explanation is a composite of paradigmatic approaches. With the weight given to each explanation based as it is upon the data, and *not* upon the desire to have a paradigm-driven account of motivation. Furthermore, the Trifocal Approach detailed in this chapter will, in the chapters that follow, be used (mainly in a Bifocal mode) to investigate the motivations of bureaucrats both in the US EPA and the Environment Agency for England and Wales.

### **The Questionnaire Used and the Interview Data Collected (3.2)**

The data presented in this chapter are derived from two sources. Firstly, much of the data on the political/historical context in which the Environmental Protection Agency was created is drawn from *Congressional Quarterly Weekly Report*.<sup>2</sup> Another important resource used in this chapter were the testimonies of EPA administrators recorded in the EPA Historical *Oral Histories*.<sup>3</sup>

Much of the data on institutional change as a result of Reinvention discussed in detail in Chapter Seven is taken from the literature on the National Performance Review, the Government Performance and Results Act, and the Strategic Plan of the Agency. All

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<sup>2</sup> *Congressional Quarterly*, Congressional Quarterly, Inc. Washington, D.C : 1956-

<sup>3</sup> For Example, EPA have published an Oral History for almost all of their Administrators. Of considerable use in this chapter was the Oral History of Administrator William Ruckelshaus. Published by EPA in 1994.

interview testimony was obtained in structured interviews conducted in Washington DC (EPA HQ) and Region III (Philadelphia offices).

All of the interview data presented in Chapters Four to Ten were obtained during semi-structured interviews at the US EPA in Washington DC and Philadelphia. The Environment Agency data were obtained at Bristol and London offices, Wallingford and Hatfield Area Offices and the Reading Regional Office. The Environment Agency interviews took place between July 1998 and March 1999. Interviews at EPA were conducted between June and September 1997.<sup>4</sup>

The use of elite-interviewing took the form of semi-structured interviews that generated the data on motivations central to the argument presented in the chapters that follow. The data are the central support for the argument propounded in this work. The rationale for using interview data in building an argument is two-fold: firstly, and most importantly, it is data which prevent this work from being a mere theoretical exercise. The use of solid empirical research gives the reader a sense of why an argument is being put forward; upon what such an argument is based; and provides an insight into how the subject matter of this enquiry-- bureaucrats themselves-- view the question of motivation.

The second reason for utilising interview data was presaged in Chapter Two when the methodological approach of King, Keohane and Verba was discussed. It is the hope that this research is in some sense transparent in methodology; repeatable in the sense that the interviews can be conducted by other researchers and, importantly, the same data set could be used to generate a range of arguments-- the point to be made here then, is that the research should be subject to falsification. The discussion below is data-laden; these data, combined with argument, make the argument propounded in thesis comprehensible and more convincing.

The interview data show that neither the US EPA nor the Environment Agency for England and Wales fit neatly into one of the traditional paradigmatic approaches to bureaucracy--Rational Choice, Institutional Analyses, Culture-- at least not when such approaches are used in isolation. As such, the data support both the theoretical

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<sup>4</sup> Fieldwork conducted in Washington was made possible by the generous help of the Andrew W. Mellon Fund.

framework and the concrete arguments presented below. It is the evidence which illuminates the research question, and which justifies the arguments put forward in the following chapters.

Anonymity was assured to all officials who took part in the interviews. The system of numbering the quotations used is straightforward: when a person is quoted for the first time they are given a number, and this number is used to identify the source throughout the thesis.

The questionnaire used in the interviews was structured around major themes listed below:

- 1) professional and educational background**
- 2) why join the federal government; why EPA? *or* Why join the NRA/ HMIP/ WRA's?**
- 3) work-related goals**
- 4) whether goals have altered during one's career**
- 5) relations with the Executive**
- 6) relations with Congress**
- 7) the Administrator of EPA *or* The Chief Executive of the Environment Agency**
- 8) budgets.**
- 9) the role of interest groups**
- 10) the importance of senior political appointees in the Agency; the impact of the Administrator of the Agency *or* the influence of Ministers and the Government**
- 11) policies**
- 12) institutional organisation**
- 13) personal political views**
- 14) follow-up questions**

Although structured around these topics, interviews generally covered far more than these topics only. Sixty senior bureaucrats were interviewed at the US EPA (in DC and Region III), and forty-two officials were interviewed at the Environment Agency for England and Wales. Each interview ranged from one to two hours in length. Interviews would pursue directions suggested by the interviewee.

### **Why the Data should be analysed using a Trifocal Approach (3.3)**

The interview data from EPA are examined briefly here in order to highlight the need for an explanatory approach which does not rely on one means of explanation only when accounting for bureaucratic motivations. When interviewing senior career civil servants within the US EPA, one theme that recurred throughout the series of interviews was commitment to mission, beliefs about public service, a commitment to goals which can

reasonably be construed as having an other-regarding element, or at least not based on self-interested maximisation *per se*. Indeed, neither the data collected in the US nor those data collected in England fit neatly into one means of explanation. However, much of the data are best explained when Institutional and Cultural analyses are used in tandem, teasing out the interplay of cultural and institutional effects on the motivations of bureaucrats in two agencies.

The responses below highlight the importance of cultural and institutional factors when examining motivations:

**(1) 'I worked for IBM but I did not care to make money for them. I wanted to be involved with what I thought were important social issues. In 1974, when I joined EPA, the environmental movement was growing. I believed in the environmental mission...There were institutional goals and personal goals...in the 'seventies there were a huge number of people who joined EPA from the Peace Corps, I did. Not likely to find this in another US federal Agency today.'**

This official was motivated to work for EPA for many reasons, but an important reason prominent in this response is an interest in the “mission” of the Agency. Coupled with the political and historical context in which EPA was created, and in which this person came to work at EPA, one can reasonably suggest that this person’s motivations were driven, at least in part, by values and beliefs, by a set of consistent belief that led this person to travel to Latin America with the Peace Corps. This person suggested in interview that many of the senior people in EPA today, most of whom joined in the very early nineteen-seventies, were motivated by a strong commitment to the environment

Considering another response:

**(3)'I had a passion for public service; at an early age you have a lot of responsibility, we have far reaching policy implications. I wanted to shape and impact public policy. The challenge of Reinvention has made me question my goals...there is a time to stay and a time to go. It may be my time to go.'**

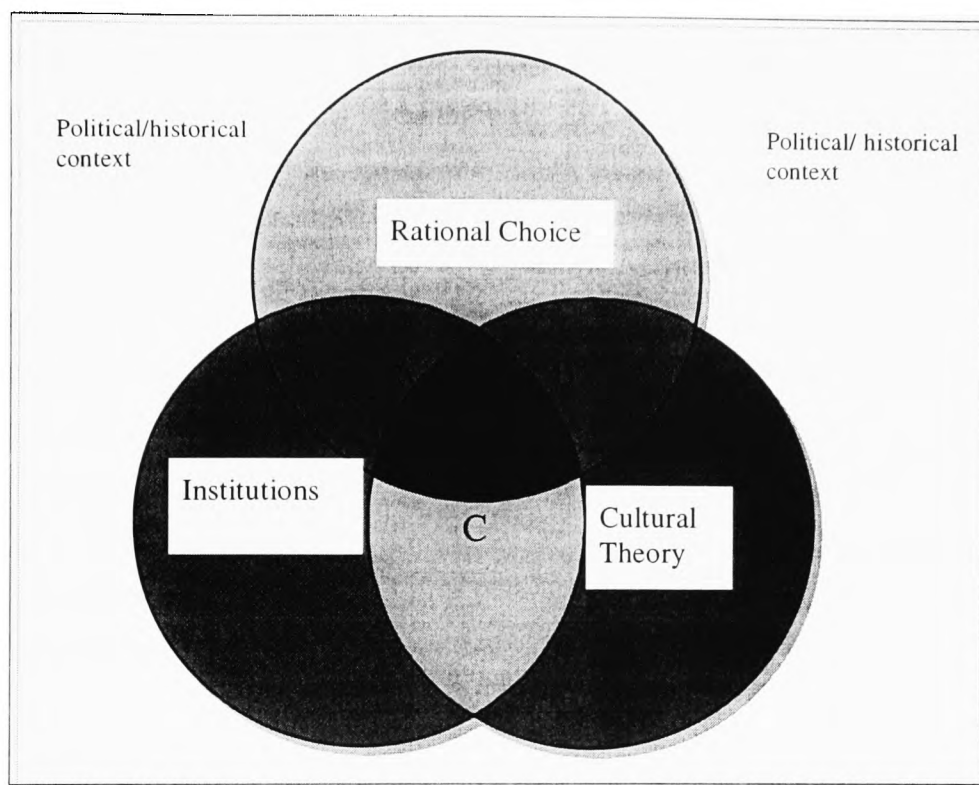
This person was adversely affected in his motivations by far-reaching institutional changes that swept through all levels of EPA following the National Performance Review and the changes that became known as Reinvention of Government (see Chapter Six). A “passion for public service” could be explained in terms of cultural values, deeply held commitments that do not change as soon as an institutional structure changes. However, the lack of congruence between Reinvention (its institutional manifestations) and the cultural values of some EPA officials has generated some

adverse effects on motivations. The person quoted above is affected by institutional changes, but one must look to cultural identifications in order to understand how and why institutional changes do not have uniform impacts across EPA. Hence the utility of a Trifocal Approach (with an emphasis on the two lenses of Institutions and Culture) in trying to understand bureaucratic motivations.

Although such data must be placed into some form of framework if they are to be more than mere anecdotal recitation, it should be apparent from the above selection of answers to the question relating to reasons for joining EPA that no single paradigm can capture the full colour of explanation with respect to motivations for joining EPA. Present in the data are: a belief in the environmental movement; a passion for public service; EPA as a natural move from the Peace Corps. There is a cultural component that explains commonalities across officials which help to shed light on questions of: why one joins EPA; why one stays; what in one's past might explain a commitment to "mission." In addition, to ignore the way that institutional structures, and institutional change, can affect motivations is to miss out an important element in the explanation of motivations. This thesis attempts to use analytically distinct approaches, primarily Institutional and Cultural approaches, that are intimately related in the explanation of motivations put forward in this work.

These data highlight the difficulty of fitting qualitative interview testimony into a single, albeit theoretically tidy, paradigmatic approach. Every agent interviewed provided testimony that could feasibly be placed within one paradigm or another. Realistically, such accounts of motivation fall within an area of overlap *between* such paradigmatic approaches. It is the intention in the remainder of this chapter to show that only a Trifocal approach nested within a political/ historical context can account for the variety of motivations of EPA officials interviewed

### The Framework of explanation: *the Trifocal Approach* (3.4)



(adapted from Hood and Peters (eds.) 1994, page 216)

The Trifocal approach provides a means of analysing political phenomena without considering the three paradigmatic approaches (in the diagram) as '*rival champions in some nomothetic tournament*'<sup>5</sup> Rather, these approaches should be viewed as different lenses through which to view political phenomena. The argument in this chapter suggests that this approach should capture a large part of political reality if the researcher is prepared to consider more than one paradigm when presenting an explanation. For example, King and Peters use area C on the diagram to examine rewards to high public office, arguing that we need to mix cultural and institutional explanations in order to explain why similar rules produce different substantive outcomes.<sup>6</sup>

In the present thesis it is Area C that is the most important area of this Trifocal Approach. Area C represents the use of Institutional and Cultural analyses in combination in the study of bureaucratic motivations. Much of the explanation presented in the following chapters is Bifocal insofar as it is Area C that constitutes the major part

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<sup>5</sup> In Hood C. and Peters B.G.(eds.) (1994), *Rewards at the top : A Comparative Study of high public office* (London, Sage) Chapter 9 (page216).

maximisation for the reason that mission as defined in this chapter, and as employed by those bureaucrats interviewed, refers to a set of collective goals pursued by many officials working in EPA. Further, it should be noted that to view agents as ontologically prior to their cultural and institutional settings is, in some sense, to deprive accounts not based on such individualising accounts of their explanatory power (a full discussion of this point is presented in Chapter Ten).

In terms of the response from the EPA official quoted above, one can locate that element of motivation relating to mission in the circle which refers to culture (blue), while the reference to the composition of the Agency workforce at its inception (ex- Peace Corps volunteers for example) suggests a need to understand how Agency culture was shaped by the political/historical context in which EPA was created. Both had important effects on the original structure of the Agency and shaped the culture which pervaded the EPA in the early years, and which has continued in some form up to the present day.

There is a role here for Rational Choice explanation to the extent that the data examined in this work do not suggest bureaucrats to be devoid of any individual, non-institutional goals, or goals motivated by self-interest. Many of those interviewed exhibited some desire for personal remuneration, or perhaps for promotion, but the important point to note is that such motivations were, in many cases, secondary to motivations such as mission or commitment to public service in general. To focus on personal goals such as remuneration only leaves the problem untouched of how to account for the failure of bureaucrats to pursue higher paid positions outside of one's agency, or outside of government.

### **Nesting a Trifocal Approach Within a larger *Historical and Political* Context (3.5)**

Political and Historical context refer to important parts of the explanation of motivations both in EPA and in the Environment Agency. However, unlike the three lenses which constitute the Trifocal Approach, political and historical context is far more all-inclusive and all-encompassing. In effect, when analysed in isolation, historical and political context is too all encompassing to count as an explanatory variable. Yet understanding something of the context in which the three lenses (explanatory variables) are utilised provides a canvas on which to paint the picture of motivations within the US EPA and

the Environment Agency for England and Wales. To detach motivations from this larger context, indeed to analyse institutions and culture without reference to this variable, is to provide an account of motivation with no location in politics or history. Such an approach must fail to provide a powerful account of bureaucratic motivations.

The Trifocal Approach is located within this larger political and historical context. The diagram nests the three paradigmatic approaches within a larger box (the boundary of the diagram), which represents the political/historical context in which the argument in the rest of this work must be located. The remainder of this chapter examines the context in which EPA was created, then “mission” within EPA is examined. Chapter Seven locates the discussion of the Environment Agency for England and Wales within a political and historical context thereby enhancing the understanding of motivations in the Environment Agency and in the US EPA. Without such a contextual location, each account of motivations is incomplete.

### **Placing the US EPA in an Historical and Political Context (3.6)**

*‘...work [on regulation] tends to be ahistorical, taking the rationales and institutions of regulatory decision-making as contextual variables to be maintained or reformed in order to achieve certain ends. It shows little concern for historical forces that shaped regulatory policy. Regulation though, is more than a given set of laws and rules; it also entails ideas and institutions that have grown out of particular historical [and political] circumstances.’<sup>7</sup>*

This quotation from Harris and Milkis suggests that the researcher cannot take institutional structure or cultural context as *givens*, relying instead on individualist accounts of bureaucratic behaviour. A more inclusive and powerful account of motivation is encapsulated by the Trifocal approach in which the explanation of bureaucratic motivation within the EPA must be viewed as best explained with reference to culture and structure, with Rational Choice having some value in accounting for the interview data. The role of the individual is obviously of importance, yet to view motivations as explained by individual rational (maximising) behaviour alone is to ignore a central part of a convincing account of motivation, and is to assume that institutional structure, culture; and historical context are *givens*. The first part of this chapter has shown why these cannot be treated as *givens*.

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<sup>7</sup> Harris, R. and Milkis, S. (1996), *The Politics of Regulatory Change*, (New York, Oxford University Press) page 18.

### **EPA: Inception (3.7)**

EPA was created at a time when public concern about declining air and water quality, and a general deterioration of the environment was mounting. The dramatic blow-out of an oil well in the channel off the coast of Santa Barbara, California, in January 1969 focused public attention on the seriousness of environmental problems as miles of beaches were devastated and fish and wildfowl killed. A significant event, substantively and symbolically, in the era of the Nixon Presidency, was the first Earth Day-- April 22<sup>nd</sup> 1970. In New York City, Mayor John V. Lindsay closed the streets to traffic on Fifth Avenue for two hours, whilst Washington Members of Congress left their offices to meet the constituents who had gathered before them<sup>8</sup>. Earth Day put environmental concerns on the political agenda in a way that neither Congress nor President could ignore.

Shortly before the creation of EPA, President Nixon established by Executive Order the Cabinet-level Environmental Quality Council (EQC) on June 3<sup>rd</sup> 1969. The Democratic controlled Congress attempted to outflank the President by passing the National Environmental Policy Act (NEPA) in December of the same year, which made environmental protection a matter of national policy. The act required all federal agencies to submit environmental impact statements for all proposed actions and created a three-member Council on Environmental Quality (CEQ) within the executive office of the President to replace the ECQ. Many industry groups denounced NEPA, but environmental groups such as the Sierra Club hailed it as an environmental *magna carta*.

In the early part of his administration Nixon had been widely criticised for lacking a strong commitment to the environment and, as pressure for corrective action mounted the president submitted a plan to Congress which sought to consolidate the federal government's widespread environmental protection efforts into a single agency. It is fair to say that Nixon was uninterested in the environment. Indeed, the first Administrator of EPA, William Ruckelshaus, states that Nixon only ever lectured

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<sup>8</sup> *The Guardian: The Origins of EPA* EPA Historical Studies Series, Spring 1992, historical publication no.1.

him about environmental “crazies” (lobbyists for environmental groups and other activists for example), and never asked about the state of the environment.

Yet in his message to Congress on July 9 1970 Nixon declared:

**‘As concern with the condition of our physical environment has intensified, it has become increasingly clear that we need to know more about the total environment- land, water and air...only by reorganising our federal efforts can we develop that knowledge, and effectively ensure the protection, development and enhancement of the total environment itself.’<sup>9</sup>**

Nixon’s emphasis throughout his address to Congress was on an holistic approach to environmental regulation, with an emphasis on the need to treat the environment as an integrated whole, and to have an agency which reflected such holism. What was required, according to Nixon’s speech was (although nothing in Nixon’s record as President would support the view that he was committed to the direction he was espousing) **‘...the pulling together into one agency a variety of research, monitoring, standard setting and enforcement activities now scattered through several departments and agencies.’<sup>1011</sup>**

The 1970’s heralded a major change in the nature of regulatory policy-making as the focus of regulatory policy shifted to the courts, and as many more public lobbyists moved into Washington. Harris and Milkis describe this change as a move to a “New Social Regulation” regime, with interest groups developing a permanent presence in Washington DC through public lobby groups. New Social Regulation, according to Harris and Milkis, was a push for participatory democracy and the desire to avoid regulatory capture of federal agencies by business. Further, institutions, laws, and administrative procedures were re-shaped to nurture this participation of public lobbyists.

Public lobby organisations were created with the idea in mind of establishing a permanent presence for citizens in the regulatory process. These organisations constituted new regulatory institutions, but reformers also sought to change the other

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<sup>9</sup> Congressional Quarterly Almanac, section A p118, Congressional Quarterly Inc., Washington DC., (1970).

<sup>10</sup> Congressional Quarterly Almanac, 1970, p118-A.

institutions that traditionally constituted regulatory sub-governments. As Carter's EPA Administrator Douglas Costle explained:

**'Public interest lobbyists were more interested in the process of regulation than the substance.'**<sup>12</sup>

There was a shift in understanding as the idea that the business of modern US politics had as much to do with administration as with legislation gained prominence. Regulatory law represented an attempt by public interest groups to change the administrative process along with the substance of regulatory policy as regulation became more adversarial (that is, like a courtroom) in the hope that lobbyists would gain increased access to sub-governmental<sup>13</sup> politics.<sup>14</sup> (One example of a move towards such adversarial regulatory law making was the establishment of citizen lawsuits, where statutes gave automatic standing to "interested parties" in civil suits. In some instances interested parties could instigate regulatory enforcement decisions).<sup>15</sup>

A further important element in an understanding of the EPA's inception is the original composition of the workforce at the Agency. EPA attracted many staff that Downs calls *zealots*: that is, individuals who are committed to a relatively narrow set of sacred policies.<sup>16</sup> This explains why it is that *mission* is cited in many interview testimonies as having immense importance for motivations. At the outset EPA was populated by environmentalists and, as the interview data suggest, many of the senior officials at EPA today joined the agency at its inception having come from the Peace Corps, or from various environmental movements. Joseph Kreuac (head of Water Criteria and Standards at EPA) characterised the original EPA staff as:

**'... shock troops committed to stringent environmental regulation.'**<sup>17</sup>

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<sup>11</sup> EPA was designed to be independent of any cabinet agency and headed by an administrator; its budget in 1971 was to be \$1.4 billion with a staff of approximately 6,000 persons.

<sup>12</sup> Quoted in Harris and Milkis *The Politics of Regulatory Change* 1996 (2<sup>nd</sup> Edition) (New York, Oxford University Press) page 36.

<sup>13</sup> Ripley, R and Franklin, G. (1980), *Congress, Bureaucracy and Public Policy* (Homewood, Ill., Dorsey Press) define sub-governments as: 'small groups of political actors, both governmental and non-governmental that specialise in specific issue areas.' page 7

<sup>14</sup> The right to sue EPA was an important step, granting public lobby groups the ability to pursue enforcement against a great number of firms or industries without having to commit resources to suing them individually.

<sup>15</sup> See *Sierra Club vs Morton* (405, US, 727, 1972).

<sup>16</sup> Downs A. (1967), *Inside Bureaucracy* (Boston, Little Brown) page 88.

Such a view is supported by the interview data; to use an example from a senior career official at EPA:

(2) ‘...the culture of the Agency was drawn by the mission of the Agency, I hope that the people who work here now still are. At one time we were a youthful Agency, we still are; the culture of our agency has a lot to do with the concept of environmental protection coming of age when my generation were growing up: JFK, Vietnam, the era of resources being put into government, government was in vogue. Ask not what your country can do for you and all that, that led many people to want to work for government.’

The relationship between culture and mission discussed in the previous quotation needs examining, but the above words do highlight the importance of mission to an explanation of motivation, and these words are illuminating in the link they make between the political and historical circumstances in which the Agency was formed; the dominant beliefs and values which permeated the original workforce; the relevance of culture to an understanding of motivations. Combined with the data on Reinvention presented in the latter part of this chapter, it should be possible to defend the argument that motivations are intimately tied to institutional and structural variables, located within political and historical context.

### **Politics and the Fledgling Agency (3.8)**

Examining EPA in historical and political context illuminates the particular circumstances in which the Agency’s institutional structure was created, as well as providing an understanding of the myriad of political pressures affecting those charged with the responsibility of creating a functioning Agency. Prior to any discussion of the institutional and cultural aspects of EPA it is essential that the specific, and in many ways original, nature of the Agency is outlined.

Following the argument of Harris and Milkis, and borrowing from the ideas of Lowi, the creation of EPA and the structure of the Agency can be viewed against the backdrop of the larger political and social transformations of American society in the

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<sup>17</sup> Interview, July 22 1980, quoted in Harris and Milkis (1996) *ibid*.

1960's and 1970's.<sup>18</sup> Firstly, it is fruitful to consider certain elements of the thesis propounded by Lowi in his *End of Liberalism* (1969) where he presents a polemic with '...a strong point of view' (page ix) with the 1960's viewed as having heralded the end of the liberal state and a crisis 'so serious that it poses a graver threat to the nation than the last great domestic crisis...' (page ix). Capitalist ideology had weakened since the 1930's and had, by the 1960's, become visible as the paradox between a desire for government action coupled with a '...sense of illegitimacy about public objects. Here is a spectacular paradox. We witness governmental action of gigantic proportion to solve problems...Yet we also witness expressions of personal alienation and disorientation...increasing in intensity.'<sup>19</sup>(page 68)

Lowi argues that out of the emerging crisis in public authority developed an ersatz political formula that sought to elevate the *process* of policy formulation above the questions of the end of government and the justification of one policy or procedure over another. In Lowi's terminology this was to take the pluralist notion that government is an epiphenomenon of politics and constitutes the new ethics of government. In short, the liberal-conservative paradigm was replaced with a paradigm of interest-group liberalism. This paradigm used government in a positive and expansive role, and argues that what is good for government is good for society.

The 1960's witnessed a considerable increase in the number of lobbying groups descending on Washington. These groups affected on the way that the newly-created EPA formulated policy and consulted with affected parties. The creation of EPA then, must be situated within the context of a changing paradigm of politics and a move to Lowi's interest-group liberalism. Yet it is necessary to consider also, the changing paradigm of social regulation outlined by Harris and Milkis in which the new regulatory Agency- the EPA, was created.

The nature of EPA: the single administrator sitting atop the Agency; the detailed nature of Congressional statutes; the media separation of the Agency; the primary emphasis on avoiding regulatory "capture" represents in miniature the larger social

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<sup>18</sup> Lowi, Theodore J. (1969), *The End of Liberalism* (New York, W.W.Norton). Of particular interest in the present context are chapters 1 and 3, and the '...the decline of capitalist ideology' with the concomitant growth and dominance of interest-group liberalism (page 55).

concerns with iron triangles, with the involvement of big business in the formulation of government policy.<sup>20</sup> EPA should be viewed as the child of a changing regulatory regime, as the manifestation of a move to a new public lobby regime. The new agency had a markedly different structure to any other major federal Agency, and had a very particular ethos which shaped the mission of the Agency within the context of the political and social pressures bearing on its creation.

A problem with the analysis of this new social regulation to which Harris and Milkis refer is the difficulty of separating institutional changes from changes of ideas.<sup>21</sup> The problem is one which permeates the part of this chapter dealing with the explanatory variables *institutions* and *culture*. In the context of Harris and Milkis's discussion of the new social regulation the problem is the difficulty of extracting explanatory power from the relationship between ideas and institutions. Ideas shape regulatory policy (to focus on a particular area of policy-making) and institutional structures are thus affected by these ideas. However, institutions have a role to play in shaping policy, and, to some extent, will shape ideas. Harris and Milkis therefore view the linkage of regulatory ideas and institutions as a '*double-edged sword*' insofar as such analysis promises both a '*richness and subtlety of analysis [and yet] ensures complexity and...difficult[ty] in disentangling ideas from institutions when practically applying the conceptual framework*'.<sup>22</sup> Evidence of new ideas may constitute evidence of new institutions, they argue, or the converse could hold true, as institutions appear the embodiment of ideas.

One way to analyse the problem of separating changes in ideas and changes in institutional structures is to view ideas as emanating from the political and historical context in which these changes (in ideas or structures) occur. The question of whether institutions or culture is ontologically prior must be answered with reference to this larger context. Both culture and institutions are explanatory variables that aid in the analysis of bureaucratic motivation.

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<sup>19</sup> Lowi argues that Capitalism qualifies as an ideology because it is '*...a source of principles and a means of justifying behaviour; that is, it is something that Americans believe in.*' (page 3).

<sup>20</sup> Schattschneider, E.E. (1960), *The Semi-Sovereign People* (New York, Holt, Reinhardt and Wilson).

<sup>21</sup> Harris and Milkis *ibid.*, page 28.

<sup>22</sup> *ibid.*, page 29.

However, only by situating these variables within an historical and political context can one begin to understand what affects motivations. Much of the account of motivation presented throughout this work is, indeed must be, related to the public philosophy described by Lowi (page 73) and augmented by the analysis of the new social regulation presented by Harris and Milkis (page 36) who argue that the policy process now blurs the lines between legislation and administration, confirming the fears of an activist central government expressed by Madison in 1799 in that executive action has become the focal point of public policy.<sup>23</sup> In the words of Harris and Milkis '*...expanding the responsibilities of the national government has been accomplished by grafting increasingly centralised authority and institutions onto the constitutional foundation.*' (page 36) We are led back then to Lowi's "second republic" of interest group liberalism in which organised interests are the only effective participants in the formation of public policy, including regulatory policy.

As Alfred Marcus argues, the creation of EPA represented political moves informed by a theory of how best to prevent a regulatory Agency from being "captured" by industry or afflicted by bureaucratic sloth.<sup>24</sup> Yet there were many other pressures impinging on the process of creating an agency intended to deal with the problems of the environment which affected the composition of EPA. President Nixon wanted to appear an advocate of environmental protection. For political reasons Nixon needed to appear as if he were interested in the environment. Given the reaction of the public to the first Earth Day and to the publication of Rachel Carson's *Silent Spring*, and to the discovery of Love Canal in Niagara, it would have been shortsighted for the Nixon Administration to ignore the public sentiment regarding the environment.<sup>25</sup>

Although Nixon's commitment to the environment appears more nominal than real when one looks at the lack of interest showed in EPA by Nixon, and his lack of input into the creation of the Agency, one must still attempt to understand what Nixon did in relation to EPA and why he did it.<sup>26</sup> The President was under pressure to satiate the political pressures emanating from environmental campaign groups, and most notably

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<sup>23</sup> Madison, J., Hamilton, A., and Jay, J. (1987), *The Federalist Papers* (London, Penguin) no. 51, page 319.

<sup>24</sup> Alfred Marcus (1980b) *EPA* in James Q. Wilson (1980b) (ed.) *The Politics of Regulation* (Ch8, page 267).

<sup>25</sup> Carson Rachel. (1965) *Silent Spring* (Harmondsworth, Pelican Books).

<sup>26</sup> *EPA Oral History Series*, William D. Ruckelshaus EPA Historical Series January 1993.

needed to quell the growing dissatisfaction--as expressed in the Earth Day protests--with the treatment of the environment as an issue by the Federal government.

Although the original structure of the Agency is discussed in detail in Chapter Four, in terms of the effects of institutional structure on motivations, it is worth noting here that EPA was somewhat of an experiment in regulatory politics-- in terms of its structure and culture, its mission and Congressionally mandated statutory powers, and its single-headed executive rather than a regulatory commission.

The desire to create an agency with a single administrator in charge of all aspects of environmental regulation must be viewed within the wider context of what Harris and Milkis call the *new public lobby regime*.<sup>27</sup> This new regime involved a move to increased participatory democracy advocated by public lobby groups, combined with a desire to avoid the capture of federal agencies by business interests. Participatory democracy needed a stable presence in Washington, which (according to Harris and Milkis) the new regulatory regime provided. A new regulatory regime was being shaped in which the risk of regulatory capture would be limited, and increased participation involving a plurality of groups facilitated. Nevertheless, it is doubtful that such lobbying could provide any form of participatory democracy as opposed to a variant of what might be better described as interest group liberalism. It is consistent with the data to argue that the new public lobby regime described by Harris and Milkis does capture a large part of the political/historical context in which EPA was created, and in which it operated. However, as the discussion above suggests, to focus only on business groups as the important players in regulatory politics is to provide insufficient weight to the part played by the individuals within government agencies who directly craft regulatory policy.

In understanding the relevance of the creation of the Agency to an account of bureaucratic motivation it must be noted that the goals pursued by those officials who populated the fledgling Agency were a combination of what can be termed

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<sup>27</sup> Harris R. and Milkis S. (1996), *The Politics of Regulatory Change* (2<sup>nd</sup> edition) (New York, Oxford University Press) page 53.

institutional and cultural factors. That the original EPA staff were drawn in many cases from the Peace Corps, or from environmental groups (particularly at the Agency's most senior levels); that the original institutional structure of the Agency reflected the values that senior staff brought with them from the peace corps (notably a deeply-held commitment to the environment that existed prior to one's joining EPA); that EPA's structure was shaped by the need of the President to tackle the problem of the environment as a whole system; that Congress sought to reduce the discretionary authority residing in the bureaucracy-- all led to an agency permeated by a very distinct *mission* which, as discussed in the next section, must be viewed as integral to an account of what motivates bureaucrats in EPA.<sup>28</sup>

There is no single, coherent mission that could be portrayed as *the* single motivating force driving the officials at the Agency. Rather, most of the officials interviewed are committed to EPA's mission, but how this concept of mission is operationalised with respect to motivations differs according to the institutional and cultural context in which a particular official is embedded. Mission is an integral part of accounts of motivations within EPA, but to have explanatory power an explanation of motivation must dissect this umbrella term *mission* in terms of the two variables Institutions and Culture. Mission will not allow the discussion of motivation to progress too far for the reason that motivations of EPA officials, and the mission they discuss in the data, are often viewed by these officials as interchangeable terms; as such, mission cannot provide the weight of explanation needed to provide a satisfactory account of motivation. Nevertheless, mission does constitute an integral element in the explanation of motivations.

Before examining some accounts of motivation it is necessary to outline some of the reasons why EPA could develop what should be termed *multiple-missions*. Indeed, in understanding that there is no single mission which is Agency wide, it is possible to

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<sup>28</sup> If one needed further evidence of President Nixon's indifference to the environment and to his newly created EPA, then it is worth considering the way that, having created EPA, the Administration had no where to put EPA headquarters. After some (little) thought Vice President Spiro T. Agnew gave EPA an apartment complex in SE Washington, just across the river from Anacostia. The building, though designed for a very different purpose, was the headquarters of EPA until 1999, when EPA moved to the Ronald Reagan building on Pennsylvania Avenue. The location of EPA was seen by many staff as indicative of the way that the Nixon Administration saw the Agency.

comprehend why accounts of motivation differ according to which department one examines, which region, which media program-- prior to analysing these differences in terms of Institutional and Cultural (and Rational Choice) explanations.

### **The relevance of *mission* to an understanding of motivations. Why *mission* is not an explanatory variable (3.9)**

*'When an organisation has a culture that is widely shared and warmly endorsed by [workers], we say that it has a sense of mission. A sense of mission confers a sense of worth on the members, provides a basis for recruiting and socialising new members, and enables the administrators to minimise on the use of other incentives.'*<sup>29</sup>

Wilson suggests that managers do not want a culture formed by the pure chance operation of predispositions, professional norms, or interest-group pressures, or what he terms situational imperatives. Managers will strive to produce a widely shared and warmly endorsed culture-- in short, a sense of mission. Wilson notes that developing a sense of mission is easiest when an organisation is first created and that in an organisation with a long history the opportunities for affecting culture, let alone creating a strong sense of mission, are severely restricted.<sup>30</sup> Wilson may be correct, yet EPA represented an opportunity to create an agency from scratch, allowing the first Administrator to impose as far as was possible a coherent set of goals which would serve as a source of pride (in Wilson's terminology) and hence generate an agency-wide mission.

However, the limited success of this enterprise must be understood in terms of the institutional structure with which the agency was endowed and the concomitant effects of creating an agency from fifteen disparate elements of federal government (see Chapter Four). Further, to understand how mission relates to motivations one must employ institutions and culture as the primary means of explanation rather than relying on mission as an explanation in itself. Mission does not mean the same thing

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<sup>29</sup> Wilson J.Q. (1989), *Bureaucracy: What Government Agencies Do and Why They Do It* (New York, Basic Books) page 95. In the data presented below the usage of the term *mission* seems to refer to the principal goal of the Agency. Wilson employs the term in a somewhat different way to mean what Morton Halperin calls "essence". Although Wilson does not elaborate on this definition in his footnote (on page 95), the present work differs in its use of the term-- employing *mission* in a way which allows the term to encapsulate more than simply the stated goals of the Agency-- the EPA mission-statement. Rather, *mission* must be widened to include a cultural element-- a set of norms and values, a belief system, represented by the mission of EPA.

<sup>30</sup> Wilson *ibid.*, page 95.

to all officials within EPA, rather mission is to be understood in terms of the Cultural identities and the Institutional locations of officials.

Mission is much more than the aggregation of Agency goals; it is a large-scale motivating force for bureaucrats who find in this mission a mirror of the values and ideals which they deem valuable and worthwhile. While this may seem an idealised account, the data demonstrate that many EPA officials perceive themselves to be motivated by some form of mission-commitment which is larger than, and subsumes, the pursuit of particular goals. Consider the responses:

**(6) 'I started at EPA in 1981, I had been a peace corps volunteer...EPA was one of the few agencies I would have been prepared to work for. I would not want to work for agriculture or defence...I do not care about their mission.'** (Interview July 30<sup>th</sup> PM)

**(2) 'What we do here is very different to...anywhere else...I am sold on the mission, I want my work to reflect that mission.'** (Interview August 4<sup>th</sup> PM)

In terms of Wilson's definition of mission, the *sense of worth* and *basis for recruiting* should, in the context of the motivations of EPA bureaucrats, be seen as inextricably tied to the goals of the Agency. Many of EPA's original staff joined because of a commitment to values embodied in the Agency's mission; indeed, the data suggest that self-esteem and job satisfaction are related to the pursuit of a mission consonant with an agent's values and beliefs.<sup>31</sup> In the first response the official relates mission-commitment to her work in the Peace Corps. It is reasonable to suggest a consistency in values between Peace Corps work and environmental protection: one might discuss other-regarding motivations, a sense of public service perhaps. What should be noted here is that unpacking cultural identifications is integral to understanding how mission-commitment relates to motivations. Merely stating that bureaucrats are motivated by mission is not particularly helpful when mission means different things in different parts of the Agency.

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<sup>31</sup>As suggested Frost *et al.* (1991), *Reframing Organisational Culture* (Newbury Park, Sage) the terms 'values' and 'beliefs' should not be used inter-changeably. A fuller discussion of Culture is given in Chapter Five.

Consider two more responses:

(9) **'I was committed to public service...and became interested in public health so I found a way to come to EPA...I believe in the Agency, in making life better for people.'** (Interview August 6<sup>th</sup> PM)

(8) **'I tend to be highly ambitious in terms of achieving the Agency's mission...'** (Interview July 30<sup>th</sup> AM)

Many of those interviewed suggested that Agency mission remained a significant part of the explanation of the values and beliefs held by EPA officials, as well as an integral factor in explaining why people join EPA thirty years after its creation and the Earth Day protests of 1970. As one senior official in the OARM explained:

(4) **'People here are honestly focused, they are dedicated to their mission...there are a lot of good people [in EPA].'** (Interview August 4<sup>th</sup>, PM)<sup>32</sup>

Mission was mentioned in many of the interviews conducted in Washington DC, yet it is not an explanatory variable in itself. Wilson argues that one agency can have different, even conflicting, missions (page 78), but it is perhaps more informative in the case of EPA to argue that most officials are committed to one over-arching mission, but that institutional and sub-cultural differences (for example, where one is located in the Agency: the Regional Offices; the Field Offices: Washington Headquarters; the Media Program in which one works; one's professional background) better explain variations in, and effects upon, motivations. The notion of sub-cultures is discussed in detail in Chapter Five.

Jonathan Bendor *et al*, discussing the mission of bureaucrats, suggests that senior bureaucrats utilise asymmetries of information between political appointees and career officials to shape policy.<sup>33</sup> Importantly, their mission-commitment to particular policies is such that bureaucrats will generate policy proposals for their superiors which are the kinds of programs they, as career officials, want their agency to pursue. In Bendor's words *'In general, biased advocacy is the norm.'*<sup>34</sup> Bendor posits three

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<sup>32</sup> Office of administration and Resources Management, Washington DC.

<sup>33</sup> Bendor, J. Taylor, S. and VanGaelen, R. (1987), "Stacking the Deck: Bureaucratic Missions and Policy Design" *American Political Science Review*, vol. 81. p.873.p873.

<sup>34</sup> *Ibid.*, page 873-875.

models of how bureaucrats affect policy design: the first has bureaucrats interested in missions only, with no concern for self-interest; the second is a principal-agent model with budget-maximisation being the primary motivating force here; the third allows that bureaucrats care both about mission and budgets. The data presented in this chapter suggest that the third of Bendor's models is the most accurate in terms of capturing the motivations of bureaucrats, with the second model (the Principal-Agent model) being the least important-- in the context of this thesis this second model is of *secondary* importance in the explanation.<sup>35</sup>

Although interesting, Bendor's three explanations are of limited use in this thesis. The Principal-Agent model assumes rational self-interest to be driving motivations. Such an assumption is rejected in the absence of data that suggest self-interest to be a useful assumption. The first of Bendor's assumptions, that missions explain motivations is useful, yet mission is better understood in terms of political and historical context, and the interplay of Institutional and Cultural factors. The third approach, that bureaucrats care about budgets and missions is borne out by the interview data examined in this work. However, that bureaucrats care about budgets (consistent with Rational Choice models) does not tell one why a bureaucrat cares about budgets. The researcher must ask whether an official cares about budgets in order to pursue mission more effectively or, at the other extreme, because more budget translates into more perquisites for the official. To assume the answer to this question is to indulge in theorising with no reference to the data. Answers should be driven by the data.

To substantiate the claim that Bendor's third and first models capture important elements of motivation let us consider the above data. These data that mission is integral to an understanding of motivations in EPA. Furthermore, when one considers how institutional factors feed into motivations it seems that there are competing missions within the agency; this could support Bendor's notion of *biased advocacy*. Mission must be rejected as a single causal variable pertaining to explain motivation for the reasons that there is not a single, coherent, agency-wide mission in EPA but rather often competing missions drawn along lines of institutional separation (page

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<sup>35</sup> See for example, Williamson, O. (1975), *Markets and Hierarchies: Analysis and Anti-Trust Implications* (New York, Free Press).

89). Added to this is the concern that many bureaucrats in Washington DC show for criteria of efficiency and the effective use of resources. To give one example from the data:

(21) **'it is...important to me now that my work makes a difference, environmental improvement that does not injure the economy but also promotes environmental protection. The two can be done at the same time, though it is not easy. I am an economist and I have seen too little emphasis here on doing both. There is too much thinking about the environment and not enough about economics...it is short-sighted.'**

This individual is driven both by mission and by a concern for efficiency in resource use, that is Bendor's third model. However, the above official trained as an economist and works in an Office which has staff responsibilities which include budgets and contracts for instance. The point then, is that the third of Bendor's models collapses into the first in this instance because the mission of the above official, at least in terms of how he describes the mission of his particular office, includes a concern for the environment tempered by a concern for what he calls **'fiscally conservative and environmentally liberal thinking.'** (24) Anything that motivates could look like mission: what is needed is that we unpack what shapes motivations, why they change, and what stimuli induce these changes. Yet Bendor remains informative (to focus on only one element of his argument) in highlighting the necessity of understanding why mission matters to bureaucrats in EPA prior to explaining exactly what motivates them.

In sum, mission should be understood in Wilson's sense as equating to "essence" and hence being more than just the principal goals of an agency. However, in EPA's case, the primary goal of the Agency is broadly defined such that it subsumes variations in motivations based on institutional or cultural factors, but the dynamic aspect of motivation-- why they change, what shapes them-- is not best explained with reference to a conception of there being many missions within one agency (as Wilson proposes). To explain such variations it is better to employ a Trifocal approach, with mission as the primary goal of many EPA officials, but with the subtlety of explanation captured in a dynamic account of motivation. Furthermore, the



importance of mission to bureaucratic motivations supports the relegation of Rational Choice accounts to a position of secondary and limited importance.

Compare the statements below (pp85-86) with the mission of the Agency defined in the 1997 Strategic Plan as:

*'The mission of the United States Environmental Protection Agency is to protect public health, and to safeguard the natural environment—air, water, and land—upon which life depends.'*<sup>36</sup>

It seems that in many ways this mission-statement echoes the holistic approach espoused by Nixon in his December 1970 speech that created EPA in Executive Reorganisation Plan no.3-- except that the Agency in 1997 did take steps towards a more holistic, eco-system based, approach.<sup>37</sup> While the Agency's mission-statement tells us very little, the extracts from the above four interviews are more revealing.

Mission is relevant to an explanation of motivations but not sufficient to explain them. The important role played by *mission* in this thesis is that the term highlights a level of commitment to a set of beliefs and values which, while they differ between agents, have at their core (in a significant number of instances) a notion of public service; of commitment to environmental goals; a wish to serve the public through federal government. Again, this may sound like an ideal-typical account, but there are many examples of corroborative data:

(4) 'I...have to be in the government; I never wanted to work for anyone else. I think it is great-- that is why I moved from the North West to DC. I live ten blocks from the government of the most powerful country on earth, I like that.'

(4) 'I had a passion for public service.'

The number of references to *mission* made in the interview data is revealing, especially when one compares the data from EPA with those from the Environment Agency for England and Wales. Mission is important to bureaucrats at EPA, and is

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<sup>36</sup> EPA Strategic Plan, Consultative Draft, June 1997.

<sup>37</sup> For example: The Chesapeake Bay Program; community-based environmental protection; an increased emphasis on cross-media team-working; a new schema for risk management devised by the SAB (Science Advisory Board); a focus on environmental justice.

seen as a source of motivations (although much of the data is better understood as revealing cultural commitments that officials view as congruent with *their* conception of mission). The commitment to public service in the above data suggests at the very least that to assume all bureaucrats are motivated by a maximand based on self-interest is short-sighted. The rest of this thesis shall show that such paradigm-driven myopia is not justified.

### **Summary (3.10)**

This chapter has highlighted the benefits of a Trifocal Approach when analysing bureaucratic motivations. Two of the three lenses in this model were put forward as the primary means of explaining bureaucratic motivations. The explanation of motivations using the lenses of Institutions and Culture are nested within an understanding of the Political and Historical Context in which and agency is formed, and within which agents must live and work.

The chapters that follow apply the Trifocal Approach to the study of Institutional and Cultural explanations to motivations in the US EPA and the Environment Agency for England and Wales. Chapter Ten will assess the limited applicability of the third lens, that of Rational Choice, to the study of bureaucratic motivations.

# **Chapter Four**

## **The Role of Institutions in Explaining the Motivations of Officials in EPA**

### **The Conceptual Framework**

**(4.1) The Need to Use Institutional Analyses as Part of the Explanation of Motivations**

**(4.2) The Organisation of EPA in 1970**

### **Institutional Divisions Within EPA**

**(4.3) Vertical Divisions**

**(4.4) The Propositions**

- Motivations within EPA are adversely affected by the separation of the Agency along lines of media programmes
- The failure to move towards a more holistic approach to regulation exacerbated divisions within the Agency
- Executive and Legislative masters foster institutional tensions within EPA
- EPA is divided hierarchically, from Headquarters, to Regions, to Field Offices

**(4.5) Summary: Institutional Analysis and Understanding Motivations**

## The Need to Use Institutional Analyses as Part of the Explanation of Motivations (4.1)

Institutional structures play an integral part in an explanation of motivation. The structure of an organisation, how an institutional structure changes, and the location of officials within a larger structure, all affect the motivations of those officials who work within the US. This chapter examines how institutional structures affect the motivations of bureaucrats. Having defined what is meant by an Institution it will be possible to examine interview data from EPA in order to highlight the way that structures affect motivations.

Chapter Two examined Weber's notion of *beruf* (office). The location of officials within an institutional and cultural context is integral to the analysis of the data provided in this chapter and the next. In order to use an Institutional approach to the analysis of those data obtained at EPA it is necessary to clarify what is meant by an Institution.

Peter Hall defines Institutions as:

*'...formal rules, compliance procedures, and standard operating practises that structure the relationship between individuals in various units of the polity and economy. As such, they have a more formal status than cultural norms, but one that does not derive from legal, as opposed to conventional, standing. Throughout, the emphasis is on the relational character of institutions [how] they structure the interactions of individuals. In this sense it is the organisational qualities of institutions that are being emphasised.'*<sup>1</sup>

There are other elements which we might build into the definition given above: such as who is eligible to make decisions in some arena; what actions are allowed or constrained; the payoffs assigned to individuals for specific actions. Hall captures the important elements of institutions as an explanatory variable, namely that institutions are relational in character, structuring individual actions. Much of those data analysed in this chapter highlight how one official's motivations are affected by the actions of

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<sup>1</sup> Hall P. (1986), *Governing the Economy*, (Cambridge, Polity Press) page 19.

others. One means of understanding how one agent's actions affect another agent's motivations is to analyse the structure of an organisation. Institutional structures place agent's within a particular context. For example, lawyers in the Headquarters of EPA in Washington DC remain largely isolated from agents in other areas of the Agency. Those staff who work in the Air Program have very little contact with those in the Superfund Program.

It is difficult to understand completely how institutional contexts, or indeed institutional changes such as Reinvention, affect motivations without examining the cultural identities of officials. Having analysed the relationships between the institutional structure of EPA and motivations Chapter Five will examine the Cultural aspects of motivations in EPA. Chapter Ten examines the arguments which suggest that motivations can be understood when the researcher begins with individual agents' maximands, and then proceeds to aggregate the preferences of individuals into a larger general theory of motivations. It is precisely what Hall refers to as the "relational" character of institutions that necessitates the relegation of Rational Choice theories to a limited and secondary role in this work.

Institutions establish an actor's institutional responsibilities and relationship to other actors. Hall says of many approaches to institutions that work tends to uncover principles that apply to all or most organisational behaviour. By contrast his approach *'focuses more directly on the effects of historically specific patterns of organisation...bridging the gap between micro-level studies of individual operating units and macro-theoretical arguments applied across all kinds of organisations.'*<sup>2</sup>

Hall's definition of Institutions is useful because he pays attention to the importance of 'historically specific patterns of organisation.' In Chapter Three the historical and political context in which EPA was created was examined so that the motivations of EPA officials could be understood more clearly. In the absence of an appreciation of where an institutional structure came from, and why it was created, it is difficult to understand how motivations are affected by such structures.

The 'individual operating units' to which Hall refers are important insofar as it is futile to treat EPA, an organisation of twenty-four thousand staff spread across ten regions and across one continent, as a single organisational unit. If EPA were one homogeneous whole one might expect to find one Mission and one culture. The data fail to substantiate any such expectation. If the researcher can understand how institutional divisions within EPA affect motivations then he will have moved closer to providing a comprehensive analysis of bureaucratic motivations. This chapter highlights the most prominent institutional groupings, and divisions, within EPA in order to show how motivations are affected by institutional structures.

The emphasis in this chapter echoes Hall in avoiding the temptation to take historical context as '*givens*.' The quotation taken from Harris and Milkis (Chapter Three page 66) warns against ignoring historical and political circumstances because '*Regulation... is more than a given set of laws and rules; it also entails ideas and institutions that have grown out of particular historical... circumstances*'. Chapter Three located an examination of motivations within EPA in context, and this must be prior to an examination of the detailed structures within EPA. To explain motivations in EPA requires the examination of the original institutional structure of EPA, the changes to EPA structures in its early years, and the structures that dominated the Agency until the changes brought by Reinvention of Government.<sup>3</sup> The most important institutional divisions within EPA are considered below.

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<sup>2</sup> Hall P. *ibid*.

<sup>3</sup> Following Hall *ibid*. pages 1-22, the terms institution, structure and organisation are used as synonyms.

## **The Organisation of EPA in 1970 (4.2)**

The first administrator of EPA, William Ruckelshaus (sworn in December 4<sup>th</sup> 1970) was charged with the task of organising the newly formed EPA and its new workforce of 5,000 federal employees. The original Agency staff were drawn from a myriad of different programs and departments: Interior; Agriculture; HEW; with the Council on Environmental Quality and the Atomic Energy Commission also contributing to the initial staffing. These staff were drawn from diverse professional backgrounds, from different parts of the nation, and often had varying and often contrasting approaches towards environmental regulation. In short, professional divides, divides across Media Programs, divides between Headquarters, Regions and Field Offices, between career officials and political appointees, all of these divisions have important effects on motivations.

Administrator Ruckelshaus favoured an approach to regulation that emphasised the role of EPA as a serious body which had the power to punish environmental polluters. Ruckelshaus did not want to antagonise industry and businesses yet wanted to emphasise what he described as the “gorilla in the closet”. EPA would be given the power, as a result of Statutes passed by Congress, to regulate almost all areas of the environment. If regulations were not adhered to then EPA could, and would, use its statutory powers to ensure compliance. Ruckelshaus advocated the use of the stick as well as the carrot, emphasising the powers at EPA’s disposal that could be used in those cases of non-compliance with environmental statutes. EPA did not want to be seen by polluters, lobbyists, or the public, as lacking “teeth”.

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Ruckelshaus had to create an agency with concrete, attainable goals and to create an organisation focused on attaining them. In his own accounts of the creation of the Agency, Ruckelshaus suggests that the Nixon White House had little input into the process of creating EPA.<sup>4</sup> Ruckelshaus asked various sources to generate plans for the new agency, and it was his job to decide which plan to adopt. In his words:

*‘So in about four of five months-- inundated with organisation charts floating around my office-- I just chose an organisational structure.’*

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<sup>4</sup> Ruckelshaus, W. (January 1993), *EPA Oral Histories Series* (EPA 202-K-92-0003).

The structure settled upon (shown on page 93) created five separate Media Program offices and ten Regional Offices.<sup>5</sup> This structure was altered in 1971 but the basic tenet of having a structure which emphasises the functional separation of the Agency into Media Program offices remained. A third phase, with the planned eradication of media programme separations, was never implemented.

President Nixon limited his interest in the environment and in his new creation, the EPA, to the making of the occasional speech. The reality of Nixon's total lack of interest in the environment is illustrated by the words of Administrator Ruckelshaus on the President's involvement with EPA:

*'No. No. He was very uninvolved...the White House suggested that I work with OMB. They were of some help. John Ehrlichman was quite helpful to me in the White House... [He] realised that Nixon would react negatively to anything that smacked of regulation...interfere with the economy...arouse the captains of industry...But I didn't really get any help from [Nixon]...every time I would meet with him he would just lecture me about the "crazies" in the agency and ask me not to be pushed around by them. He never once asked me "is there anything wrong with the environment? Is the air really bad? Is it hurting people?"'*<sup>6</sup>

Nixon needed to be seen to be addressing the problems of the environment, and having created EPA he showed no further interest in his creation. The structure of EPA was something that had to be worked out rapidly. Indeed, the creation of EPA explains the rationale underpinning the organisational structure of the Agency, and the way that structure fed into the goals and values which permeated the new Agency. The original structure of EPA *and* the values of the early EPA must also be understood as a result of the complex political situation which led Nixon to create EPA and which led to an agency being created from so many different, and often disparate, elements. What was apparent soon after EPA's creation was that pollution abatement would not be instant and, further, the agency itself would have to wrestle with problems generated by a distinctive set of organisational problems.

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<sup>5</sup> The US spelling is used when discussing directly the programmatic separations within EPA. In the interview data, EPA officials talk about the "Programs", by which they mean the separate media programmes within the Agency. The English spelling is used in all other instances.

<sup>6</sup> Ruckelshaus, W. (January 1993), *EPA Oral Histories Series* (EPA 202-K-92-0003) page 11.

At its outset, EPA established overall standard-setting and enforcement; command-and-control as it was later known, and to which Ruckelshaus referred to as a '*gorilla in the closet*'. Administrator Ruckelshaus argues that the dominant view in the debates over how to regulate the environment held that the states had sufficient interest and infrastructure to regulate the environment-- and so the Federal Government had the responsibility to delegate to the States responsibility for programmes such as Air and Water.<sup>7</sup> The Federal government would provide the powers of enforcement hitherto lacking in the individual states. The Government would be the '*gorilla in the closet*' that would ensure compliance with environmental statutes. Prior to the creation of EPA no federal oversight in the area of environmental regulation existed. In the absence of this oversight it was '*very hard to get widespread compliance.*'<sup>8</sup>

Even before EPA became embroiled in the difficulties of environmental regulation there were major disagreements between those who favoured a strong central authority with considerable '*gorilla-in-the-closet*' powers of enforcement, and those favouring a greater devolution of responsibilities to state and local governments. In looking at the original arguments over the structure the agency should take it becomes apparent that the arguments have permeated the agency for the past 27 years and that organisational form is far from a *given* in the minds of those linked to the agency. Those who favoured an ideology of ecology (Nixon's discussion of an holistic approach to environmental regulation was in keeping with an ideology of ecology) vied for an inter-medium approach to environmental regulation-- where the separation of EPA into media programmes: Air, Water, Toxic substances for example, would be avoided and an holistic approach adopted.

In practice, the adoption of an holistic statute would have to be passed by Congress, thus granting EPA considerable autonomy in terms of how regulation was conducted. Congress would be unlikely to create such a statute given that over seventy committees of Congress had some influence over EPA's activities, through the Clean Air Act, the various Statutes which regulated Water, Air, Toxic Waste, Hazardous Waste and other statutes that dictated what EPA did and how it did it. The benefits of

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<sup>7</sup> *Ibid.*, pages 11-26.

<sup>8</sup> Ruckelshaus, W. (January 1993 *EPA Oral Histories Series*, page 8).

an holistic statute to the environment are, in theory at least, quite considerable. As Nixon stated when creating EPA in Executive Reorganisation Act 3 (see Chapter Three, page 67), the environment had to be thought of as a total system, rather than as a collection of unrelated parts. Indeed, it is obvious that pollution of air can have effects on water quality, and water quality can affect, as land use can affect many aspects of the environment. Yet no holistic statute has been considered seriously by senior actors within the Capitol building, or within the White House. The biggest move towards an holistic approach was the creation of EPA by President Nixon. After its creation little happened to move the Agency closer to holism. Reinvention represents a move toward increased interaction across media programmes within EPA, but even this interplay is limited and falls short of the kind of holism espoused by many environmentalists in the early 1970's and today.

An important contribution to the debate over the best structure for EPA was presented by Alain Enthoven, a Defense Department organisational analyst, who propounded an approach which had worked in the Pentagon. Departing from medium-oriented pollution control, he suggested that EPA be structured around functional objectives such as Research and Development, and Enforcement. The argument here was that the agency could achieve its mission and yet operate with centralised efficiency. There would be possible efficiency gains from organising functionally, but one problem that might be encountered would be that functional organisation might cross-cut the tendency within EPA to organise along lines of media. Specialists responsible for Water were given their statutory authority by Congress, officials in the Air Program had the Clean Act as the statutory basis of their work. In the absence of any move towards an holistic statutory basis for EPA regulation, an agency organised functionally would be in danger of generating institutional schisms between formal functional units, and informal media separations.

Staff at the Office of Management and Budget and consultants who had served the Ash Council (which had a large role in the creation of EPA) argued that political constraints necessitated a more incremental approach to organising the Agency than that proposed by Enthoven. Douglas Costle argued that Enthoven's plan had much merit but noted that existing statutes imposed complex restrictions to integration and

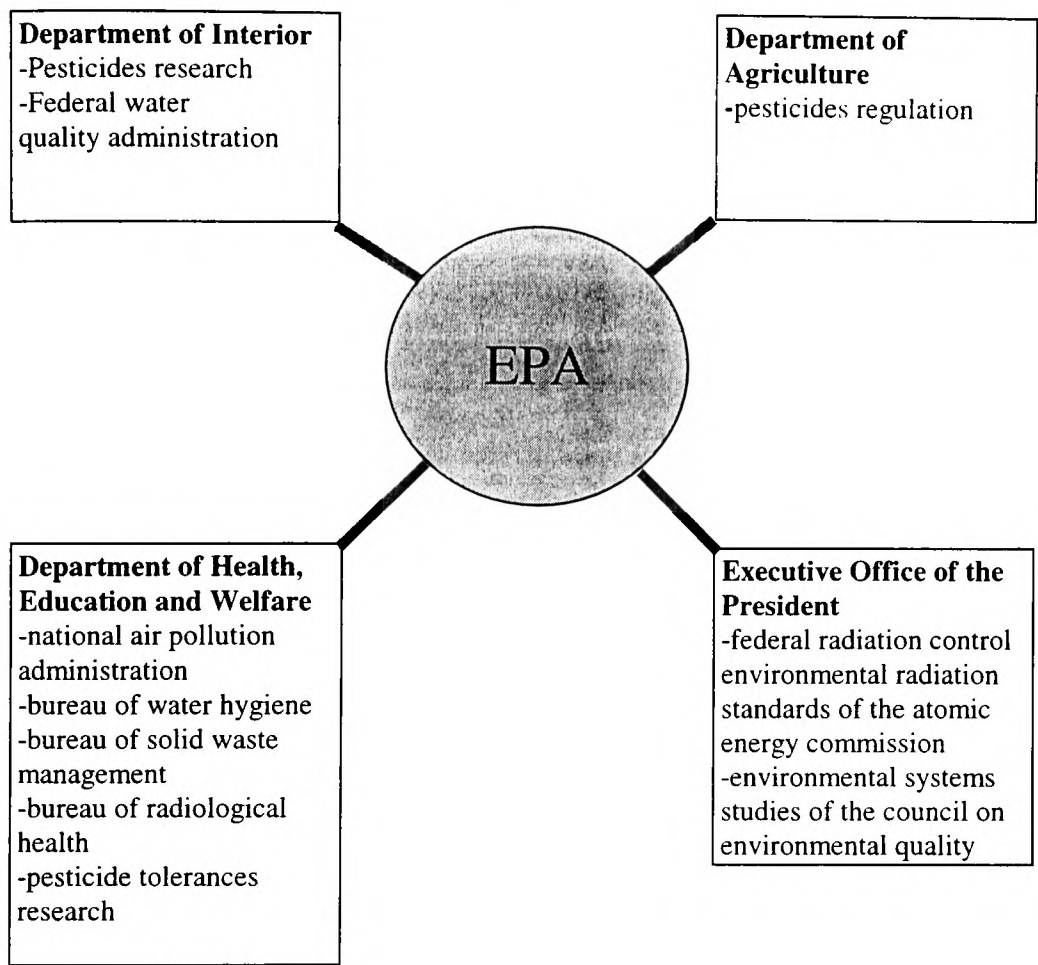
centralisation.<sup>9</sup> Costle proposed a plan in which Enthoven's centralising tendencies were present, but the primary emphasis was on the medium-specific approach where media programmes within EPA would constitute the main institutional groupings within the new agency. The statutory basis of EPA's regulatory powers meant that organisation along lines of media was virtually mandated by federal and state pollution control statutes and regulations already in place.

Ruckelshaus opted for a structure heavily influenced by Costle's desire to employ a traditional, compartmentalised structure of previous pollution efforts in conjunction with the perceived organisational expertise of the defense establishment. The result was a structure in which agency functions were streamlined and consolidated-- in the hope of generating efficiency. The organising of the agency was to have various phases: in phase one, continuity was maintained by keeping many of the old-line, medium-specific programs, allowing staff to cope with the job task of making sense of an agency created from so many diverse sub-units.

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<sup>9</sup> A consultant who had worked for the Ash Council, and who later became the EPA administrator under Jimmy Carter. Costle view on this matter is discussed in the *EPA Oral Histories Series*, Ruckelshaus, W. (January 1993).

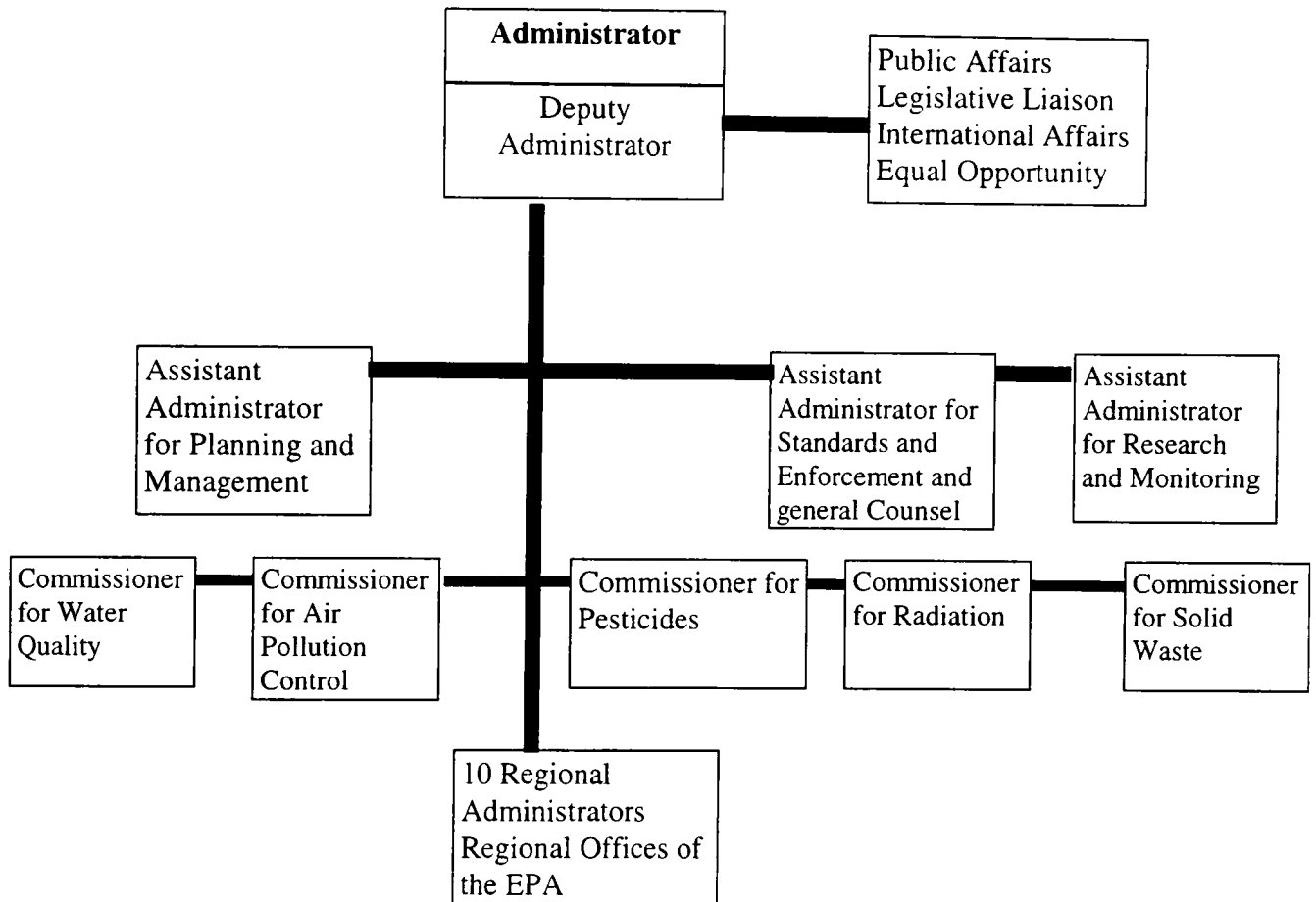
The *functions* combined when EPA was created:



EPA was created rapidly from existing elements of the Federal Government, each of which had responsibility for some elements of environmental regulation. This diagram highlights the myriad of programmes combined in EPA. The diagram on the following page shows that the first plan created three *functional* divisions headed by Assistant Administrators: planning and management; standards, enforcement and general counsel; and research and monitoring. As shown in the diagram, five program offices were retained-- constructed along *media* and topical lines.

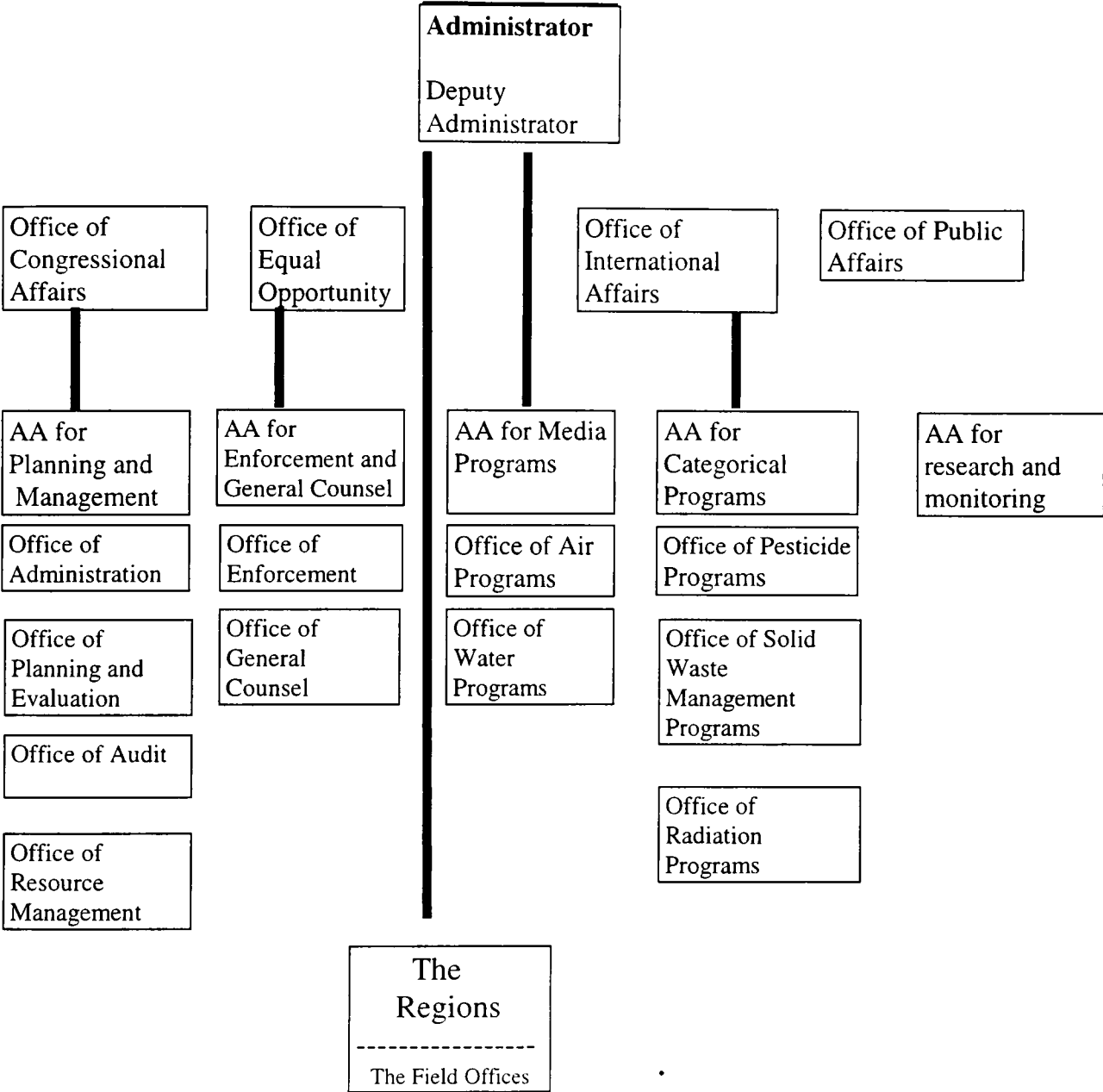
## The Organisation of EPA: September 1970

[with three Functional Offices and five Program Offices]



Ruckelshaus launched the second phase of reorganisation in April 1971. During the Agency's first five months, the planning and management staff had juggled the tasks of delegating initial responsibilities and preparing for the second restructuring. Phase Two consolidated the five medium offices into two new entities headed by Assistant Administrators (AA's). The Office of Media Programs was incorporated into the Water and Air programs. The Office of Categorical Programs subsumed the separate Pesticides, Radiation and Solid Waste management offices. Again, each of the Regional Offices conformed to the change.

**EPA Organisation, 30 April 1971**



In this diagram the five Assistant Administrators are answerable directly to the Office of the Administrator. In each of the ten Regions, the Regional Administrator is answerable to the Office of the Administrator. Importantly, the Assistant Administrators responsible for the overall co-ordination of the Media Program Offices cannot compel Regional Administrators to adhere to their wishes. Only the Administrator and the Deputy Administrator can tell the Regions what to do. Such a structure can make for institutional collisions between Media Program Offices, but also between EPA Headquarters in Washington DC and the Regional Offices.

Although not shown in the diagram, the Field Offices within each Region can represent a further level of institutional conflict within EPA. For example, the Region III Field Office in Wheeling WV has resisted attempts emanating from Regional Headquarters (in Philadelphia) to close the Wheeling Office.

The third phase-- which was to have eliminated the medium-oriented program offices altogether-- was never implemented.<sup>10</sup> The shape of the Agency today reflects the failure to move to the third phase. Ruckelshaus argued that implementing Enthoven's functional plan would very rapidly divert energy away from the performing of the Agency's public mandate.<sup>11</sup> It is not clear from his testimony just how and why Ruckelshaus believed that the adoption of Enthoven's Plan would be detrimental to EPA's public mandate. However, he does suggest that because of the need to make a decision quickly he just simply picked a plan from his desk and adopted it as the blueprint for EPA. It is reasonable to suggest that there were more political considerations at work that Ruckelshaus discusses in his testimony, perhaps pressures from the White House, or the need to appease Congress. Yet in the absence of any further data one is forced to accept that Ruckelshaus rejected Enthoven's functional plan and simply *picked* a structure from his desk.

This analysis of the Agency's inception, and the failure to implement a functional plan (akin to Enthoven's plan), suggests that Agency staff were subject to a periodic struggle between functional approaches and media-specific approaches. This tension was not resolved in the years between the Agency's creation in 1970 and the reforms of Reinvention between 1994 and 1997. Neither did the reforms of Reinvention solve the institutional problems discussed when EPA was created.<sup>12</sup>

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<sup>10</sup> The administrator did not pursue phase three, ostensibly because the agency lacked the time, resources, and the inclination to restructure along completely functional lines. EPA's organisational tree did develop as the agency's responsibilities grew, but this growth never moved beyond phase two.

<sup>11</sup> EPA Oral History Series, page 32. It is possible that Ruckelshaus did not favour Enthoven's plan, but Ruckelshaus explains that it was his concern with the effects of the Enthoven Plan on EPA's public mandate that led to its rejection.

<sup>12</sup> Chapter Seven discusses in detail the reforms of Reinvention.

# **Institutional Divisions within EPA**

## **Vertical Divisions (4.3)**

The institutional organisation of EPA remained largely unchanged from 1971 to the reforms of Reinvention (1994). The effects of institutional structure on bureaucratic motivation are essential to an understanding of what affects motivations and the relationship between institutional structures and motivations. The interview data highlighted some of the major institutional structures that affected motivations, and they are examined in this section. Institutional effects on motivations cannot be treated in isolation however. As Chapter Five shows, cultural and institutional factors can work together, or against each other, to affect bureaucratic motivations. Only when both sets of effects have been considered can one begin to understand bureaucratic motivations within the US EPA.

Vertical divisions within EPA refer to the divisions that run from the top of the Agency of the bottom, in terms of the diagram these divisions run vertically up and down the page. The use of the term “divisions” is important here. Much of the interview data suggest adverse effects on motivations generated by institutional structures. In analysing these structures it is possible to go some way towards understanding what affects motivations (section 4.3).

Vertical divisions are largely formal, that is, delineated on the institutional charts examined above. However, as Peter Hall’s definition of Institutions (page 84) emphasised, it is the “relational” character of institutions that is important. The way that institutions structure the interactions of individuals within them is of interest when one seeks to explain the behaviour of individuals within these institutions. Institutional divisions within EPA determine, at least in part, how bureaucrats behave, how and why they are motivated, and how these motivations are affected by institutional changes, or by interaction with other parts of an organisation. There are “Horizontal Divisions” within the Agency, but these divisions derive primarily from cultural identifications, although they may have an institutional element also. Those divisions that cross-cut the Agency are discussed in Chapter Five.

## The Propositions (4.4)

Four propositions are considered here. Each examines institutional divisions and their effects on motivations. Separation within the Agency along lines of media programmes is considered first, with the failure to create an holistic statute, then the need for EPA to respond to Executive and Legislative masters is examined. Distinctions across the three levels of the Agency (Headquarters, Regions and Field Offices) are then considered. The last proposition emphasises the inter-relationship between Institutional and Cultural variables in the explanation of bureaucratic motivations.

Almost all of the EPA officials interviewed, both at Headquarters and Regional levels, noted that the separation of the Agency along lines of media affected motivations, and that this affect was usually adverse. This media programme separation is referred to by EPA officials as stovepiping (see page 100, footnote 16), and is cited by many as one of the major factors that have negative effects on motivations.

In addition to its being separated along lines of media programmes (for example: Air; Water; Toxic Substances, Land Quality), EPA is divided in terms of the statutes that determine how it will regulate the environment and the funding it will have to spend on different programmes. The vertical divisions within EPA, and in particular its stovepipes, mirror the way that funding is appropriated by its congressional 'parents'.<sup>13</sup> Further, EPA is answerable to over seventy committees (or sub-committees) of Congress, all of which have some jurisdiction over Agency activities. EPA has very strict mandates established in law through Congress. The Clean Air Act and its amendments and the Toxic Substances Control Act (TOSCA) are two such examples, and it is these Congressional statutes that necessitate, in large part, the continued existence of stovepipes within EPA.<sup>14</sup>

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<sup>13</sup> Bowles, N.P (1993), *The Government and Politics of the United States* (Macmillan, Macmillan) (page 250).

<sup>14</sup> Ruckelshaus, W. (January 1993), *Oral Histories Series* Ruckelshaus states: '*when all of the institutional parts were combined to form EPA, we inherited all of these Congressional overseers...there are now some 70 different committees the EPA answers to.*' (page16).

The result of the aggregation within EPA of numerous statutes, and numerous masters on Capitol Hill, as well as the responsibility EPA has to the Administration, is an Agency pulled in competing directions by different media programme offices: within which there are specialists and generalists; scientists and engineers; lawyers and economists; staff personnel and program personnel; career bureaucrats and political appointees, and differences of opinion regarding how best to undertake regulation. These divides are mirrored at the Regional level to varying degrees.

Considering the following response from a senior manager in EPA Headquarters:

**(5) 'EPA is definitely a line bureaucracy...It is schizophrenic. One thing that affects us is organisational structure, and there may be scope for change, but Congress expects there to be a person who can respond to questions on a particular topic, and realistically you can't know about all areas. Essentially the agency is stovepiped. Congress has not given us a multimedia statute. Unless they have looked at the organisational chart, people come into DC and believe they can call the regional people and tell them what to do...you will get a "I do not work for you!"...No-one in Congress understands this, it is a fascinating dynamic.'** (Interview July 31<sup>st</sup> PM)

This response captures a number of institutional factors that affect motivations. This senior manager was used to being called to Capitol Hill to explain to members of committees particular aspects of EPA activity. She noted that you could satisfy one committee and then be called again by a different committee-- which would expect a different direction to be pursued by EPA. In addition, EPA officials are directly responsible to their politically appointed Senior Executive Service, the level of management directly below the Administrator and her deputy.<sup>15</sup>

The above response highlights many of the most important institutional factors that affect motivations. Indeed, this response raises four important points that are discussed in this section. Firstly, this manager notes that **'Congress expects there to be a**

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<sup>15</sup> In terms of the organisation chart of EPA political appointees occupy all Assistant Administrators (AA's) positions. Deputy Assistant Administrators are usually political appointees also, but sometimes career civil servants move into these posts temporarily (called 'acting' AA or acting Deputy AA). In addition, all Regional Administrators (there are ten) are political appointees. No Assistant Administrator can compel Regional Administrators to pursue a particular direction. Regional Administrators are answerable only to the Administrator and her Deputy.

**person to talk to about a particular topic.'** Moving to a multimedia, holistic approach to environmental regulation would mean that various committees of Congress would find it more difficult to discuss issues relating to water quality if the Water Program was eradicated. A further problem has been noted in Region X (Denver) where this Regional Office has moved towards an holistic (integrated) approach to regulation. The problem noted by the above manager occurs when she tries to ring Region X to discuss the way that the Water Program division in Washington wants regulation conducted. The problem is finding the person in the Regions who is able to discuss the details of this programme. The institutional disjunction between Region and Headquarters is something, according to the above manager, that Congress and White House fail to understand.

Communications with the Regions are worsened by the expectation, often on the part of senior management in Headquarters, that an Assistant Administrator (AA), for example the AA for the Air Program, can contact the Regions and tell them what is expected of them in Washington. That is when one gets '**I do not work for you.**' This is indeed a '**fascinating dynamic**' but it indicates the importance of institutional structures, both formal and informal, to an understanding of bureaucratic motivations. That Congress fails to understand the dynamic between levels of the Agency, both in terms of the hierarchy and lines of authority in EPA, and in terms of the programmatic separations within the Agency, is often detrimental to motivations in EPA.

## Proposition One

*'Motivations within EPA are adversely affected by the separation of the Agency along lines of media programmes. EPA is stovepiped'*<sup>16</sup>

Stovepiping, the separation of EPA along lines of media programmes, is viewed by many EPA officials as having a major negative effect on motivations. Consider these two responses from two managers in the Senior Executive Service (SES):

**(3) 'Our functions in this department are not valued, we need to value what we do; our voice is not well received or heard. We are not on the same scale as say Superfund.<sup>17</sup> We are very much stovepiped. We are moving away from this but we are not there yet.'** (Interview July 30<sup>th</sup> AM)

**(2) 'This agency is stovepiped, but less...than it used to be; it is recognised as being a problem and is being dealt with. The Agency is forced into this situation by its creation, came from a number of different agencies, began in a stovepipe fashion; there's a number of types of legislation that keep this agency going. The number of House and Senate committees we need to respond to is greater than most agencies, as a result this encourages the stovepipe mentality; yet multimedia integration is something you hear more and more.'** (Interview August 4<sup>th</sup> 1997, PM)

The first response highlights one effect on motivations that can be attributed to stovepiping. Officials in some Programs complain that their role within the Agency, and their Program, is not highly valued. Some Programs are favoured by the Administration, by the Congress, by the Administrator, and other Programs lose out. This sense of competition between Programs, and of winners and losers has negative effects on the motivations of staff in those Programs that are viewed as losers. The feeling of being '**not valued**' is detrimental to motivations and this effect can be

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<sup>16</sup> The term *Stovepipe* is used throughout the interviews by the majority of respondents to refer to the structure of the agency: in particular, the term illustrates the vertical separation of the Agency along media program lines. When the EPA was created each program had a different statute from Congress delineating its powers; as a result, the Agency did not develop a holistic, Agency-wide approach to environmental regulation. The analogy to stovepipes refers to the way that the pipes from the back of ovens enter the wall of a kitchen: each pipe is separated, but parallel, to the others. Each pipe remains physically separate from every other. Media programmes within EPA are viewed by many staff as equally isolated from every other media programme.

<sup>17</sup> Superfund is a program which deals with the clean-up of hazardous waste sites. Superfund funding totalled over \$2 billion in 1996. The impetus for the creation of Superfund came in the mid 70's with the discovery of Love Canal in Niagara, New York State. Love Canal was a site contaminated by hazardous waste, Superfund was the response to the discovery.

attributed, in large part, to institutional design, and to the informal and relational aspects on institutional structure.

Robert Cook suggests that EPA was designed to generate tension and conflict among the Agency's clientele, with the Agency weak when confronted with demands for policy change.<sup>18</sup> Cook considers this weakness to be the result of the factionalised nature of the Agency, which does not facilitate consensus on policy direction as EPA '*...treads through successive political minefields*'.<sup>19</sup> The creation of EPA does support the view that the final structure of the Agency sought to appease various groups: environmental groups first and foremost, yet EPA had also to appease Congress and business groups. The relationships between Congressional 'parents' responsible for appropriating EPA funds, and the myriad of interests who would lobby these 'parents', resulted in an Agency institutional divided from the day it was created. The constituent parts of EPA had not existed in a vacuum, and political networks that would affect EPA activities were already in place.

Further interview data support the view that stovepipes have negative effects on motivations. Consider this response:

(1) **'We are stovepiped, but there could be a lot more, the stovepipes are not impervious; people in some ways see themselves as competitors-- in some ways we are; we are not totally collegial. There are competitors for power. Power is very important, it is where big budgets come into play...the power to achieve your department's goals.'** (Interview August 4<sup>th</sup> 1997 PM)

The competition for power has effects on motivations. If power is a zero-sum game, and in many cases it is when budgets are concerned, then those who lose out in this game will be adversely affected in terms of motivations. EPA is not collegial. It can be collegial within Programs, and sometimes within professional groupings (lawyers in the Office of General Counsel for example), perhaps within regions, or within Field Office. But the media separation within EPA results in competition within the Agency, and this competition, driven by institutional separations, does not foster positive feelings of motivations in those bureaucrats who lose out in this competition,

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<sup>18</sup> Cook R (1988), *Bureaucratic Politics and Regulatory Reform* (1988) (New Haven, CT Greenwood Press).

<sup>19</sup> Cook R., *ibid.*, page20.

or who resent what they see as institutional obstacles to the achievement of (their perception of) the mission of the Agency.

As one official explained:

**(2) ‘...the differences between media programs-- the separation, has hampered the environmental effort. We need a more holistic view.’** (Interview August 4<sup>th</sup> 1997 PM)

Stovepipes are viewed by many staff as obstacles to the pursuit of *their* mission. The view that there are institutional obstacles that hamper the pursuit of mission is another way in which institutional structures can adversely affect motivations.

Stovepipes can be a problem for officials who are criticised by industry for lacking what the Environment Agency for England and Wales refers to as a “one-stop shop”. In a “one-stop shop” an industry is regulated in an holistic way, unlike EPA where an industry has to conform to Water statutes, Air regulations, regulations regarding Land Quality. Co-ordination across stovepipes is a problem for industries that are subject to regulation, but co-ordination problems affect motivations as one official explains:

**(10) ‘the stovepipe is important and is the biggest headache when raised by a single industry company who are regulated by three media programs: say Air, Water, and Waste, in a disparate and dysfunctional way.’** (Interview August 6<sup>th</sup> 1997 AM)

There are some officials who do not see stovepipes as a problem:

**(9) ‘We get support from the differentiation, from having these bases of knowledge...having that knowledge is a great advantage, as long as we see that a given problem needs a solution that draws off of different disciplines. The idea of a single homogeneous agency is a pipe dream; you would lose the edge of professional excellence.’** (Interview August 6<sup>th</sup> 1997 AM)

This point is best understood as a reflection of the importance of professional background to an understanding of motivations. Some officials will tolerate stovepipes as long as this institutional structure protects the strong identifications between those drawn from the same professional backgrounds. The importance of professional backgrounds to an understanding of motivations is discussed at length in Chapter Five.

## **Proposition Two**

*'The failure to move towards a more holistic approach to regulation exacerbated divisions within the Agency'*

In addition to emphasising the importance of stovepipes, these data highlight the relationship between the Congress and EPA, and support the view that institutional divisions within EPA are both fostered and perpetuated by relations between the Agency and its political masters (see response (2) above). As the manager quoted in this response explains, multimedia integration was discussed more and more often in EPA, and in 1994 the reforms of Reinvention allowed the Agency to move towards greater multimedia integration. The Chesapeake Bay project is a good example of EPA's adopting a multimedia approach. The problems of enhancing the environment in this area required a focus on land, water and air at the same time, rather than analysing problems one at a time. However, such projects, though successful, have not gone very far towards eradicating the media stovepipes that separate EPA officials from one another, nor are these stovepipes likely to be eradicated in the absence of a change in the funding basis of Agency projects.

## **Proposition Three**

*'Executive and Legislative masters foster institutional tensions within EPA'*

EPA is formally the servant of the Executive Branch, indeed it was the creation of President Nixon. Yet funding appropriations come from Congressional Committees, and various statutes determine the funding for each Program within the Agency. The role of Congress, and of funding, in maintaining stovepipes has been discussed, but a further problem for individual motivations is generated by the feeling that EPA is pulled in different directions by Executive and Legislature. As one official explained: (13) **'Congressional oversight is a weakness. There are too many masters, too much interference in the implementation of doing our job. We get different directions from different communities.'**

(Interview August 13<sup>th</sup> 1997, AM)

Although this official does not discuss them explicitly in her interview, the relationships between the Federal Bureaucracy, Committees and Sub-Committees of Congress must be considered in order to understand the institutional effects on officials within EPA. Douglas Cater characterised these relationships as Iron Triangles, Hugh Heclo as Issue Networks.<sup>20</sup> Interest groups interested in environmental policy lobby Congress in order to affect the shape of public policy, members of Congress must at least listen to the requests of interest groups, of constituents, of party, or the Administration, of conscience. In addition, the interests that affect the stance of the Administration will also impact on the activities of the Federal Bureaucracy. To say anything useful about the motivations of politicians, or about the way public policy is formed, is well beyond the scope of the present work; however, the institutional and political context within which officials at EPA must work does shape policy, but more importantly this context will shape motivations.

EPA is somewhat unique within the Federal Bureaucracy because it is an independent regulatory commission, created by the President through an Executive Reorganisation Act, with an Administrator who is not a Cabinet Secretary. EPA is unique in terms of the number of Committees to which it is accountable. In short, senior civil servants and political appointees within EPA are answerable to many political masters, both in Congress and within the White House. In addition, the number of interest groups who lobby EPA, and the constant involvement of EPA in litigation with businesses result in an Agency pulled in many directions. The institutional structure of the Agency reflects the myriad of influences impinging on EPA activities.

In effect, each stovepipe has a different constituency. That is, the Water Program and Air Program are answerable to different Congressional committees, and in the Regions each Program Office will have different constituencies that affect its work. The influence of various constituencies on different parts of the Agency foster institutional tensions within Program Offices, across the tiers of the Agency, and between Programs. It is the role of the Executive and, in particular, the Legislature that perpetuate the tensions within EPA through the continuance of stovepipes, of the

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<sup>20</sup> Cater, D. (1965), *Power In Washington* (London, Collins).

myriad of committees making demands on EPA, of many different interest groups lobbying the Administration and the Congress in the hope of affecting public policy outcomes.

As one senior official in Washington explained:

(10) 'How much of an impact they [Congress and White House] have on my work depends on where you are in the Agency and what job you are doing. I have a support job now, so there is little need for their involvement. If you are writing regulations then there will be much more involvement. We have the Executive Branch review of our reg's [regulations]; the regulatory impact analyses which are prepared; the impact, both economic and otherwise, of our reg's; and Congress sets what we do, the goal. Then there is how it is done in oversight. There are hearings which authorise our laws; as they expire we have to go back and get a mandate. And you have the White House telling the political appointees what is expected.' (Interview August 6<sup>th</sup> 1997 AM)

Institutional structure affects motivations, but where one is within the Agency can determine the magnitude of the effects of the White House and the Congress on the motivations of individual officials. The official above is in a support function and is less subject to the impact of the elected branches of the Federal Government than are officials working in the Program Offices in Washington. What can be established here is that institutional locations have differential effects on motivations. For those officials located in positions that are subject to political influence: for those writing regulations; preparing regulatory impact analysis; for those answerable to the political appointees, institutional location can have a large influence on motivations. Perhaps the most important effect of political actors on motivations comes from the political appointees within EPA. The relevance of these political appointees to an account of motivations is considered in Chapter Five.

## Proposition Four

'EPA is divided hierarchically, from Headquarters, to Regions, to Field Offices'

The institutional separation of EPA in to three distinct levels, Headquarters, Regions and Field Offices, generates divisions within the Agency. As one senior official in Washington who had come from a Regional Office explained:

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Hecló H., (1978), "Issue Networks and the Executive Establishment" in King A., (ed.) *The New American Political System* Washington DC, American Enterprise Institute.

**(24) 'what disturbs me is that a lot of people here in headquarters have never worked in the field; people from a good school can come here and write regulations; they have never seen the facilities that you are talking about, the labs, the regions, they have never tried to solve the problems directly. When I came here someone said to me there was not one EPA but eleven--each of the regions is a kingdom, each program a fiefdom.'** (Interview August 23<sup>rd</sup> 1997)

This response highlights informational asymmetries exist within the Agency. Officials interviewed in the Regions complained that people in Washington were ignorant of what the Regions actually did. Officials in the Field Office in Wheeling, West Virginia complained that neither the Regional Office in Philadelphia (Region III), nor the EPA officials in Washington understood the importance of the role of the Field Office within the Agency.

If each Program is a fiefdom and each Region a kingdom, then the institutional structure of EPA does indeed generate adverse effects on bureaucratic motivations. The interview data from Washington, from the Region III office, and from the Wheeling Field Office, support the argument that institutional divisions within EPA both generate and foster adverse effects on motivations that result from the structure of the Agency.

## **Summary: Institutional Analysis and Understanding Motivations (4.5)**

The definition of Institutions given on page 84 emphasised how institutions structure the interactions of individuals. Peter Hall emphasises the “relational” character of institutions, where institutions have a more formal status than cultural norms, but are not to be understood simply as the organisational chart of an agency. In EPA motivations are affected by stovepipes, by the relationships between officials in each stovepipe, as well as between individuals in different tiers of the Agency. Further, these stovepipes run through each tier of EPA, creating complex institutional interactions that have important effects on motivations. Institutional structures interact with the structures of Congress and the Executive, making more complex the pattern of institutional relationships that have effects on motivations. Only by nesting an institutional analysis within a political and historical context will it be possible to provide a comprehensive account of motivations. Chapter Five furthers this account by adopting a Cultural analysis of motivations in EPA.

# Chapter Five

## The Role of Culture in Explaining the Motivations of Officials in EPA

### Conceptual Framework

#### (5.1) Cultural Groupings Within EPA

#### (5.2) Organisational Culture

#### (5.3) The Presence of Two Types of Culture in EPA

#### (5.4) The Propositions

- The creation of EPA, and those officials who joined EPA at its inception shaped the Culture of the Agency.
- Mission is not a culture in EPA: EPA's mission is present in every cultural grouping in EPA examined in this work, *other than* in Wheeling, West Virginia. If mission is akin to personality, as Wilson states, then EPA suffers from multiple personalities that affect motivations.
- The institutional structure of EPA, as outlined in Chapter Four, has fostered cultural groupings that do not follow institutional divisions in many instances.
- The Relationships between Political Appointees and Career Officials, and effects on motivations.
- Staff and Program Officials: Staff Officials as a *Fragmentation* culture
- Professional Disciplines: Foster cultural consensus *and* can cross-cut cultural groupings.
- Differences between Washington DC and Region III. The problem of "proximity" and the creation of a *Differentiation culture*, Wheeling WV as a test-bed
- Why a "three-culture" approach best explains motivations in EPA

#### (5.5) Preliminary Conclusions: EPA is Cross-Cut by Cultural Identities that Affect Motivations

## Cultural Groupings Within EPA (5.1)

The discussion of culture in this chapter must highlight whether EPA has a culture, and whether we can identify one culture or more than one within the agency. The definition of culture presented in Chapter Two is used to establish whether a grouping within the Agency can be classified as a culture. The first proposition to test will require us to establish whether EPA has an over-arching organisational culture. An important aspect of this proposition is the presence or absence of a sense of “mission” within EPA. Having defined ‘organisational culture’ and ‘mission’ we can move on to the final element of our theoretical outline, namely to identify three types of culture, and to establish whether any, or all, of these cultures are present in EPA, and what, if any, effects these cultures have on the account of motivations presented herein.

## Organisational Culture (5.2)

*‘Every organisation has a culture, that is, a persistent, patterned way of thinking about the central tasks of and human relationships within an organisation. Culture is to an organisation what personality is to an individual. Like human culture generally, it is passed on from generation to the next. It changes slowly if at all.’<sup>1</sup>*

Wilson states that it is a mistake to assume that an organisation has *a* culture when many, perhaps most, will have several cultures that are often in conflict. Wilson’s claim is, or at least should be, an empirical claim. His examination of the US Postal Service and the State Department do support his argument that an organisation may have more than one culture. What is important for the present thesis is that we can identify cultural groupings and, further, can assess their importance in an explanation of motivations. For this identification we shall use the definition of culture given in Chapter Two (page 33).

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<sup>1</sup> Wilson., J.Q. (1989), *Bureaucracy* ( New York, Basic Books) page 89.

## Mission

In some agencies it may be possible to identify an organisational culture which is agency-wide. According to Wilson, the presence of such an agency-wide culture can be called “mission”. To quote:

*‘When an organisation has a culture that is widely shared and warmly endorsed by [workers], we say that it has a sense of mission. A sense of mission confers a sense of worth on the members, 10\*- provides a basis for recruiting and socialising new members, and enables the administrators to minimise on the use of other incentives.’* (page 95).<sup>2</sup>

The term ‘organisational culture’ and ‘mission’ as defined above help little in operationalising concepts that can be used to examine data on motivations. The first hypothesis examined below will suggest that the mission of EPA, at the very general level, is something that motivates many Agency officials. The commitment to ‘mission’ will be shown to be indicative of a similarity of values that permeate many aspects of the Agency. Mission represents a commitment to values which are present in many of the accounts given by officials when interviewed. Cultural identifications should not be viewed as caused by statutory objectives, or the mission of EPA. Cultural identifications do not exist in a vacuum where institutional factors have no effect, but cultural identifications are not reducible to institutional objectives or mission. Culture refers to something that is patterned and persistent over time, and something that often is not congruent with institutional objectives.

The most important argument to note from the first proposition presented below is that mission is not a culture. Commitment to mission, represents a very general agreement as to the over-arching goals of the Agency. But what is important in terms of motivations at EPA is that the Agency has clear cultural divisions that affect motivations. Mission is something that captures an element of almost every culture identified in EPA, yet it is not in itself a culture. Beneath the general consensus on Agency mission are many cultural groupings where agreement across group boundaries is not present.

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<sup>2</sup> Wilson J.Q. *ibid.* page 95. In the data presented below the usage of the term *mission* seems to refer to the principal goal of the Agency. Wilson employs the term in a somewhat different way to mean what Morton Halperin calls “essence”. Although Wilson does not elaborate on this definition in his footnote (on page 95), the present work differs in its use of the term-- employing *mission* in a way which allows the term to encapsulate more than simply the stated goals of the Agency-- the EPA mission-statement. Rather, *mission* must be widened to include a cultural element-- a set of norms and values, a belief system, represented by the mission of EPA.

## The Presence of Two Types of Culture in EPA (5.3)

In *Reframing Organisational Culture* Frost *et al.*, propose an approach which attempts to capture the major similarities and differences among the various approaches to the study of organisational culture (see Chapter Two).<sup>3</sup> In eschewing any attempt at the assimilation of one approach into another, a three-perspective framework is put forward based on the work of Meyerson and Martin (1987).<sup>4</sup> These three approaches are: the *integration* perspective; the *differentiation* perspective; and the *fragmentation* perspective. Each perspective can be compared to the diagram on page 115 in order to explain how and why each classification differs. Having clarified each of these three types of culture it will be possible to assess our propositions, and the data, in terms of these cultures. This chapter concentrates on two of these three perspectives in analysing bureaucratic motivations in EPA.

The integration perspective portrays culture predominantly in terms of, organisation-wide consensus about the appropriate interpretation of those manifestations, and clarity. Cultural members agree about what they are to do and why it is worthwhile to do it. In this realm of clarity there is no room for ambiguity. In an agency with an integration culture we would witness a sense of mission which applied across the entire agency. We would not witness a multitude of cultural groupings (one can refer to “subcultures” here, defined as cultural groupings existing within one organisation) within the agency.

In the differentiation perspective, cultural manifestations are often inconsistent with one another.<sup>5</sup> In studies utilising such an approach, to the extent that consensus emerges, it does so only within the boundaries of a subculture. At the level of the organisation, differentiated subcultures may co-exist: in harmony, in conflict, or indifference to each other.<sup>6</sup> Subcultures are islands of clarity, with ambiguity channelled outside their boundaries, members are clear as to their views on most aspects of their work, on the way to achieve their goals, and on the boundaries of their group. An understanding of

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<sup>3</sup> Frost, P.J. *et al.* (1991), (eds.) *Reframing Organisational Culture* (Sage Publications, Newbury Park, CA). See footnote 8 below.

<sup>4</sup> Meyerson D., and Martin J. (1987), “Cultural Change: An integration of three different views.” *Journal of Management Studies*, 24 pp590-601.

<sup>5</sup> The example Frost *et al. ibid.* (page 7) cite is when a formal policy is undermined by contradictory informal norms.

the presence, or absence, of sub-cultural groupings will illuminate any account of motivations. If we can identify the cultures within an organisation it should be possible to say more about the motivations of bureaucrats.

The fragmentation perspective views ambiguity as an inevitable and pervasive aspect of contemporary life. Studies using this approach focus on the experience and expression of ambiguities within organisational cultures. Consensus and dissent co-exist in a constantly fluctuating pattern influenced by changes in events, attention, salience *etc.* No clear organisation-wide or subcultural consensus stabilises when a culture is viewed from the fragmentation approach.<sup>7</sup>

Meyerson’s work focuses on ambiguities in an organisation. In the fragmentation perspective members do not recognise the boundaries of their group, cannot identify shared solutions, and may have multiple identities within the grouping; yet members contend they belong to a culture. They share ‘...*a common orientation and overarching purpose, face similar problems, and have comparable experiences. However, these shared orientations and purposes accommodate different beliefs and incommensurable technologies, these problems imply different solutions, and these experiences have multiple meanings.*’<sup>8</sup> For some cultures at least, to dismiss the ambiguities in favour of strictly what is clear and shared is to ignore much of the central aspects of members’ cultural experiences and to ignore what Meyerson calls the essence of a cultural community.

| Features                                 | Integration                 | Differentiation                | Fragmentation            |
|------------------------------------------|-----------------------------|--------------------------------|--------------------------|
| Orientation to Consensus                 | Organisation-wide Consensus | Sub-cultural Consensus         | Lack of Consensus        |
| Relation Among consistent Manifestations | Consistency                 | Inconsistency                  | Not clearly inconsistent |
| Orientation to Ambiguity                 | Exclude it                  | Channel it outside Subcultures | Acknowledge it           |

<sup>7</sup> Meyerson, D. *ibid.* page 594 Debra Meyerson uses the fragmentation perspective to study Hospital Social Workers in five US hospitals This perspective is not employed in this chapter.  
<sup>8</sup> Meyerson D. *ibid.* page 131.

## The Propositions (5.4)

### Proposition One

*'The creation of EPA, and those officials who joined EPA at its inception shaped the culture of the Agency'*

The senior staff who came to EPA when it was created (so-called Charter Members) came with deep-seated norms and values which, as Wilson's definition of culture (see page 113 above) suggests, led EPA officials to have predispositions which, when coupled with what he calls 'situational imperatives' (page 93<sup>9</sup>), generated a distinctive way of seeing and responding to the world. Further, as demonstrated in Chapter Three, the political and historical context in which EPA was created shaped the cultures of the fledgling Agency.

The increasing concern for public health and the environment; the threat of the pesticide DDT highlighted in Rachel Carson's 'Silent Spring'; the blow-out of an oil well in Santa Barbara in January 1969 (see Chapter Three: page 66) which had terrible costs in terms of wildfowl, fish and marine life killed; and the monumental first Earth Day on April 22<sup>nd</sup> 1970, all count as testimony to the fact that EPA was created in a social milieu in which the environment was an issue of primary importance. Furthermore, the creation of the Agency, its historical and political context, shaped motivations in the Agency

The data below indicate that many of the senior staff in the new Agency shared deeply held beliefs and values which, in general terms, can be described as a commitment to public service and, in particular, a commitment to the environment. According to Joseph Kreuac (head of Water Criteria and Standards at EPA) the original EPA staff were **'shock troops committed to stringent environmental regulation.'**<sup>10</sup> Kreuac witnessed the creation of the Agency, and its reorganisation in 1971 (Chapter Four: pages 87-

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<sup>9</sup> Wilson, J.Q. (1989), *Bureaucracy: What Government Agencies Do and Why They Do It* (Basic Books, New York). Page 93.

94). Of forty senior officials interviewed in Washington headquarters, twenty-six had joined between 1970 and 1976. Eighteen were Charter members who came to the Agency at its creation. Of these, ten had come from other pollution control units which were combined to form EPA.<sup>11</sup>

The senior officials below were questioned about their reasons for joining EPA, and their sense of what EPA was like in 1970, how it has changed, and how they would describe it now.

(64) **'I would like to say I came to EPA because of a love for the environment, but I did not; although the fact that it was the environment was nice but not a driving factor.'**

This person is a Charter Member, who had worked in one of the organisations combined to create EPA. He trained as a chemical engineer but he had not wanted to work in the environment in particular, but rather to get a job related to his professional training. The above response highlights the point that an *integrationist* culture, where there is an organisation-wide agreement (regarding mission, how this mission should be conducted, what goals are to be pursued), did not permeate every aspect of the Agency. Yet what we can extrapolate from this response is that professional training is important in explaining why someone might come to work at EPA. Further, whether one actively sought to join EPA, or whether President Nixon's Reorganisation led one into it, is also important in understanding motivations.

In the responses below we see three officials who actively sought to come to EPA. and they had not come from other pollution-control agencies.

(2) **'...the culture of the Agency was drawn by the mission of the Agency. I hope that the people who work here now still are. At one time we were a youthful Agency, we still are. The culture of our agency has a lot to do with the concept of environmental protection coming of age when my generation were growing up: JFK, Vietnam, the era of resources being put into government,**

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<sup>10</sup> Interview, July 22 1980, quoted in Harris and Milkis *The Politics of Regulatory Reform* (2<sup>nd</sup> ed) (Oxford University Press, Oxford 1996).

<sup>11</sup> It must be highlighted here that many officials who worked at pollution control agencies prior to the creation of EPA might have retired by the time interviews for this work were completed (September 1997). As such it cannot be claimed that the figures stated here represent the composition of the Agency in 1970.

**government was in vogue. Ask not what your country can do for you and all that, that led many people to want to work for government.'**

This official is a staff person, working in a support function. Of interest is the mention of the term 'culture'. This response suggests that the 'mission' of the Agency attracted certain types of person to the Agency. This person recalls an Agency created in 1970 and populated by many young, motivated and highly educated officials, not unlike the "shock troops" mentioned above. This person locates his sense of commitment to the environment in the context of his generation (JFK, Vietnam). This context is a constant for all of those officials who came to EPA in their twenties.

At first it does appear that 'mission' is the major motivating force identified in this response, yet, as the rest of this chapter will show, mission is an aspect of most of the cultural groupings which will be identified in EPA. What we can say here in relation to motivations, is that very many of the senior officials interviewed, and particularly those officials who joined EPA in its first four or five years (and who had chosen to work at EPA), were 'zealots' (to use a Downsian term) committed to solving [57] **'The problems of the environment...that were reaching a climax in the period [we] came to EPA.'** (Staff were zealots in the sense that they were very committed to environmental issues, to public service, with values that motivated them through a concern for the environment).

Another Charter member observed:

**(63) 'I am a charter member of EPA, I was here when it began. I have always had a passion about the environment, so it seemed natural to spend both my leisure and work time involved with the environment.'**

This respondent shares with the preceding one a commitment to the environment prior to EPA's creation. She recounted tales of living in **'the country and then moving to Denver then to DC'** but insists that she cared greatly about the environment. In terms of motivation then, we can identify Charter Members of EPA who brought deeply-held beliefs with them to the new Agency. With reference to the Diagram (see Chapter Two: page 34) it seems that the early members of EPA developed a 'Consensus on the

core mission, functions, and primary tasks of the organisation' ("External" point one on the diagram). The fledgling Agency did not successfully meet External points 2 and 4, and at best only partially achieved Internal point 1.

The responses highlighted above support the argument that many of those officials who joined EPA at its creation, or soon afterwards, were motivated to work in an area congruent with their personal values. This response supports the argument that commitment to public service is an important element in the motivations of officials at EPA. Of those officials who expressed a commitment to EPA's mission and a commitment to helping achieve this mission, the majority expressed a desire to be a public servant. This point was compounded by a question which asked officials if they were tempted to leave EPA, and why. Of nine officials who had seriously considered leaving, all had stayed because of what seemed like a sense of "service" and a desire to remain in work which was congruent with values such as "service" and the protection of the environment and public health.

In explaining motivations, we can highlight the establishment of the core elements of an Agency-wide, integrationist culture within EPA, but this culture did not become Agency-wide in the three decades since the creation of the Agency. It is unsatisfactory to move simply from showing that Charter Members of EPA shaped the core mission of the Agency to stating that this mission motivates officials. A more realistic assessment must note that, because the creation of EPA did not meet every one of the criteria established in Table 1, EPA was able to develop a number of cultures. Each of these cultures has at its core a sense of 'mission-commitment' but what it shared in each of these cultures is not congruent in every detail with other cultural groupings. An emphasis on mission will lead us to find an integrationist culture and, by extension, to discount cultural divisions within the Agency which have important effects on motivations.

The official [2] quoted above suggests that 'the culture of the Agency was drawn by the mission of the Agency' but it is more illuminating to view events the other way

round. The composition of the original EPA workforce, at least at the very senior levels, coupled with the political/historical context in which the Agency was established support the argument that the cultures present in EPA, and the mission of the Agency, were shaped by the cultural identifications of those staff who populated the new organisation. Further, the patterned similarities between those who joined EPA in terms of values and beliefs, and the shared commitment to environmental protection and the preservation of public health, combined to generate a sense of mission in EPA congruent with the stated mission of the fledgling Agency.

## **Proposition Two**

*'Mission is not a culture in EPA: EPA's mission is present in every cultural grouping in EPA examined in this work, other than in Wheeling, West Virginia. If mission is akin to personality, as Wilson states, then EPA suffers from multiple personalities that adversely affect motivations'*

In the interviews each official was questioned about their work-related goals (short, medium, and long-term); why they joined the Agency; how they had come to work in the part of the Agency they did; how they would describe the most important aspects of their job; what they enjoyed most and least about their job. These questions were asked in addition to questions which probed EPA's institutional structure and its relationship to motivations.

What is striking about the data is the number of references to the mission of the Agency. In almost every interview, officials couched their answers: their way of explaining what motivates them—in terms of “mission.” If mission meant the same thing to each of the officials interviewed then we could suggest that an Agency-wide culture was present and, according to the diagram in Chapter Two (page 34), such a consensus on core mission (“External” point 1 on the diagram) would constitute the basis of an integrationist culture. A more careful unpacking of the cultural aspects of motivations within EPA reveal that consensus on mission is more nominal than real. Mission should best be in terms of a differentiation culture: in which there is general agreement on the core mission of the agency, but shared conceptual values and shared understandings of how to achieve this mission are not held across the entire Agency.

It is necessary to examine some of the answers given to questions which focused on why an official joined EPA; what they had done previously; how they would characterise their working environment; their relationships with colleagues,; with other parts of the Agency; how they believe they are perceived; what they value most in their job, and what they are proud of. Consider these responses:

(57) **'EPA was one of the few agencies I would have been prepared to work for; I did not want to work for Defense or Agriculture, I do not care about their mission.'**

(54) **'The environment...was an area I was interested in. I cared about EPA mission.'**

Both officials joined EPA during the Carter administration. Neither official cited the Administration's composition as having affected the choice to join EPA. In both cases it is the mission of the Agency which led each official to join EPA. However, the political significance of these responses is more revealing. Both of the men interviewed above are in their early forties, having joined the Agency in the late 70's. the first is an economist by training; the second a biologist. The former works in OARM (Office of Administration and Resources Management) and the latter in the Water Program.

Significantly, both officials express a commitment to the mission of the Agency but, as shown in the remaining hypotheses, each official has a very different conception of how Agency mission should best be achieved. Further, as discussed in Chapter Four, many officials cite other aspects of the Agency as "obstacles" to the efficient pursuit of "their" mission. Reference to "mission" is informative insofar as it does support the contention that many of the officials interviewed were motivated, in very general terms, by a desire to serve the public and pursue EPA's mission.

As reported by four senior officials quoted in the responses above, EPA's mission is unique. It is more useful to suggest that the commitment to mission which permeates most of the Agency may not be present in other Agencies and State Departments to the extent it is in EPA. Using Wilson's seminal work on bureaucracy as a guide, it does seem that bureaucrats may well become motivated to pursue Agency goals; indeed, Weber's notion of *beruf* (office) would suggest that bureaucracies are designed to foster such commitment. Yet this chapter examines culture. The commitment to mission in

EPA reflects a commitment to a set of values and beliefs consistent with motivations based on “service” and the desire to protect the environment and/or public health. To turn to another set of responses:

**(59) ‘People here are honestly focused; they care about their mission, they are dedicated to it. Most officials are singularly focused on what they do.’**

**(1) ‘I was interested in [the Agency], I cared about Agency mission...my job is at the backbone of the Agency, letting EPA carry out its mission...’**

Officials at EPA are motivated by a desire to achieve Agency mission. The data do support this claim. But if mission was the prime determinant of motivations we should have no need to study culture further. Mission is not an integrationist culture that is Agency-wide. As the first response above suggests, EPA officials are “singularly focused” and it is this focus which explains why EPA lacks an integrationist culture. Economists are focused on what they do, as are economists in Staff functions, economists in the Air Program, yet we cannot assume that all economists, let alone all the staff in the Agency, are focused on *the same* mission. The general core values pursued by officials are Agency-wide, but the manner in which mission is pursued: by different professional disciplines, staff in different offices, in different media programs, allows the existence of more than one cultural grouping to develop.

Charter members of EPA helped to create EPA’s mission, which was still cited as a reason for joining the Agency by staff who joined EPA in the Reagan years. Consider these responses:

**(24) ‘It was a conscious decision to join EPA. I took a masters at evening class for two years...to get into public health. What I do here when we protect public health and the environment is just like the culture of my family on a different scale. When you get it right it is beautiful. My overall goal was to do something about public health and stop people getting sick.’**

**(9) ‘I was committed to public service...and became interested in public health so I found a way to come to EPA...I believe in the Agency, in making life better for people.’ (Interview August 6<sup>th</sup> PM)**

In both responses officials actively sought to join EPA. The reason does appear to be the mission of the Agency. Perhaps a more useful explanation is one that cites the congruence between the values of these officials and the mission of EPA. In both responses the motivating force is the desire to protect and enhance public health; this is important because mission is no longer the main way of explaining the motivations of these two officials. It is more useful to cite a commitment to public health as the primary determinant of motivations cited in these responses.

In the above response it might be professional expertise, which accounts for the very particular focus of the above two officials: public health rather than “mission” in general terms. Yet if we examine the responses from those officials who came to EPA soon after its creation, but who came from a generalist background, we find the same mention of mission:

**(1) ‘In 1974, when I joined EPA, the environmental movement was growing. I believed in the environmental mission...There were institutional goals and personal goals...in the ‘seventies there were a huge number of people who joined EPA from the Peace Corps, I did. Not likely to find this in another US federal Agency today.’<sup>12</sup>**

This official came to EPA from the Peace Corps. What the datum suggests is that there is a noticeable congruence between the values held by officials entering EPA and the values which the Agency’s mission represents.

All of the responses in this section highlight a patterned, persistent, and shared focus on the mission of EPA. In comparing the responses of these same officials in terms of how best to achieve this mission we will see discrepancies arising. Mission is not the best way to explain motivations, but it does stress the need to understand the basis of motivations in the values, which many officials consider important. What is essential to an understanding of motivations is that a number of cultural groupings exist within EPA which, in spite of the consensus on core values expressed in terms of mission-commitment, lead to negative effects on motivations in some circumstances.

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<sup>12</sup> It is likely that many Peace Corps members joined the State Department, and joined AID, but EPA, if not unique, is certainly rare in the number of former Peace Corps people it has at very senior management levels.

## **Proposition Three**

*The institutional structure of EPA, as outlined in Chapter Four, has fostered cultural groupings, which do not follow institutional divisions in many instances*

Chapter Four discussed the institutional “stovepipes” which affected the motivations of officials at EPA. EPA is cross-cut by cultural divisions also, but these divisions do not mirror the institutional divisions identified earlier in this work. The cultural groupings identified in EPA have identifiable boundaries, but these boundaries do allow for some overlap. For example, one may be a “Program Person” who is committed to their “professional background” and who works in Region III. The rest of this chapter will identify the major cultural groupings within EPA. In so doing it will be possible to explain how and why cultural “collisions” occur, and how these effect motivations.

The point of proposition three is that: the creation of an organisation separated along lines of media encouraged the development of groups of officials who shared a commitment to one particular part of Agency mission (for example, Air Quality), who had a clearly defined way of pursuing mission (Cost-Benefit if one is an economist for example) and who worked in the “field” (for example, Region III). *However*, institutional structures did not generate cultural identities based on deeply held values; cultural identities are created as group boundaries are established, as a common language and use of concepts are developed. The creation of cultures within EPA does not mirror the institutional structures put in place in 1971 (after the first Reorganisation) or the Reinvention of the Agency following the National Performance Review.

## **Proposition Four**

*The Relationships between Political Appointees and Career Officials affects the motivations of both groupings*

An important cultural distinction within EPA can be drawn between political appointees and career officials. In terms of Table 1 in Chapter Two (page 34) then, the reported

interviewed) political appointees try to make a “big splash” by leaving a mark on the Agency; instigating a new policy direction; making oneself visible to the Executive branch. The data suggest that many career officials feel that such a motivating force on the part of political appointees can lead to radical swings in policy direction without the necessary planning, or expertise, required to make such changes. Such a situation may lead to what one official quoted above refers to as a process of “hunkering down.”<sup>17</sup>

Consider the following responses:

**(8) ‘The senior civil service provide continuity within the organisation as political managers move in and out; their average tenure is only 18 months. The senior career cadre provide the corporate memory and the continuity to make the policy makers’ work happen. The connection between political and careerists depends on the quality and philosophy of the political. Under Gorsuch there was a big disconnect, there was a large outflow of civil servants who could not adapt to the philosophy of the new administration.’**

**(19) ‘The political appointees have a different time-scale. The careerists have been around long enough to see that ideas come and go, that people have come up with them before. They did not work, were not tried properly, whatever. You have different offices driven by political, and they come at things differently according to their mandates: for example, the Clean Air Act debate recently. It can be hard to know who and where we take the lead from...the political have maybe eighteen months to make a big splash. As heads of programs this does not help the stovepipe mentality.’**

For career officials, despite the caveat that officials know they are servants of the executive, the data demonstrate that in some cases the direction proposed by political appointees can be viewed as misguided; as based on little expert information; as being driven by political considerations which may not best serve the end of achieving Agency mission: this last view is particularly prevalent among the program people who are, because of the congruence of cultural values and institutional location, very driven to achieve their mission (which will often translate as the mission of a particular programme rather than the larger Agency-wide mission). When political appointees move career staff in a direction that career staff do not favour motivations are affected in a negative way.

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<sup>17</sup> “Hunkering down like a jack-rabbit in a storm.” A Texas saying. ( courtesy of Dr. N.P .Bowles).

Staff officials appear to cope better with changes of direction coming from political appointees, being less committed to any one media program; but staff officials too are affected by cuts in budgets, by reduction in staffing levels; by the refusal of some political appointees to make use of civil service expertise. For both program and staff people, motivations are affected when political appointees are unwilling to trust career people, perhaps for the reasons discussed above pertaining to the impartiality of career officials. This perceived lack of trust figures prominently in much of the data, and does appear to have important negative effects on how motivated career officials feel in the pursuit of their mission.

Some of the careerists interviewed complained of political appointees pulling the Agency in different directions. When careerists complain of not knowing to whom they are answerable, or what their goals should be, there are negative effects on motivations. However, some data suggest that officials welcome the input and innovation of political appointees: indicating that political people can be invigorating, generating an enhanced commitment to mission. In the main, the negative reports of political appointees outweigh the positive. One explanation for the negative reports outweighing the positive is partly institutional and partly cultural, since the position careerists within an institutional structure is long-term, and often the values of careerists generates a commitment to the goals of their programme. Political appointees, with such a short tenure of office, may pursue goals that careerists do not favour. Attempts at reform, attempts to change direction, come from the political appointees. Many of the careerists interviewed suggested that political appointees can pursue the wrong direction, or a direction that is not in the interests of the public. The tension between careerists and political appointees in situations where there is disagreement explains why in the data careerists report more negative comments than positive ones in regard to political appointees.

The biggest complaint about political staff pertains to the Burford Administration, when the Reagan appointees, and Administrator Burford in particular, were viewed by most of those interviewed as overtly hostile to Agency mission. Burford, in threatening the culture of EPA; in appearing to undermine the professionalism which EPA staff believed permeated their Agency; in imposing institutional changes, not least

threatening severe budget cuts (though less severe than the 30% cut proposed by the Republican-dominated 104<sup>th</sup> Congress (a cut never implemented) and reductions in staffing levels, effectively reduced mission commitment for many officials. Indeed, some of those interviewed complain of depression and severe unease at working in the Burford EPA. By challenging the dominant norms of the Agency, and proposing institutional changes which had very real effects on mission-commitment, Burford had detrimental and long-lasting effects on motivations.

The replacement of Burford with Ruckelshaus (the original Administrator of the Agency) emphasises the importance of the Administrator in terms of how she affects the culture of the Agency. The data suggest that when there is an Administrator who does not act in a way congruent with the values dominant within each of the cultures of EPA, then the motivations of officials are affected detrimentally. Conversely, when an Administrator is favoured by officials, the over-arching *mission* of EPA is maintained. The data show that Administrator Browner is generally popular with career staff in the Agency.

To substantiate the argument, we can examine one response relating to the above point:

(38) **'You could sense the response of the civil servants to the political leadership. But Burford affected 10-15 thousand people. We had Ruck [Ruckelshaus] come back on his white horse when Burford left, and we thought it could not get any better; but then we had Bill Reilly who was so attuned to science, and speaking truth to power that it was the only time I had the experience of their [political appointees] enhancing my understanding of my own job. They were Republicans and I was a liberal, but I thought they were great!'**

Political appointees can have on the motivations on career officials. The institutional separation of the executive and the legislature has real effects on motivations. Any of the responses which relate to views on the 104<sup>th</sup> Congress and the threatened Republican budget cuts show that motivations were negatively affected by the perceived threat to the Agency posed by the Republican Congress. Yet the response above shows that political appointees can have important positive effects on motivations. Indeed, to explain the popularity both of Ruckelshaus and Reilly (both Republican appointees) we can show that the direction pursued by both Administrators was viewed by those interviewed as, in the main, in keeping with EPA's general mission.

However, the above response is from a senior scientist who favours Administrators who appreciate the value of science. It appears from the data that officials may be highly motivated in the pursuit of Agency goals when an Administrator is well-liked within the Agency. Yet the way that officials view the Administrator are shaped by the particular culture within which officials work. If the Administrator can appeal to many cultural groupings then the *integrationist* elements of EPA culture will reduce the cross-cultural competition and institutional combat generated when an Administrator in the Burford mould is running EPA.

One point to be made about political appointees which has both a cultural and institutional element is summed-up in the words of one very senior staff official:

**(8) ‘...there is a cultural bias that affects political appointees, policy makers, and it is a very male thing: I will be very blunt...because I have watched the process for years...political appointees can become captive of their program, and their success in the eyes of their employees may depend on whether they bring home the bacon. Strong-minded people over time get more affected by this, and this is shaped by the tone set at the top. You get into the pissing game: he who brings home the bacon is king of the hill...it is a microcosm of pork barrel politics. There is the conflict between the sense of community and the feeling of being a lone cowboy. If the individualistic cultural icon is rewarded at the top then this culture tends to permeate the Agency. The present Administrator punishes such competition. She values teamwork.’<sup>18</sup>**

Institutional structures and cultural norms are interwoven here with the career/political distinction. Interestingly, the distinction appears to have a gender element which makes the relationship between political appointees and careerists more complex. The extent to which stovepipes and internal schism have consequences for motivations may be affected by the particular character of a political appointee but, importantly, the culture and tone set by appointees may depend on whether the appointee is a male who takes the so-called “lone cowboy” stance. Such a stance may have positive effects on motivations for those officials within a program, yet across the Agency, the stovepipes that so many officials complain about may be exacerbated by the individualistic approach of many appointees and their need to make an impact during their often short tenures in office.

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<sup>18</sup> This very senior official suggests that most Assistant Administrators, most of whom are men, get involved in a competitive struggle for resources. She sees the incentive structure within AA-ships (the programmes headed by Assistant Administrators (AA’s)) as underpinned by a need to bring back gains to one’s department, and these gains usually require budget success. The “pissing game” refers to the competition over budgets between AA’s and

As the data on Reinvention (Chapter Six), the culture of EPA under Carol Browner (Administrator) has emphasised teamwork over “lone cowboys.” It should be apparent from the above quote that to understand the complex of relationships that affect motivation we need to examine the cultural, as well as the institutional, milieu in which bureaucrats are embedded.

The data do not suggest a useful or productive way of grouping career civil servants such that they appear to be a single cultural grouping with a patterned, persistent way of attributing meaning to social reality. As argued in the section on ‘mission,’ there does appear to be shared values common across the culture within EPA, but these shared values, although present across the echelons of career civil servants, are cross-cut by institutional and cultural divisions. However, we can usefully distinguish political appointees from career civil servants using a cultural approach. We can establish that political appointees do not have a coherent, patterned culture; there are no obvious similarities in terms of perceptions of what is meaningful, or what goals should be pursued.<sup>19</sup>

As suggested in quotation [8], political appointees may be isolated from the cultural groupings within EPA. As quotations [19] and [8] suggest, the time-scale of political appointees, and their short tenure at the Agency make it very difficult to become embedded in an Agency subculture (what is referred to by many US scholars as ‘going native’<sup>20</sup>). Further obstacles to the integration of political appointees within cultural groupings include the fact that appointees are answerable to two masters, Congress and the Executive (see Chapter Four: page 103). As Marcus argues:

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the need on the part of AA’s to couch their own success in terms of how much “bacon” they bring to their AA-ship.

<sup>19</sup> It is possible that, under favourable circumstances, political appointees could pursue a coherent ideology. The existence of such an ideology would require that the Administration has a coherent approach as applied to environmental regulation. However, for political appointees to pursue an ideology might require that appointees do not become committed to the particular goals of sections within an Agency. A political appointee cannot easily be committed both to the ideology of the Administration and to the specific goals of, for example, the Superfund Program.

<sup>20</sup> See page 123 (and footnote 13) above, which discusses Hugh Heclo’s work on political appointees. The original use of the term “going native” is probably to be attributed to John Ehrlichman.

*'For the White House the objective was managing the environment comprehensively and achieving efficiency in making pollution reductions. For Congress, the goal was to make rapid progress with respect to specific pollution control problems.'*<sup>21</sup>

The conflict between the two branches, according to Marcus, became embedded in the structure of EPA. The White House had a policy perspective, and officials with a policy perspective reflected White House thinking (for example, those officials in the Office of Policy, Planning and Management (OPPM)). Most officials at EPA had a program rather than a policy perspective, with the bulk of the agency involved in program management and operations. These officials took their cues from Congress and represented the fragmented nature of the legislative branch: which passed separate pollution control laws and amended them according to different principles.<sup>22</sup> Congress placed EPA within the normal bureaucratic hierarchy, albeit separate from any Cabinet department, rather than making EPA independent of the normal framework as with most New Deal regulatory commissions; thus giving the President even more control over the agency.

Viewed from the perspective of career officials, there may be what one official called a disconnect between career staff and their political bosses:

(24) *'...the appointees come here with one very important prejudice; they assume that because we were here for the previous administration that we were tools of that administration. So anything we say is suspect. People come in who have just won an election, and so they can be extremely arrogant. You have to be philosophical about this but sometimes this is hard, it is hard to endorse what they want. We know we should not screw up a political agenda just because we did not vote for it; but if we want to we just do not provide any information that [Congress] they do not ask for directly. This is hunkering down. We did this a lot under Gorsuch [Burford].'*

In terms of the cultures within EPA, political appointees can become imbued with the ethos of a Program over time, but it has been argued in this work that these Program stovepipes do not have identifiable subcultures. Assistant Administrators are more likely to *perceive* their social reality through the glasses of their professional

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<sup>21</sup> Marcus A. (1989) "EPA" in Wilson J.Q. *Bureaucracy: What Government Agencies Do and Why They Do It* (Basic Books, New York). Page 107.

<sup>22</sup> Marcus A., *ibid.* Page 108.

background, or through the goals of the White House, than through Program glasses. Political appointees do not have the tenure in office to develop strong cultural identifications. The values generated by professional background will dominate over those values held by Program officials. Where there is a congruence between professional background and Program political appointees are likely to be strongly committed to Program goals. The interviews conducted with political appointees confirm this assertion.

However, the small number of political appointees willing to be interviewed, and their reluctance to answer certain questions, makes further cultural analysis of political appointees necessary. This is not to say that the notion of 'going native' is meaningless; rather, such a notion applies much more to very senior appointees (in EPA's case the Administrator and her Deputy Administrator, both Cabinet level equivalents), rather than the Assistant Administrators (AA's) who head Media Programs.

These responses suggest that political appointees do have effects on motivations, and many of these effects can better be understood once the cultural groupings within the Agency have been highlighted. Career officials interviewed did, in many cases, see political appointees sharing a culture not congruent with most career officials, although some careerists did report that political appointees could have positive effects on their feelings of motivations. Yet in interviewing political appointees it became very clear that they did not see themselves as separate from the Agency. Indeed, the notion of "going native" was an appealing explanation. But the most convincing explanation must be based on an understanding of the congruence between cultural divisions within EPA and the values held by political appointees. Where these coincide we find political appointees having positive effects on some cultural groupings.

One political appointee was questioned about her professional and educational background, and her reasons for joining EPA with the incoming Clinton administration:

**[201] 'I have a very strong commitment to the protection of public health and the environment which I developed in my '20's--when I was being educated I guess. My long term goals have always been focused on long-term improvements in the health of the public...in my career I was really a scientist, now I am more of a policy person.'**

The response from this AA (Assistant Administrator) supports the contention that institutional separations will not show how the cultures in EPA are oriented. It is too simple to say that all AA's (political appointees) share a culture, and that this culture determines the motivational effects that appointees have on career officials. In the above case the commitment to public health and the scientific background explain what motivates this appointee. In the view of the responses from careerists discussed earlier, it is sensible to suggest that the way that the motivations of careerists are affected will be shaped by whether the careerist is, for example, a scientist committed to public health whose boss is the appointee quoted above, or indeed whether the Administrator herself is a scientist, or committed to public health as a priority (Browner is a lawyer, but has childrens' health as a priority for her Agency).

In terms of the values of the appointee discussed here, we can find commonalities between her and many of senior scientists interviewed, and with those officials working in public health. The most important relationship between appointees and careerists which affects motivations is explained by another AA (political appointee):

**[207] 'It is not just a stereotype but science always wants more information and think the politics is to be suffered, the lawyers like process and procedure and the finer points of law more than the substance sometimes...our economists are often cold-hearted analytical types. They focus on costs first and we do not, we sometimes say 'this just has to be done.' We can disagree over costs and benefits, I do not know that economists always measure benefits correctly.'**

**[209] 'There are differences between us and the career people, but not as great as many say. The difference is that your responsibility at the political level involves watching out for political operating zones, it is not just the merits and demerits *per se* but the elements of timing, strategy, if you will, and these become very important. Our job is to stay in the zone of indifference, doing**

**your mission well enough that various constituencies leave you alone. If Congress, or the [X] Committee do not nibble at you, and the White House is happy, then we are doing our job...We have to inspire and protect our staff.'**

This appointee asserted that his work can become difficult when he has to deal with scientists, lawyers and economists. He is a generalist and sees professional tensions as the most important effect on motivations. For him, as the head of a media program, the tensions he witnesses are within a "stovepipe" and mirror professional separations. His second point is that it is the political masters, the Congress and the White House, that have important effects on motivations. The appointee is the buffer between politics and the careerists. To paraphrase the above official in terms of culture, almost every cultural grouping within the Agency is committed to mission in some sense, and the more that appointees support the mission, and in particular the values of a cultural grouping (and by extension the more that appointees insulate careerists from political arguments) the more positive the effects on motivation.

It is not that appointees simply go native: to assume they go native is to suggest that the shared values within a cultural grouping can permeate the values of an appointee in a short (eighteen month) tenure. A more useful explanation must highlight the values of the appointees who join EPA, and examine previous career, professional background, patterns in the positions they have held. In the case of the first appointee examined we have a scientist who has spent her entire career in public health. The second had spent his first year in work as an intern in EPA in 1973, soon after the Agency was created, and explains his wish to work in public service in this way:

**[207] 'I grew up poor, working class family, and government aid was very helpful in school, college in particular, and graduate school. I was always thinking I felt a debt to society, you know the kind of concept?'**

Perhaps the EPA political appointees in the Browner Administration are atypical in some sense, but given the data presented herein, we can demonstrate that there is a congruence between the values of the appointees interviewed and many of the careerists interviewed. Importantly, this congruence need not suggest "going native" but rather the congruence between the values which generate cultural groupings

within the Agency, and the values which constitute the basis of motivations of some political appointees. The praise for Ruckelshaus and Reilly described above could be evidence of the congruence between a public health scientist and two Administrators who favoured an emphasis on public health and on the importance of science.

In sum, appointees could go native more easily in the presence of an Agency-wide *integrationist* culture. Where appointees hold certain deep-rooted values it may be the compatibility with cultural groupings within the Agency that best explain how the relationships between appointees and career officials affect motivations.

## **Proposition Five**

*‘Staff and Program Officials: Staff Officials as a Fragmentation Culture’*

When analysing motivations from the institutional perspective the differences between staff and program officials are shown to be prominent. Yet these differences do not admit solely of an institutional explanation. Staff officials (those working in support functions rather than programme offices) exhibit some sharing of values (which must constitute the basis of a cultural grouping). In terms of the diagram in Chapter Two (page 34) it is possible to show that Staff officials do meet some of the criteria for establishing a cultural grouping set-out in this Table. Staff officials display agreement on the core mission of the Agency, and on the specific goals to be pursued by the organisation (External Points 1 and 2). Further, they appear to acknowledge the boundaries of cultural groupings: as the data suggest, the distinct division between Staff and Program officials is clearly delineated within the Agency (Internal Points 2,3 and 4).

The absence of a clear cultural grouping which encompasses all Staff officials is significant. Staff officials may best be categorised as composing a *Fragmentation* culture. The goals and motivations of Staff officials are shaped by their having a distinct role within the Agency. Staff can clearly delineate their role vis-à-vis Program people. Staff officials are, in many instances, motivated by values congruent with EPA’s

mission. But there are important negative effects on motivations based on the way that Staff officials feel about their roles within the Agency.

The view that Staff officials do not really do the work of the Agency (carried out “in fact” by Program people) was expressed by 7 of 12 Staff officials interviewed (in Washington DC). Staff officials remain a Fragmentation culture however because within Staff functions, even within one “stovepipe” (such as Office of Administration and Resources Management) there are noticeable differences between professional backgrounds, and between Staff functions with very different responsibilities.<sup>23</sup> Despite similarities in the effects on motivations experienced by Staff officials (feeling undervalued, or inferior to Program people for example) there is not a single identifying culture which unites all Staff officials in EPA.

However, identifiable differences between staff officials and programme officials can be highlighted. Program officials are much more closely tied to the goals of the program; yet, as noted above, officials may move program without seeming to move from one subculture to the next. Perhaps a more useful way of analysing bureaucrats in EPA is to view program officials as motivated by hands-on, observable, work practices where the results of one’s action are often visible.

The large-scale goals (consonant with Agency mission) of officials may be present in the minds of staff and program people, but program people seem to be more wedded to particular projects than do staff people. In a Downsian view we might view program people as closer to the ‘zealot’ than staff people. In terms of a cultural analysis then, there are similarities in the *perceptions* of program staff, these perceptions *persist* over time, and there are *patterns* in the behaviour of this grouping. Staff officials also meet the criteria of: *perception; pattern, and persistence*. Neither Staff nor Program officials constitute a culture, although there are shared understandings that differentiate the one from the other.

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<sup>23</sup> This Office was affected by Reinvention as a result of the separation of the Comptroller function from the rest of the OARM. As one senior OARM official described the changes “we had a real power base here and now we are about cops and mops.”

The important point to note here is that the staff/program divide not only cross-cuts Agency stovepipes, it cross-cuts groupings identified above as subcultures. For example, an official may be a staff person and a qualified lawyer; one might be a program person who trained as a toxicologist. It is incoherent to view agents as residing in two or more subcultures; it is more useful to identify sub-cultural groupings within the Agency and examine how these groupings are cross-cut by institutional separations. For example, lawyers are largely isolated from the problem of “stovepipes” because most lawyers are institutionally located in the Office of General Counsel. For toxicologists stovepiping can support a culture where most toxicologists can work together within one Program. The most important area of study in terms of motivations is those areas in the Agency where cultural groupings and institutional separations are not congruent. In the case of Staff officials, although they do not constitute a unified cultural grouping (resembling a Fragmentation culture) motivations are negatively affected by the separation of Program functions from Staff functions. As recounted in the data, Staff people feel they are not recognised by Program people as contributing to the mission of EPA.

We may ask how this division between staff and program people can be understood from a cultural perspective. The division remains important because there are real motivational effects stemming from this division. Consider for example:

**(44) ‘I would not say a big distinction, there is an attitude, that the management side is the most bureaucratic side of the Agency: it has the most rules etc., there is a schism between management and staff from that respect. We are viewed as less technical [in management] and everyone has an opinion about how to manage. That plays for some friction.’**

This response illustrates the problem experienced by senior Staff officials. Although there are many senior Staff people who joined EPA because they believed in the mission of the Agency, because they had a background in the Peace Corps, most of those interviewed suggested that they were viewed by the rest of the Agency as “bureaucrats” in some pejorative sense, as “bean-counters” to use the words of one Office Director. Motivations are affected by how one perceives oneself, and by how others view the role one plays within the Agency. In an Agency where mission is elevated to the position of a crusade by some staff, and where mission affects the goals even of those officials not committed to environmentalism in any strict sense (see Chapter Six), the consequences of Staff officials complaining that they are not respected in terms of the work they do to

further EPA's mission there are serious effects on motivations. These effects are the result of an institutional separation of Staff and Program functions, and of the creation of a Fragmentation culture across Staff officials which separates them from the other cultures within the Agency.

**(13) 'When you get into the program side the focus is narrowed, you focus, say, on the sources that pollute air. If you are on the research side you are looking into what the pollutant is; what the impact is. In management you look at how I can alter the risk from this source, what the cost of the solution is. There are distinctions here, and not many places where they come together.'** (Interview August 13<sup>th</sup> PM)

This response suggests that, in the absence of an institutional change in the structure of the Agency, the culture of management (albeit a Fragmentation culture in terms of Table 1) will continue to affect the motivations of many Staff officials within EPA.

**(10) 'like NASA we are a very specialist agency...so the program side of EPA sees the staff people as support; we have the language of customers, the program people are our customers. There are tensions in offices like strategic planning, as they move from support to front-line issues and become part of the main mission. There is then a tension between those offices that are truly support and those that are part of the front-line mission insofar as they work directly with the program offices.'**

Again, this response emphasises the disjunction between Staff and Program officials. In terms of effects on motivations we can link the separation between the two groups of officials to the problem of "proximity" outlined in Proposition 7. The essence of the problem of motivation for Staff officials must be explained in terms of the detachment, or distance, from the actual hands-on implementation of environmental policy. Staff are not directly involved in implementation of policy at the grass-roots level, and the perception that Program officials see Staff as "bean-counters" reinforces the negative effects on motivations highlighted in the data.

The staff/program divide is best understood as a manifestation of the divide between professional groupings. It is not unreasonable to equate program people with the grouping of research scientists employed by Marcus (1980b<sup>24</sup>); primarily this group

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<sup>24</sup> Marcus, A. (1980), *EPA* in Wilson, J.Q. (ed.) (1980b), *The Politics of Regulatory Reform* (New York, Basic Books).

includes scientists and engineers. Staff people may include lawyers and economists but will, at the senior levels, include program people who have reached a level where a management (staff) position is the next logical step in a career. To attribute a cultural grouping to staff people is problematic. We can identify certain patterns that persist over time, but perceptions across staff people may differ depending on whether one has worked in the regions, or whether one was a program person before taking a staff position.

The most convincing categorisation of staff people then, is the *fragmentation* approach, wherein there is a multiplicity of vantage points and beliefs; this approach does not assume that cultural members have shared expressions. Consensus may not emerge across such a grouping except in transient issue-specific ways, not on a sub-cultural basis. Program people are best understood in terms of their identification with subcultures grouped along lines of the congruence of professional divides and institutional separations. Interviews conducted with the lawyers in the Office of General Counsel, and the opinions of economists and marine biologists on spending in the Water Program, suggest genuine differences in the values which officials attach to different programmes and to the pursuit of various strategies.

The data suggest that there are real tensions between staff and program officials. Importantly, the data show that these tensions do not follow institutional divides in all cases. The divisions within offices like Strategic Planning (see quote (10) above) are not determined by institutional separations but by sub-cultural groupings conflicting within institutional matrices. A further point is that the divide between program and staff officials will often turn on the differing perspectives towards regulation between the two groupings. This difference can be viewed in terms of the debates between professional disciplines relating to how best to conduct regulation. Risk assessment is prevalent among program people; staff officials may be concerned with litigation or cost benefit analysis in many instances. Interviews conducted at the Science Advisory Board (SAB), which brings together experts from different backgrounds within the Agency, and experts from academia and business, suggest that important differences existed between people from different professional backgrounds that led to disagreements over funding for projects, over the utility of risk assessment versus cost-benefit analysis, over the way

that the mission of EPA was best pursued. These disagreements have lessened, according to senior members of the SAB, as members have become more accustomed to the different perspectives held by members from different backgrounds.

A final point to note is that within programme offices there are officials employed in staff positions to the extent that they are managers rather than front-line workers. Again, the most important cultural determinant with respect to motivations is professional background, and not the particular position: whether staff or program, that one is in. Some staff positions are filled by officials who had worked in programs for any years. Such officials appear in the data to be motivated by sub-cultural groupings underpinned by professional background. That one is a staff official is secondary to whether one is a scientist or a lawyer *etc.*

It is necessary to assess whether mission-commitment, or the manner in which mission is pursued differs between Staff and Program officials. It is likely that differences in how mission is perceived and pursued will have real effects on motivations. One Staff official explains:

**[53] ‘I am in the nuts and bolts of how government works, but it is different to the Programs; this is the housekeeping function, and we are removed, abstracted, from environmental statutes and laws. People may be zealots about how they carry out some processes, but there are few people in this Office function who seem passionate about what they do.’**

This response supports Hypothesis One, that mission is not in itself sufficient to explain motivations. Other responses support the above contention that Staff officials are less motivated by the mission of EPA, one reason for which lies in the institutional separation of Staff officials from the hands-on (Program) work of the Agency. Further, as the above official explained, it is difficult to feel motivated when uninvolved directly in, for example, the clean-up of a Superfund site. It is not contentious to argue that the nature of the role one plays within the Agency will affect the motivations of officials. What is important to note here, however, is the effect which institutional and cultural separations have on the motivations of Staff officials. These effects appear, at least from the data discussed here, to be primarily negative.

## Proposition Six

*Professional Disciplines: Foster sub-cultural consensus and can cross-cut Institutional divisions*<sup>25</sup>

The data presented below suggest that the academic/professional background of officials will affect their pursuit of goals of environmental regulation (i.e. CBA; risk assessment; litigation) and hence how one both *perceives* and *pursues* mission. Three main points must be established if a Cultural perspective is to appear as a feasible explanation of how subcultures affect motivations: *perception*; *patterned action*; *persistence over time*.

Firstly, in terms of the perception of mission: it remains the case that different professional groupings identify with the over-arching *integrationist* elements of Agency mission. For example, of three lawyers interviewed in the Office of General Counsel, and four in the Office of Enforcement and Compliance, the common thread across answers relating to who one joins EPA was very similar to the comment:

**'I joined because of an interest in environmental issues. I wanted to work in the environment.'**<sup>26</sup>

But the first criterion to meet is that there is a *patterned* behaviour within a grouping that qualifies as a particular way of viewing, or *perceiving*, social reality.

The data do suggest that such *patterned* behaviour, and a similarity in how social reality is *perceived*, exist within professional groupings. If it can be established that these subcultures are not only separate from institutional context (whether one is a lawyer in Air; or an economist in Water), and that cultural divisions cross-cut institutional divisions, then there are good grounds for disagreeing with Hall's contention that culture can be reduced to the reaction of agents to the matrix of institutional constraints encountered. The further point is that, with respect to *persistence*, subcultures based on professional/academic background pre-date officials joining the Agency, therefore making it difficult to view these subcultures as the product of institutional factors.

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<sup>25</sup> Subcultures are defined in this work as cultural groupings which co-exist, compete, within one organisation. Subcultures can be defined in the same way as culture, with subcultures representing the existence of more than one culture within one organisation.

<sup>26</sup> Some of these data were obtained in interviews conducted during research for the M.Phil exam; the date of the interviews was September 1995. Much of the data was obtained in interviews conducted at the Office of General Counsel.

As Marcus argues, EPA is divided along lines of professional background. Primarily, the agency can roughly be split into lawyers; economists; engineers; and research scientists.<sup>27</sup> In order to suggest that a *differentiation* culture is of use in understanding how subcultures cross-cut the Agency it is necessary to show that a patterned way of thinking (and hence, within institutional constraints, behaving) can be observed. All play important roles in trying to achieve statutory goals in the period specified by law. Lawyers populate the Office of General Counsel and have considerable prestige within the Agency (although, as the data show, lawyers are not popular with every official). Ruckelshaus, himself a lawyer, had brought many young and ambitious lawyers into the Agency, and he gave them responsibility for enforcement.<sup>28</sup> Ruckelshaus stressed EPA's enforcement duties and not just its research responsibilities.

Unlike lawyers, who were wedded to decisive action and legal standards, economists in the Agency were engaged in efforts to generate economic efficiency, with an emphasis on the importance of cost considerations when examining regulatory policies. An emphasis on the finite nature of resources, opportunity cost, and the need to make choices were to the fore in the considerations of many of the Agency's economists. Though the economists in EPA were a small proportion of total employees and entered the Agency later than attorneys, they ran the regulatory decision-making process. From their position as managers of regulatory decision-making they had the Agency examine alternatives and could, in many instances, recommend what they calculated as the least costly options.

Consider these responses:

**(21) 'EPA managers tend in the main to be engineers or lawyers, especially lawyers, and I think a lot of what EPA does and how it does it reflects managerial demographics; there are very few economists at senior levels. Cost Benefit Analysis and its uses are not appreciated by management. Professional background clearly drives environmental policy.'** (Interview July 31<sup>st</sup> 1997 PM)

This senior official (working in a Program Office in Washington) is the head of a team of economists, and argued that his specialist knowledge was consistently undervalued. He suggests that the question of who wins out in decisions about policy always favours

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<sup>27</sup> Marcus A. (1980), *ibid.* Page 288.

<sup>28</sup> The earlier pollution-control authorities had almost no lawyers on their staff.

those elements of management who can, in his words, “shout loudest.” This official suggests that economists are not numerous, neither are they lodged together in one office. It may seem obvious to find a specialist saying that his skills are undervalued, but there is an important point to note here. All of the economists interviewed argued that costs and benefits were given less weight when considering options than were the views of research scientists, who are viewed (by economists) as giving little weight to considerations of costs. Economists tend to be spread throughout Program Offices and this might account for their being unable to argue effectively with the numerous research scientists within each media programme.

The institutional isolation of some specialisms, combined with the inability to develop a cultural grouping because of the lack of a consensus on language, on group boundaries, and on who is included and who excluded from the group, have important effects on motivations (see the diagram in Chapter Two, page 34).

**(22) ‘Absolutely [professional groupings have important differences]. This is why I said it depends on the background of the people coming in. If you have industry people they have a different vision. How you develop regulation depends on your background. Scientists want to know “can you prove it?” Lawyers is it enforceable? And economists is it efficient, have we used CBA?’** (Interview July 31<sup>st</sup> 1997 PM)

**(57) ‘An attorney and a scientist look at things differently, they are not wrong it is just that their goals are different.’** (Interview August 13<sup>th</sup> 1997 PM)

**(27) ‘They have their own way of thinking...and this can be a stumbling block.’** (Interview August 28<sup>th</sup> 1997 PM)

Each of these responses emphasise an especially important claim: that the “vision”, the “goals”, the way one pursues mission, in short what can be described as the values, beliefs and attitudes that motivate officials are in large part dependent on the professional and educational background of the official in question. This claim supports our first hypothesis, that mission is not representative of an all-encompassing singular Agency culture. Rather, where professional disciplines are united neither in a cultural grouping nor an institutional grouping (as with most economists) there is little scope for the development of sub-cultural consensus. Where such consensus can develop (as in

the Office of General Counsel) we witness the reinforcement of the dominant values of the group.

Negative effects on motivations can be attributed to the clash of professional groupings which occurs where professional specialisms are grouped together in such a way as to generate sub-cultural consensus. Such groupings can compete in terms of favoured ways of pursuing mission (Cost-Benefit Analysis, Risk Assessment) and in terms of which aspects of mission should be emphasised.

Consider the following responses:

(63) ‘CBA; risk assessment *etc.*, are supposed to be different stages of the process, but sometimes they work against each other.’

(48) ‘There is a different mindset...different motivations.’ (August 19<sup>th</sup> 1997 PM)

In talking to officials from different disciplines, there was a sense in which the overarching mission of the Agency was agreed upon, and the motivations for joining EPA were similar in numerous cases; however, the methods of regulation; the disagreement over how best to achieve environmental goals, and the motivations of officials from different groupings did differ across these groups. The above data suggest that economists feel under-represented in the Agency, not numerically, but in terms of the lack of impact which cost-benefit methods have in the crafting of regulation, and whether this is nominal or real, it shapes motivations.

The comment from the above economist was supported by the vast majority of economists interviewed across the Agency. A sense that management was not favourable to CBA affected the motivations of Agency economists. There was a pattern in the data in terms of how economists perceived Agency mission. Further, this pattern does not look like the manifestation of institutional factors alone. Differences based on professional discipline have a persistent aspect insofar as they often pre-date when an official joined EPA, and persist over time, even when an official moves her position within the Agency.

To qualify as a *differentiation* culture, professional groupings must make sense in terms of the definition of such a culture, as propounded in Frost *et al.*. To recap, ‘...to the extent that consensus emerges, it does so only within the confines of a subculture. At the level of the organisation...differentiated subcultures may co-exist in harmony, conflict, or indifference.’<sup>29</sup> The data suggest that such subcultures, based on professional groupings, can co-exist across media programs and within offices. However, institutional stovepipes and subcultural groupings are not insulated from one another: the two variables may pull in opposite directions, generating complex affects on motivations. Sub-cultural groupings in EPA often come into conflict, perhaps the most prominent arena for this conflict being the debates over how best to conduct regulation.

Lawyers, scientists and economists often disagree as to the best way to write regulations (see quotes (22), (57) and (63) above). The institutional manifestation of these subcultural differences could be the Science Advisory Board (SAB); which was designed to exploit a diverse pool of knowledge of drawn from experts working in unison in a cross-disciplinary atmosphere. In the words of a senior official at SAB:

(27) ‘here at SAB we tend to bring all professions together...we bring in all subject matter experts. There is a lot of professional rapport and respect for each others views. The economist will ask the toxicologist and will listen; you have to get used to differences in terminology, but as people learn acronyms we begin to work well together. We have to work together: we get thrown together in groups and have to get things done.

This suggests an increasing convergence of views across disciplines. However, divides remain which feed into motivations. When an official feels her background is not one favoured by senior management; when the means of writing regulation is viewed as the result of a flawed process, motivations are affected. These patterns of behaviour are congruent within disciplines but not always congruent along the lines of the stovepipes. In sum, the differences suggested by the data are not reducible to institutional explanations alone.

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<sup>29</sup> Frost, P.J. *et al.* (1991), (eds.) *Reframing Organisational Culture* (Sage Publications, Newbury Park, CA). Page 9.

## Proposition Seven

*Cultural Differences between Washington DC and Region III highlight important cultural divisions within the Agency*

This point presages the discussion of the Region III regional head offices in Chapter Six. There are two main points to be made here which reflect important effects on the motivations of EPA officials. The first point to note here is that the separations we have delineated within EPA headquarters in Washington DC are not simply mirrored in the regional and sub-regional units of EPA. The cultural groupings within Washington reflect a particular institutional structure within which there are groupings of officials who have sufficient elements in common to be classified as a subculture.

In Region III one of the most important effects on motivations is the direction imposed by Headquarters (see Chapter Six). Where Region III staff experience policy changes, or institutional changes, as a result of directives issued by Headquarters we notice considerable negative effects on motivations. The culture in Region III, an office with only ninety or so staff actually on-site (as opposed to out in the field) resembles more closely an Integrationist culture than does Washington Headquarters. In this Region officials work in an organisation which, although the Regions are stovepiped, does not mirror exactly the structure of Headquarters. Region III is separated along lines of media but, because of the close proximity between officials in Program Offices, there is more communication and co-ordination of activity within the Region III Office.

Professional divides are less prominent in Region III with officials often working together across these divides. Further, there is far greater scope for co-operation across stovepipes and less scope for clearly delineating sub-cultural boundaries that define who is in and who is out (see Table1). Also, Staff officials are closer to the results of environmental activities and, although not as involved with as Program officials are, nonetheless do not report the feelings of detachment and lack of importance reported by Staff officials in Washington.

Although the discussion of Region III is presented in Chapter Six, the point to note here then is that cultural groupings differ from Headquarters to Region III and, further, an

understanding of the institutional structure in each Region will not necessarily shed light on the factors affecting motivations in the Regional Offices.

## **Proposition Eight**

*The problem of “proximity” and the creation of a Differentiation culture, Wheeling WV as a test-bed: Wheeling has an Integrationist culture, but it is a culture at odds with the general direction established by superior levels of the Agency*

One very important effect on the motivations of officials within EPA can be attributed to the “proximity” of officials to the tangible results of their actions. One can understand aspects of the Staff/Program divide in terms of *proximity*, notably the negative effects on the motivations of Staff officials can, at least in part, be understood in terms of a feeling of detachment from the central mission of the Agency. Further, the view expressed by many Staff officials, that Program people are viewed within the Agency as more central to the mission of EPA results from the “proximity” of Staff officials from the results of their work.

So too can one explain elements of the motivation that many Program officials express in terms of the satisfaction experienced when goals are met, and the mission of the Agency furthered. Some of the data on professional divides emphasised the unwillingness of senior scientists to take management positions (effectively refusing promotion). One powerful explanation here is the desire to remain within a cultural grouping (for example, maintaining a working relationship with fellow toxicologists in the Water Program). Another element of the explanation must focus on how strongly officials feel they make a difference to the mission of the Agency. Once one moves outside of the Washington Beltway the importance of *proximity* becomes more important.

In the Regions, as Chapter Six demonstrates, motivations are heavily contingent upon the way in which mission is pursued, and the way that mission objectives are achieved. For Program people in Region III, positive effects on motivations are experienced when goals are achieved. In Region III, like Headquarters, mission is not the same for all officials but, given the values which motivate staff and an understanding of how

officials perceive their mission, we can assert that the proximity of officials to the results of their work has important effects on motivations. The impact of Reinvention, insofar as reforms altered the institutional structure in Region III as well as changing the cultural boundaries within the Philadelphia Office, had negative effects on motivations.

A reasonable explanation for the more pronounced effects of Reinvention in Region III (in comparison to Washington, DC) is the proximity of Region III officials to the results of their work. Region III officials complained that their organisation (that is, Region III, not the entire EPA) had been made less efficient by the reforms, with effects on the ability of the organisation to undertake its mission. Cultural divides in Region III are less pronounced than in DC, and a more *Integrationist* culture is present. Such a culture exists in part because of the much smaller organisation in Region III, but exists also because stovepipes are cross-cut by teams working together to solve very specific and, in some sense tangible, problems.

In the Region III field offices in Wheeling, West Virginia the data suggest that EPA officials are more closely tied to the concerns of State and Locality than they are to the mission of EPA, defined in general terms.<sup>30</sup> Wheeling has only twenty or so staff, and the relations between the local environmental agencies, the State environmental agencies, and the EPA field office are very close. It is the proximity of Wheeling officials to the results of their work which generated the passion exhibited by so many of the officials interviewed. Yet this zealous commitment was tempered by a dislike for the “interference” of the Region III offices and, more pronounced yet, the distrust of Washington officials who were viewed by all Wheeling officials as detached from the “real work” of EPA. As such, motivations were effected by directives from higher echelons in the Agency that in any way “interfered” with the work that the Wheeling office was undertaking.

To quote one Wheeling official:

[301] ‘before EPA was formed we had raw sewage in the Ohio River right outside here; you couldn’t see through the water even if you had it in a glass. It was common to see black skies over Pittsburgh...young people have never seen the pollution that we grew up with. I have seen the

## EPA's Strategic Plan: Why Reinvent? (6.2)

*'Our new strategic plan points to a new generation of environmental protection. We are moving from sole use of media-specific regulation to an approach that employs flexibility, innovation, and common sense, along with traditional approaches, in meeting our environmental goals. This new approach requires us to change the way we operate and assume that the skills and talents of every employee contribute to fulfilling our environmental mission.'*<sup>13</sup>

*'It is time for EPA to link its budget to clear policy goals and measurable environmental results. Only then will we be able to tell the public what we are going to do to protect communities health and the environment, how we will do it, how much it will cost, and when we will deliver results.'*<sup>14</sup>

Every federal agency was, by September 1997, required to develop and submit to the Office of Management and Budget (OMB) and the Congress a strategic plan which included:

- i) a comprehensive mission statement;
- ii) statement of general goals;
- iii) objectives covering the major functions and operations of the agency; and which were to be updated every three years.

The challenges identified in the Plan identify the rigidity of command-and-control regulation as at least partially responsible for 'insufficient flexibility in regulatory requirements' which impose considerable costs on industries (p8). The concomitant focus on 'end-of-pipe' regulation is another area of regulation viewed by the Administration as in need of reform. In short, the Plan states that EPA must address the limitations which exist within the current regulatory system and prepare to manage new risks as they emerge.

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<sup>13</sup> Memorandum, EPA Administrator Carol Browner, August 8<sup>th</sup> 1994 (quoted in *Reinventing EPA- Steps Towards A Stronger Workforce*, EPA OARM)

<sup>14</sup> Strategic Plan Draft Copy, June 1997 page 3.

## **The Major Tenets of the Strategic Plan: September 1997**

- 1) Improving the relationships within EPA-- internally and externally-- building alliances with a number of partners, with a special focus on improving relationships with the states.
- 2) Improve budgeting and planning. EPA created the office of Chief Financial Officer a year ago to integrate planning, budgeting analysis, and accountability activities throughout the Agency.
- 3) The use of performance-based approaches that create incentives for improvement. For example, Project XL (eXcellence and Leadership) which offers regulatory flexibility if alternative management strategies promise better results than would otherwise be achieved under the current regulatory system.
- 4) Reforms to the regulatory process of setting standards and writing regulations, issuing permits, collecting reports on pollution, and enforcement actions.
- 5) The use of management strategies tailored to the needs of specific industries, and the move away from regulations structured to control pollution in specific media (the stovepipe problem manifest in regulations), such as air, water, land, not from specific industry sources. Industries are often faced with the problem of having to track, understand, and comply with multiple requirements under each environmental statute.
- 6) The Common Sense Initiative involves EPA and so-called 'stakeholders' (industries, communities *etc*) in an exploration of how to replace the pollutant-by-pollutant approach with a more comprehensive industry-by-industry approach.
- 7) Community-Based environmental protection has generated tailor-made environmental management strategies at the local level. Grants have been made available to concerned stakeholders in order to enable them to understand technical issues affecting their community, a Web-site has been created, a right-to-know program instigated.
- 8) The use of facility-wide and multimedia permits as an alternative to the traditional issuance of multiple permits for one location.

| <b>Attribute</b>                 | <b>Reform Effort</b>                                   | <b>Results</b>                                                                                          |
|----------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Flexibility with accountability  | Common Sense Initiative                                | Over 40 projects testing industry-by-industry approaches to environmental regulation                    |
|                                  | Project XL                                             | Three projects using alternative regulatory approaches                                                  |
|                                  | Brownfields                                            | Over 70 communities cleaning up abandoned, idled, or under-utilised industrial and commercial sites.    |
|                                  | Permit Improvements                                    | Streamlined administrative processes, flexible permit approaches and increased public participation     |
| Better public access to info.    | One-stop report                                        | Eleven states developing and testing integrated environmental reporting systems                         |
| Strong partnerships              | National Environmental Performance Partnership Program | Performance Partnership Agreements with nearly half of the states                                       |
|                                  | Voluntary Programs                                     | Over 7,000 companies voluntarily improving environmental performance                                    |
| Easier compliance with env. Laws | Compliance Assistance Centres                          | Four centres operating to help small businesses better access and understand environmental requirements |
|                                  | Environmental Leadership Program                       | New mechanisms to encourage and recognise strong compliance                                             |
| Less red tape                    | Line-by-line review of regulations                     | Total regulatory burden cut by nearly 16 million hours<br>(Taken from EPA Strategic Plan: page 10)      |

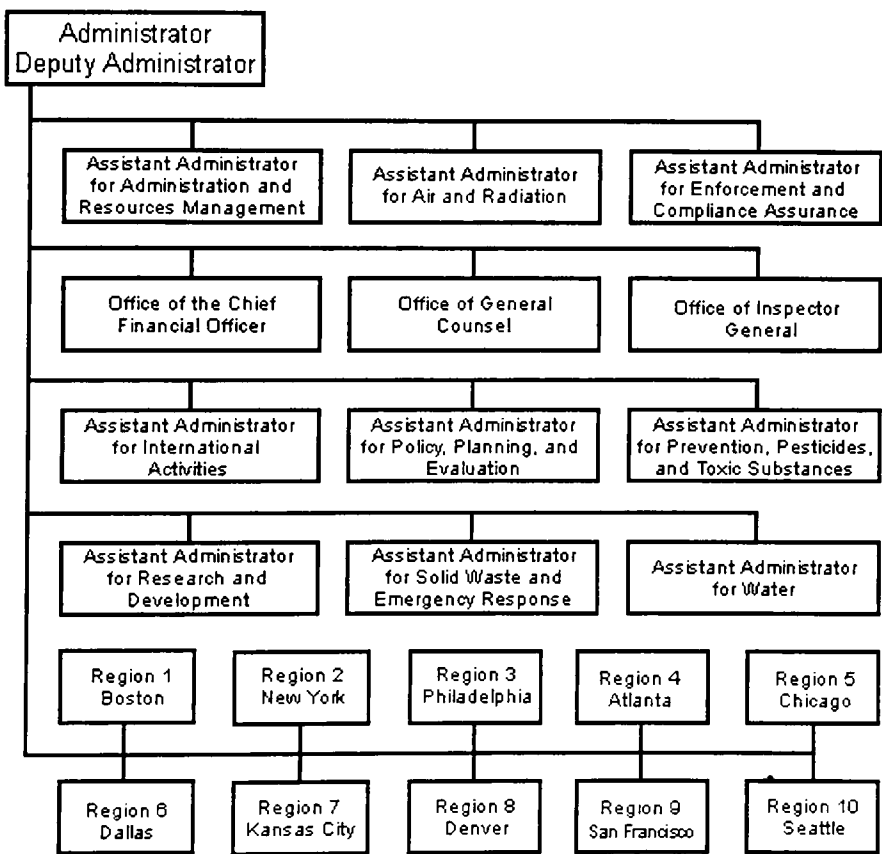
This summary of the main points of the Strategic Plan highlights the direction that EPA's Administrator wanted to move in. Although the Administration had given EPA five years to complete those reforms outlined in its Plan, Administrator Browner stated that the Agency would complete its reform in only two years. Significantly for motivations across the Agency, such a short time-scale for such major reforms led to many officials in all parts of the Agency being adversely affected in their motivations both by the content of the reforms and the speed with which they were implemented. How motivations were affected by reform is examined below.

# Motivations in Washington Headquarters

## The Institutional Effects of Reinvention (6.3)

*'The importance of formal organisational structure declines in a reinvented EPA. Behavioural patterns are more important than formal structure in determining effectiveness, and most work is accomplished through myriad informal, interconnecting relationships that cut across formal organisational lines. Thus, while the structure of an organisation is still important, flexible, "boundary-less" groups will be most effective in meeting future challenges.'*<sup>15</sup>

EPA's Organisational Structure:<sup>16</sup>



Although useful, this chart fails to convey the institutional stovepiping within EPA which has important effects on the motivations of EPA officials. The diagram does suggest why the Regions are largely autonomous from headquarters, the lines of accountability run from the Regions directly to the Office of the Administrator. The Regional Administrator must answer only to the Administrator and her deputy and not

<sup>15</sup> *Reinventing EPA: Steps Towards a Stronger Workforce* September 1994 page 41.

to the Assistant Administrators between the Regions and the Administrator. That regional Administrators are equivalent to Assistant Administrators (AA's) in terms of power and autonomy is important was discussed in Chapter Four and is also important to an understanding of motivations in Region III.

The quotation at the top of page 157 correctly states that 'behavioural patterns are more important than structure' in determining the effectiveness of an agency. Institutional charts are of very little use in establishing how effective an organisation is, or is likely to be. The question of what determines effectiveness is important, as is the related question of what shapes, and re-shapes, motivations. Reinvention of EPA failed to predict how organisational restructuring would affect the sub-cultural within the Agency. The literature on Reinvention emphasised behavioural patterns, and how such patterns could be re-shaped, but the reforms themselves focused on institutional change without considering cultural factors. This was to ignore the relationships between cultural embeddedness and patterns of (overt) behaviour.

Only by acknowledging the interconnectedness of structure and culture could Reinvention succeed in moving the Agency in the direction of reform. This Chapter will show that some of the causes of Reinvention's failings lie with the wholesale acceptance of the theories generated by New Public Management. A reliance on one approach only, as the Trifocal model highlights, can lead to an incomplete strategy of reform.

Administrator Browner states that:

*'One of the most challenging aspects of our Reinvention effort is to change...our various infrastructure roles...and behaviours. We have had many successes using the traditional media-specific, "stovepipe" organisational structure, and our traditional way of thinking and operating. However...it is clear that an eco-system, sector-based, cross-media approach...is more effective'*<sup>17</sup>

There are two major aspects to the Reinvention of EPA: the first involves an emphasis on developing shared 'vision' and 'values', and 'empowering' the workforce. The

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<sup>16</sup> Reproduced from <http://www.epa.gov/epahome/organisation/> (July 3<sup>rd</sup> 1998).

<sup>17</sup> Browner, C. *Reinventing EPA: Steps Towards a stronger Workforce* 1994 EPA OARM.

second involves 'creating an organisational infrastructure that meets the intent of the NPR.'<sup>18</sup> The second of these is examined here.

The institutional reforms undertaken at EPA followed the remit provided by NPR (which applied across the entire federal government). NPR states:

*"Top down bureaucracies no longer work very well in either the public or private sectors. As cutting-edge businesses have done, we must streamline our operations, cut management controls, and empower our workers."*<sup>19</sup>

NPR and various Executive Orders imposed very specific demands on EPA to alter its institutional structure as specified by the NPR. The most important of the demands imposed by the NPR are:

- 1) A flattening (delaying) of the organisation
- 2) An increase in the number of staff per supervisor
- 3) Streamlining of EPA processes through employee involvement

The obvious pressures imposed on any organisation subject to widespread and rapid change were increased when Administrator Browner announced on August 8<sup>th</sup> 1994 that the deadline for organisational and workforce Reinvention would be brought forward to September 30<sup>th</sup> 1996. This date is two years earlier than the stipulation of the Executive Order mandate. The rationale behind the acceleration ostensibly being to increase the aggression and commitment with which EPA would be reinvented.

The rationale underpinning the second point above, the change in the staff to supervisor ratio, is intended '*...to help the Agency move...from the traditional rigid, hierarchical organisation where work is compartmentalised and control-based, to a flexible, innovative, and more responsive organisation.*'<sup>20</sup> The literature published by EPA describes an organisation 'characterised by a traditional, top-down, multi-layered, stovepipe structure, with a control-based management style.'<sup>21</sup> The organisation is segmented into divisions and programme groupings separating staff who work on related problems and creating artificial organisational boundaries and

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<sup>18</sup> *Ibid.*,

<sup>19</sup> *Ibid.*, page 1.

<sup>20</sup> *Ibid.*, page 2.

<sup>21</sup> *Ibid.*, page 2.

barriers. Critical decision-making power resides at the top in the hands of the political appointees, along with traditional management control vested in the hands of the Senior Executive Service, the most senior level of career officials.

To reinvent itself, EPA combined organisational restructuring with a change in the 'vision and values' of the Agency as outlined in the Strategic Plan. In the words of the Plan, the goal of restructuring is to 'eliminate unnecessary layers and refocus on the Agency's customers...and eliminate unnecessary layers of oversight.'<sup>22</sup> What EPA claimed would result from de-layering can be summarised as:

*'Flexible, flatter structures enable an organisation better to adapt to change and respond to new opportunities more effectively than ones which are compartmentalised and rigid. Flatter ways of organising encourage information flow among offices and programs, thereby providing each area with the information needed to respond to a changing environment.'*<sup>23</sup>

The crux of de-layering comes from the Executive Order mandating federal agencies to double the number of staff for each supervisor. The goal at EPA was an increase in the ratio of manager to employee from 1:5.5 to 1:11. But eliminating management positions does not guarantee that layers of bureaucracy will be reduced. The reduction of the number of different positions within a Program Office need not, by itself, reduce the number of layers in an organisation, nor must it create a more flexible, less bureaucratic, structure.

The senior managers in the Agency viewed structural changes as having a cultural component, indeed the Strategic Plan claims that 'the most important factor necessary to make any Reinvention tool work is behavioural change.' With a wider span of control, managers cannot remain technical experts and must spend their time managing up, down, and across the organisation. 'This requires a cultural change for EPA.'<sup>24</sup> The impact of reform is highlighted in the interview data discussed below, but we should draw attention to some more important aspects of institutional reform.

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<sup>22</sup> *Ibid.*, page 3.

<sup>23</sup> *Ibid.*, page 42.

<sup>24</sup> *Ibid.*, page 43.

An intended consequence of de-layering was that 'junior staff will have to look to more experienced employees for assistance and guidance.'<sup>25</sup> Again, this is a seemingly innocuous reform which damages motivations, particularly in region III. We should note that in all areas of the Agency, both regions and headquarters, managers that are no longer managers are in effect 'displaced.' The consequences of displacement on motivation is not insignificant, with junior staff suffering from a lack of confidence in their work as a result of the lack of guidance provided by senior managers. Displaced managers were disgruntled by what most of them saw as an effective demotion. Data on these effects are considered later in the chapter.

A further intention of reform was the increased flow of information across the Agency, facilitating a more collaborative culture. 'Motivation can be increased through reducing layers and providing opportunities for recognition.' However, the effect on motivations, and the collaborative culture, were less easily achieved than the authors of the Reinvention literature anticipated.

The above is a summary of what the literature on reform emanating from EPA suggests will result from Reinvention. However, the data on Reinvention suggest that the process of reform, and its concomitant effects, uniformly straightforward and successful. The interview data on Reinvention collected in Washington Headquarters highlights many of the costs, and the benefits, of the Reinvention effort. Consider these responses:

(23) 'We are starting an experiment now and we need to see if it works. A couple of our regions have an Economic Protection Division rather than an Air Office *etc.*, and we need a few years to see how these work regarding the goals of public health and environmental protection. We can, in a reinvented agency, delineate the water resources and air resources and say, you can have 40 water people and 50 air people, but you can use these people in whatever way you want, so you can decide the flexibility. So far the structure seems to be working reasonably well...if there is a problem we think it will be communications, not across programs but from regions to DC. Who do you talk to in HQ if we do not provide policy for you; who do you go to; you can call an air person in region three but not region one. That could be a problem for us here.'

This response raises an important question, namely how communications will work between Headquarters and the Regions if the Regions move away from media stovepipes to a more holistic form of organisation, or at least an organisation based on

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<sup>25</sup> *ibid* page 45.

functional groupings not congruent with the organisation of Headquarters. As suggested in Chapter Four, the institutional structure of EPA gives the Regions considerable autonomy from the Program Offices (AA-ships), and this autonomy is valued by most of those staff interviewed in the Regions but is a cause of concern for senior managers in Washington. The person quoted above was optimistic about the Reinvention effort and saw reform as a positive process. Other managers in Washington were less optimistic, and many staff in Region III were highly critical of reform.

**(22) 'The budget side is always two years ahead, thinking about '99 while we are spending the '97 budget here. This drives a stake through the Agency. We need to integrate. At the moment the budget is integrated with the planning process, I think that is necessary...but we need to bring together how the money is spent and the planning...accountability.'**

This response suggests another area in which many Washington officials argue that reform is needed. Senior Program Office managers, and those managers in economic and accounting functions in particular (Support functions), view the budget process as having negative effects on the motivations of many EPA officials. Senior officials complained that any budget appropriation had to be spent because it would be reduced in the next budget cycle if not used in full. Reinvention, and GPRA in particular, emphasises value for money. The move from a one-year to a two-year appropriations cycle has reduced the end of year rush to spend budgets, allowed for greater planning of longer-term projects, and has, according to most of those officials interviewed in Washington, created more accountability and more prudent spending.

Other aspects of the Reinvention have met with less approval:

**(5) 'Some of the changes were very positive...but the ratio change from 1:5 to 1:11 meant that, because of the hierarchy, certain people are now supervising maybe 20 people, maybe more when this reorganisation happens in the regions And some Regions did not parallel the changes in DC. Some of the jobs established recently may be un-do-able for human beings. Some of the literature on private industry suggests that they are going back to reducing the span of control, while the federal government is going the other way.'**

The reform which generated most debate in the interviews (particularly in Region III) was the change in supervisor to employee ratio from 1:5.5 to 1:11. As official (5)

explains, the demands placed upon managers to manage twice as many staff were massive. Combined with the resentment of displaced managers required to supervise junior staff on an ad hoc basis, this reform severely affected the motivations of senior managers in Washington. That many managerial positions were viewed as having become **'impossible for human beings to do'** is testimony to the feeling of alienation expressed by many managers at what they saw as reforms imposed with no thought for the consequences for those working in EPA. Official (5) believes that many of the reforms of Reinvention are underpinned by outdated private sector models which **'are going back to reducing the span of control, while the federal government is going the other way.'** Further, she feels undervalued by political actors who impose reforms which do not consider sufficiently the effects that such reforms will have on those asked to implement them. This so-called 'disconnect' between senior career officials and the political actors (be they in the White House, Congress, or within the Agency) has important and detrimental effects on motivations.

Another senior Washington official states:

**(1) 'By and large the [reforms] were a good idea. We have recently split planning and budgeting functions and taken them away from the rest of the administrative functions. I think this is a mistake. In our AA-ships we have created too many offices; I would consolidate some of them. Also get the ten regions down to six or seven. We have labs and offices out in places we do not need. West Virginia being an example, but we cannot lose the office because of Senator Byrd.'**

This response suggests that managers are not unanimous in their opinions regarding the Reinvention effort. Each official interviewed had a view as to what should happen to the Agency and how it should be reformed. Many senior officials wanted to eradicate some of the Field Offices, and others argued for a reduction in the number of Regions. The above response highlights the difficulty in removing Field Offices, with the mention of Senator Byrd serving as an illustration of the political pressures that allow politicians to resist the removal of Field Offices. Senator Byrd is a powerful politician whose power stems from his longevity in Congress and his position as the Chairman of the Senate Appropriations Committee.<sup>26</sup>

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<sup>26</sup> Senator Robert C Byrd a Democratic Senator for West Virginia. First elected in 1958, Senator Byrd has developed his power as Chairman of the Senate Appropriations Committee such that some scholars argue that his power rivals that he once held as the Senate Democrats' floor leader. Byrd, though 82 years old in 1999, meets with the 12 sub-committee chairman to hear about their spending needs. He is responsible for recommending how \$200 billion of domestic spending and another \$300 billion (1993 figures) for defense spending is appropriated. For EPA to threaten the West Virginia Field Office (in Wheeling, WV) is to risk the opposition of Senator Byrd.

Some of the reforms of Reinvention failed to address more fundamental institutional problems, as one senior official explains:

(9) ‘...there has always been a great tidal force between Congress and the Executive...but right now the effect is profound [August 6<sup>th</sup> 1997]. The legislature does not behave as a body which should write the statute and let the executive carry it out, it behaves as a frustrated executive, as a board of directors seeking to affect the implementation of statutes. In the 105<sup>th</sup> Congress we had open hostility to government and a naïveté about the economic role that regulators play in our society. They were of the view that regulation is bad, kill it. This created absolute havoc. The 106<sup>th</sup> is a lot smarter. We were founded in a big hurry, Nixon had to do something to look like an environmental leader; Ed Muskie was a rival back in 72, he was from Maine and was a strong advocate of the environment. EPA ended up with many programmes from many departments, we collected existing programs, each of which came with its own boutique of oversight committees and subcommittees. It would make more sense to have a multi-media approach, but this does not work because no committee is prepared to give up the most symbolic way we have of connecting with the American public.’

The Reinvention effort did not create an holistic statute, did not eradicate media stovepipes, and failed to address the hostility between Congress and White House prevalent during the 104<sup>th</sup> Congress. This quotation succinctly notes the big limitation of any reform effort, namely reform will not change the way that Congressional committees maintain their hold over many aspects of the Federal Bureaucracy. Any reform emanating from the Administration will be limited by Congressional unwillingness to cede power over the Federal Bureaucracy. Differences between Congresses, for example between the 105<sup>th</sup> and the 106<sup>th</sup>, can be more important than the effects of reform in some circumstances. For example, Reinvention had important effects on motivations by changing institutional structures and by affecting cultural groupings, yet the start of the 106<sup>th</sup> Congress marked a reduction in the hostility towards EPA, and toward regulation in general, experienced in the two years of the 105<sup>th</sup> Congress. The official in the above quotation emphasises the relevance of political context to an understanding of motivations. The effects of Reinvention must be viewed in conjunction with an understanding of the political climate of the 104<sup>th</sup> and 105<sup>th</sup> Congresses, and the better relations between EPA and Congress in the 106<sup>th</sup>.

## **The Cultural Effects of Reinvention (6.4)**

One of the most prominent themes in the literature on the Reinvention effort at EPA is the focus on the creation of a set of core values within the Agency, which will

facilitate the move to a new type of regulatory framework: a cross-media (non stovepiped), eco-system, community-based, stakeholder/customer oriented approach which utilises collaboration between and across teams within the Agency to achieve the mission of EPA.

There are some examples of EPA having moved toward a new regulatory style. The Chesapeake Bay programme represents a cross-media effort to improve the environment in the Bay area. Yet such programmes remain the exception rather than the rule. As described above, the role of Congress means that the eradication of media stovepipes is practically impossible at present. More importantly, the attempt by EPA to create a new set of cultural values. To successfully create these values would require that existing values and cultural identifications are congruent with those new values created through reform and, furthermore, that institutional changes and cultural changes are consistent. The attempt to create a core set of values which would permeate the entire Agency generated a set of problems not addressed adequately by the reforms of Reinvention. These problems can be summarised as:

- i) The difficulty of imposing a set of values atop an existing, and largely unchanged, institutional structure which remains institutionally stovepiped due, in part, to the failure of the reforms to address the need for cross-media statutes; or more fundamentally, to address how Executive, and particularly Congressional, activity effects how EPA functions
- ii) The inadequate consideration of how these values would gel with the existing sub-cultures which permeate the Agency
- iii) The need to address the question of how, and how well, institutional structure and Agency values cohere in a Reinvented EPA
- iv) The question of how the creation of a value system affects the motivation of Agency officials
- v) Whether reforms will affect headquarters and the regions in different ways.

Prior to considering these issues it is necessary to outline the major tenets of the cultural aspects of Reinvention within EPA. This outline will serve to highlight what it was that EPA thought it would achieve through the Reinvention effort and the changing of values within the Agency.

The cultural aspects of the efforts to reinvent EPA are based on a blueprint for Reinvention provided in the publication *Reinventing EPA: Steps Towards A Stronger Workforce* which states that *'this document strives to help EPA begin the transition to a reinvented Agency through the largely cultural changes necessary to sustain this change.'*<sup>27</sup> For reform to be successful it is essential that the culture of an organisation is congruent with the direction of change, as well as the institutional structure resulting from change. The cultural values espoused in EPA's Reinvention literature have at their core three main tenets:

- i) Creating a shared vision and values
- ii) Encouraging collaborative working practices
- iii) Encouraging the use of team-working

### **Creating a Shared Vision and Values**

*'A foundation for change at EPA begins with a clear vision and values that all employees share and understand...Vision paints a picture of the desired future, tapping into an organisation's deeper sense of purpose. Articulating the organisation's specific goals makes the purpose real, motivates employees, and engenders commitment.'*<sup>28</sup>

Vision and values are viewed in the Agency's blueprint for Reinvention as a means of giving the Agency 'shape and direction, a sense of purpose, or mission, for all involved'(p5) in the reform effort. Vision is a nebulous term at best, but is defined in the EPA Reinvention literature as *'an ideal image of the future; a statement of where you want your organisation to be...A vision serves as a beginning point for creating a new organisation...A vision is best created through a group effort and flows from extensive contact with customers and colleagues.'* (pp5-6)

Values are defined as *'broad principles that influence every aspect of our lives and our ethical judgement...and our commitment to personal and organisational goals...Organisational values form the basis for the organisation's culture and should be shared by all employees...When employees' individual values and the organisational values are complementary, a clearly stated, frequently repeated set of core values emerges that guides decisions.'* (p7)

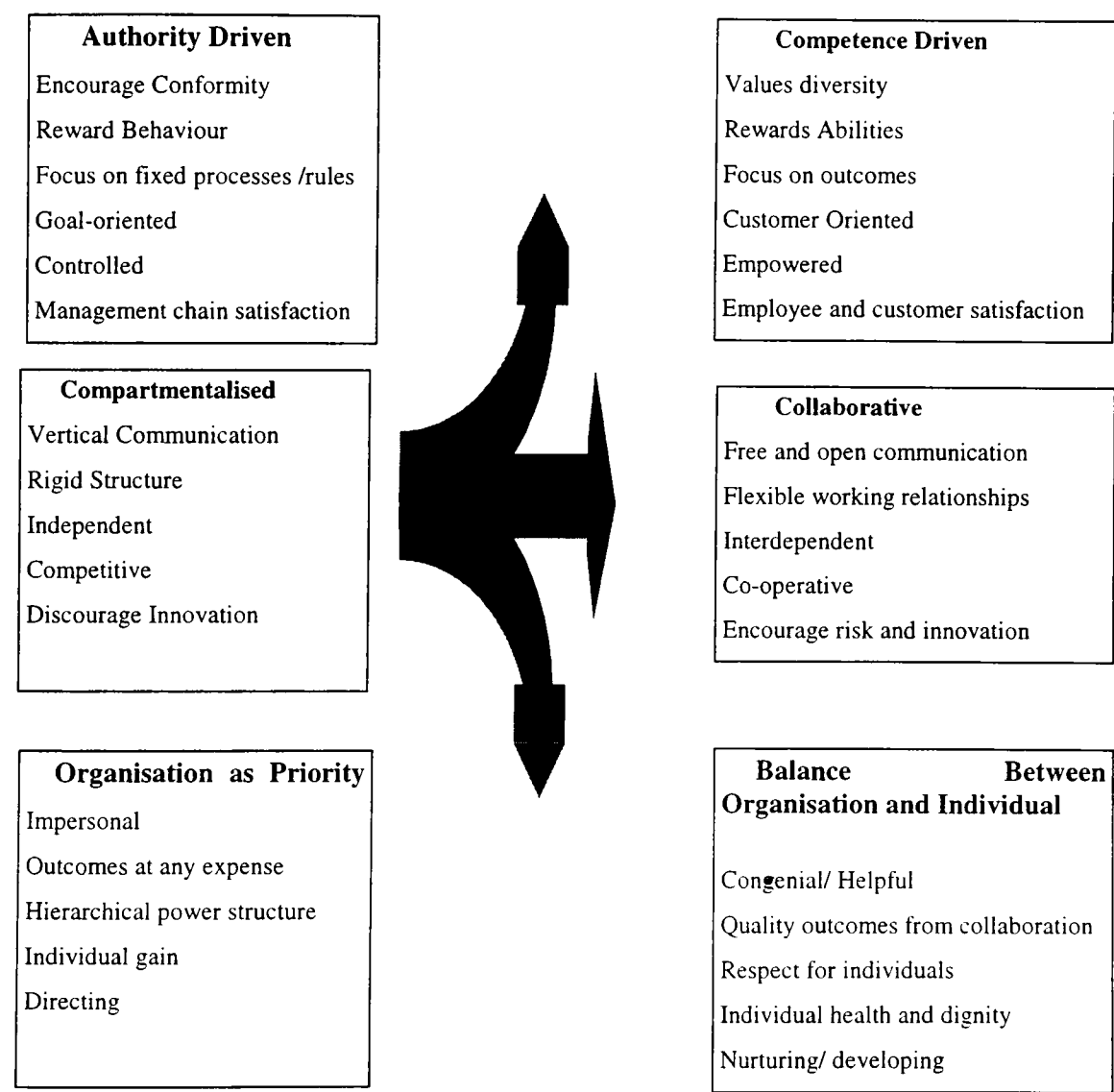
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<sup>27</sup> EPA Office of Administration and Resources Management (OARM), September 1994.

<sup>28</sup> *Ibid.*, page 3.

The term ‘vision’ is reducible to the second term employed in the EPA literature, namely the term ‘values.’ If officials share a set of values which are Agency-wide, then there is likely to be agreement as to the direction the Agency should take, and the goals it should pursue. This chapter focuses on the attempt to change Agency values. The diagram below is presented in the Reinvention literature as a means of explaining how and why the values in EPA must be moved in a new direction.

Changing Organisational Values<sup>29</sup>



The diagram represents the way that EPA sought to reshaping the ‘vision’ and ‘values’ of the Agency. However, the effect of these attempts at changing the values within EPA were, at best, only partially successful. At worst, these reforms might be viewed as platitudinous. Importantly, the attempt to create new values within EPA fell foul of

<sup>29</sup> *Ibid.*, page 8.

167

the problems delineated at the start of this section. Namely, i) imposing on the Agency new values on top of a pre-existing set of values; ii) paying sufficient attention to sub-cultural groupings within the Agency; iii) inadequate consideration of how these new organisational values would cohere with an institutional structure which remained largely intact in the face of Reinvention.

Chapter Five demonstrated that EPA has no single coherent, Agency-wide culture, but rather has sets of cultural groupings which cross-cut the Agency. These cultural groupings have their roots in values which were held before an individual came to the Agency, and as new members join EPA they can become imbued with the values of that grouping in which they become embedded. Further, both the institutional and cultural elements of EPA were shaped in large part by those values held by Charter members of EPA, and by those officials who joined EPA in its first few years. The choice to join EPA, the manner in which the fledgling Agency conducted regulations, the commitment to mission within the Agency, all of these factors were, for the majority of those interviewed, underpinned by deep-seated beliefs in particular values.

The so-called 'core values' espoused in the Reinvention literature are consistent with the values which permeated the Agency at its inception; the mission of the Agency has not altered dramatically. However, the key point is that in order to successfully establish a set of values in a reinvented EPA, it is necessary to understand not only which values are important to EPA officials, but also to locate their bases. And it is in the subcultures of EPA which may be congruent with, or even cross-cut Agency divisions such as those between professional disciplines, staff and program officials, political appointees and careerists, headquarters and regions, and Program Offices in some instances (lawyers in the Office of General Counsel for example), that values may be shaped. To ignore cultural divisions within the Agency, and much of the Reinvention literature does so, makes unlikely the successful overhauling of the value-systems within the Agency.

In order to support the contention that the values espoused in the Reinvention literature did not cohere with the values underpinning existing sub-cultural groupings within EPA it is necessary to establish only two points. The first requires the acceptance that

the subcultures identified in Chapter Five exist; the second that the institutional structure of EPA has not altered significantly as a result of Reinvention. The two points are related, because if the institutional structure, and in particular the stovepipe, remains then it is not obvious that the sub-cultural groupings within EPA will have been altered as a result of the reforms described in this chapter.

Whether the values within EPA will change over time remains an empirical question. However, what can be stated at this point is that the mismatch between the values outlined in the reforms and the existing institutional and cultural structure of EPA generated problems of motivation for many officials in Washington, and created a crisis of motivation for many officials in Region III. The evidence presented in this chapter supports this contention, but we can consider a few of the comments described above which suggest that Reinvention did not generate a core set of values which all officials supported.

In terms of the interview data:

**(3) 'The challenge of Reinvention has made me question whether I am having the same effect as I used to. I may be at that time when I should go now. I find it harder to get things done than I did five years ago, with shrinking resources, Reinvention, the 104<sup>th</sup> Congress, and a lot more politics in decisions. Separating out the Comptroller and CFO [Chief Financial Officer] functions has made this department less effective. We are now about cops and mops, we have lost our leverage and have only a reporting function. We are no longer a player at the table compared to other AA-ships.'**<sup>30</sup>

This senior manager has obviously experienced detrimental effects on his motivations as a result of the Reinvention effort. The problem here is to explain how his motivations were affected. Institutional changes are the root cause because it is institutional structures that have changed, but the particular reaction of this manager to these changes can and should be viewed as having a cultural element. This person does not believe he is pursuing the mission that motivated him. In his words, he has had to face more politics, has to deal with "cops and mops" rather than the substantive policy issues he had dealt with for over thirty years. This official is not motivated by the new goals of his Office, and he complains that the separation of his Office into

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<sup>30</sup> [OARM is an Office which, like the Program Offices, is headed by an AA—an Assistant Administrator (a political appointee).]

two bodies has reduced the effectiveness of his office. In interview this official describes his commitment to “making a difference”, and this commitment can be viewed as a deeply-held value. One explanation of the above response then, is to see institutional structures and cultural values as not congruent. Where this lack of congruence occurs adverse effects on motivations can be expected. This response highlights the stovepiped nature of the Agency (in the last sentence) but also highlights a commitment to a set of values which, in the wake of Reinvention, are no longer pursued in a way that this official can be motivated by. The result of Reinvention for this senior official was that he would retire in August of 1998.

In terms of the separation of the Comptroller and Chief Financial Officer functions, and the combining of budget and planning functions one official said:

**[107] ‘It took the Administrator four years to combine these functions, had she been here two years she would never have done it, Reinvention or no Reinvention. In two years you cannot get the ship to turn, and just saying “here is a new way of doing things” just won’t work. It is about being consistent in the long-term and changing the direction of the boat.’**

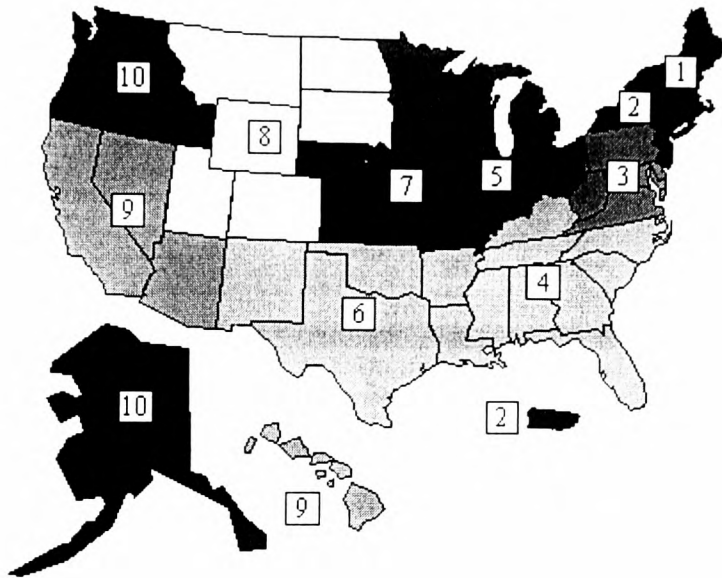
Merely changing the structures and procedures of the Agency would not, in the opinion of this official, achieve the goals of reform. What is needed is a change of direction akin to changing the course of an oil-tanker. The analogy with a tanker is common in the interview data and it could refer to the time-lag between institutional changes being proposed and their having real effects. Yet to explain this time-lag it is necessary to examine why reform fails to occur quickly.

As one official explained: **[108] ‘With reform there is the sense of “been there, seen it, bought the T-shirt.’** That is, reforms have been introduced and officials “hunker-down” and wait for the reforms to go away. As the official in response **[107]** explains however, Administrator Browner has begun to move the Agency in the direction of reform and part of the explanation of this success (relative to previous reform efforts) is the fact that Reinvention focused on values, and Browner discussed reform with each Program Office. Where reforms are less successful part of the explanation can be attributed to the mismatch between cultural groupings and the direction of institutional changes.

## Motivations in Region III

### Region III: an Overview (6.5)

EPA's Ten Regional Offices



### EPA Region III Field Office, Philadelphia PA

The Region III Office in Philadelphia is responsible for the implementation of Federal environmental programmes in Delaware, Maryland, Pennsylvania, Virginia, West Virginia and the District of Columbia. Region III, employs approximately 1,000 people, located in Philadelphia, PA with field operations and laboratories in Annapolis, MD and Wheeling, WV.

Federal environmental programmes include air and water pollution control, toxic substances, pesticides, and drinking water regulation. In addition, Region III is responsible for wetlands protection, hazardous waste management, hazardous waste dump site clean-up, and some aspects of radioactive materials regulation. Activities include compliance and enforcement, inspection, engineering reviews, ambient monitoring, analysis of environmental trends, environmental planning, pollution prevention and risk assessments.

Region III, working in conjunction with the state agencies for pollution control, are responsible for regulating: over 21,000 air pollution sources; 12,000 water pollution sources; and 425 hazardous waste treatment, storage, and disposal facilities. They are also responsible for the active investigation of over 1,500 potentially hazardous waste-dump sites and the clean-up of 165 sites that have been included or proposed for inclusion on the Superfund National Priorities List.

In 1994, Region III issued 413 formal administrative enforcement actions against polluters. It also referred 49 civil actions (lawsuits) and 20 criminal actions against major violators of environmental laws. The region levied more than \$10.1 million in administrative penalties, plus \$5.7 million in civil and criminal penalties. It also finalised \$10 million in supplemental environmental projects. In addition, Region III collected or assessed over \$411 million on injunctive relief/cost recovery from owners of facilities in breach of regulations. The Region administers other funds for building sewage-treatment facilities and for cleaning up Superfund hazardous-waste sites, and for the Leaking Underground Storage Tank Program. EPA also distributes small grants through special programs to non-profit organisations and educational institutions.

Although only a very general outline, this description of Region III's responsibilities should indicate the massive scale of environmental regulation undertaken by Region III. The Regional Office is divided into four divisions, they are:

1) AIR, RADIATION AND TOXICS DIVISION (ARTD)

This division sets goals for the regional air quality and compliance program. ARTD is responsible for all regional activities regarding the implementation of the Clean Air Act, Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), and Toxics Substances Control Act (ToSCA). Comprising the Enforcement Cluster, Air Programs Cluster, and Environmental Enterprises Cluster, ARTD is responsible for air, toxics, pesticides and asbestos regulatory programs and enforcement, as well as programs such as lead and radon risk reduction and energy conservation.

## 2) WATER PROTECTION DIVISION

This division is responsible for the management and implementation of programs authorised by the Clean Water Act and Safe Drinking Water Act. These programs include Water Quality Planning and Standards, Water Quality Compliance and Enforcement, Municipal Facilities and Construction, Public Water Supply, and Groundwater Protection. The division includes the Office of Enforcement, Office of Municipal Assistance, and Office of Watersheds.

## 3) HAZARDOUS WASTE MANAGEMENT DIVISION

This division is responsible for all activities regarding the RCRA (Resource Conservation and Recovery Act), Emergency Planning and Community Right-to-Know Act (EPCRA), the Oil Pollution Act(OPA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), commonly known as Superfund) programs. It determines goals, priorities, and objectives for the regional solid waste, hazardous materials, and Superfund programs. The Office of Superfund Programs co-ordinates discovery, assessment, remediation, removal and enforcement of abandoned hazardous waste sites that fall under CERCLA. It also responds to emergency situations which pose an immediate threat to human health and the environment. The Office of RCRA Programs oversees the management of hazardous waste from its generation to ultimate disposal including clean-ups at regulated facilities. RCRA also administers the solid waste and underground storage tank programs.

## 4) ENVIRONMENTAL PROTECTION DIVISION

This division collects, analyses, and evaluates environmental quality data in support of regional and national programs, including air, water, and hazardous waste programs. It directs and co-ordinates surveillance and monitoring services within the region and provides necessary laboratory services in support of various activities. Environmental Assessment and Protection (EAPD) co-ordinates the region's National Environmental Policy Act (NEPA) activities as well as the pollution prevention, wetlands, and estuaries programs. It consists of the Ecological Assessment and Planning Branch, the Office of Analytical Services and Quality Assurance, and the Environmental Program Branch.

In addition, three offices provide support to the environmental programmes:

### 1) OFFICE OF POLICY AND MANAGEMENT (OP&M)

This office assists the Regional Administrator in performing his duties. OP&M is responsible for regional programs that involve personnel, administrative and financial management, regional planning, policy and regulatory development, contracting and procurement, information systems, facilities, telecommunications, and grants and audit management. It includes the Office of the Regional Comptroller and the following branches: Facilities Management and Services, Human Resources Management, Information Resources Management, Strategic Planning and Management, Contracts, and Grants and Audit Management. OP&M is also responsible for the Equal Employment Opportunity Program and EPA's Diversity Program.

### 2) OFFICE OF REGIONAL COUNSEL

The regional equivalent of the Office of General Counsel in Washington Headquarters, this office is responsible for providing legal advice and services to the Regional Administrator and the region's program and administrative staff. It also provides legal support to program managers in enforcement-related matters. The office is subdivided into three branches: the Air, Water, Toxics and General Law, CERCLA Removal and Pennsylvania Remedial, and the RCRA and CERCLA Remedial.

### 3) OFFICE OF EXTERNAL AFFAIRS (OEA)

External Affairs serves as a focal point between Region III and Congress, state and local governments, environmental groups, industry, educational institutions, and the general public. Using a variety of out-reach tools, OEA provides information about EPA's programs and activities. It also encourages and stimulates the public's active involvement in EPA's decision making process, as appropriate. This office comprises the Government Affairs, Public Affairs, and Superfund Community Relations Branches, the Public Environmental Education Centre, and the Business Assistance

Centre. OEA also co-ordinates the region's environmental education and international activities.

The evidence collected in Region III represents the considerable adverse effects on motivations experienced by EPA faced with the reforms generated by the Reinvention effort. Only the most senior officials interviewed in Region III, in fact only three of eighteen staff interviewed, appeared to be positive about the reform effort. The argument presented in this section shows that the dissatisfaction with the reforms are based on more than a distaste for change, there is evidence to suggest that the strong cultural identifications within Region III were at odds with the new institutional structures created as a result of Reinvention. The need for a combined institutional and cultural analysis is demonstrated by the study of motivations in Region III.

Outlined below are the most important aspects of the reform effort as they affected Region III. Three aspects of the reforms are examined here: the de-layering of the structure of Region III; the move to 'empower' employees; and the introduction of team-working. Although institutional and cultural effects of the reform effort are considered, in practice the reforms are not clearly delineated. In the exposition below the de-layering of Region III, that is the flattening of the hierarchy in Region III and the removal of tiers of management, is treated as an institutional factor. The 'empowering' of employees is treated as a cultural factor, and the emphasis on 'team-working' is treated as primarily a cultural factor with an institutional aspect.

The data employed in this section are based on the Human Resources Council (HRC) report produced by Region III entitled *Impacts of the Reorganisation* and on interview data collected during the fieldwork visit to Region III in 1997.<sup>31</sup> The Executive Order that demanded that EPA be flattened such that the ratio of managers to employees increased from 1:5.5 to 1:11 had significant adverse effects on the motivations of Region III officials. To understand why Reinvention had a bigger adverse effect on Region III staff than on those staff in Washington it is essential that differences between the Washington DC and Philadelphia offices are examined.

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<sup>31</sup> Published in November 1996 by Region III's Human Resource Council (HRC). This report was based on interviews and questionnaires conducted during 1996. 90% of displaced supervisors in Region III took part in this research project, and 75% of these respondents requested personal follow-up interviews. 88% of current supervisors took part, and 50% requested follow-up personal interviews. The questionnaire element of this

## Institutional Effects in Region III (6.6)

The institutional structure of Region III prior to Reinvention mirrored the stovepiped, media programme based structure discussed in Chapter Four. Further, the significant effects of Reinvention in Region III, unlike Washington, centred around the move to streamline the Agency by reducing the number of managers in the Region. The most important reasons for the greater magnitude of adverse effects on Region III in comparison to Washington Headquarters are presented below. Each of the points below has an institutional and a cultural component:

- i) Both staff and program officials in the regions are much closer to the effects of their policy decisions and actions than are officials in Washington. The proximity of officials to the results of their work is referred to in this work as the “problem of proximity” and is relevant both in Region III and in the Area Offices of EPA’s English counterpart the Environment Agency (see Part III of this work). The proximity of staff to the results of their work, and the intimate relationships between Region III officials and Region III’s constituents, is not simply an institutional difference between Regions and EPA Headquarters. Data both from EPA and from the Environment Agency for England and Wales (see Chapter Nine) suggest that there are deeply-held commitments to particular programmes, to particular areas, to goals that are closely linked to specific localities. Part of the explanation of motivations being based on ‘proximity’ is institutional, there are institutional links between EPA and state officials, EPA and state politicians, EPA and local interest groups, EPA and local communities. There are also cultural elements to ‘proximity’ as an explanation of motivations. Officials in the Regions discuss beliefs and values which link motivations closely with particular programmes, and with particular constituencies. Such ‘proximity’ is one of the primary reasons why Headquarters wants to abolish the Region III Field Office in Wheeling, WV, and why all of the Wheeling officials interviewed explained that the Philadelphia Regional Office, and Washington Headquarters in particular had **[401] ‘no real idea what the work is out here, what the needs are, what the people want. There is a lack of communication between the people making the policies and the people doing the work.’**

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research was based on a 7-point scale (combined with interview data to generate the overall findings of the report) and used mode statistics.

- ii) Although it exists in Region III the staff/program divide is not pronounced. Program officials do not complain of obstruction from staff officials. Both Program and staff officials, when questioned, described themselves as 'front-line' staff.
- iii) The consensus among those interviewed in Region III is that Washington politicians, both in Congress and the Executive, as well as senior officials in EPA, often obstruct the Regions where the (68) '**real hands-on work gets done.**' Headquarters is viewed by many in Region III as detached from the front-line work of the Agency. Headquarters is viewed as detached from the outcomes of policies, and from those communities affected by policies.
- iv) The smaller size of the Region III field office means that the consequential effects of perturbations to morale reverberate throughout the field office. In Washington headquarters the 18,000 officials working in Waterfront Mall had little contact with staff outside their office. Most Program Offices in headquarters were restricted to one floor of the impractical, dysfunctional building handed to EPA by Spiro T. Agnew but, in Region III, there is a great deal of scope for talking with officials from different Program Offices, at different stages of the career structure.<sup>32</sup> As evidenced by the data presented below, if the motivations of some workers is affected, effects are felt throughout the Region. A consequence of this point is that the 'culture' of Region III can be identified more easily than was the case in Washington.

One important institutional effect of the Reinvention effort, and in particular the de-layering of Region III, affected those managers who remained in their management positions but with a larger number of staff to manage. The Human Resource Council

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<sup>32</sup> Nixon created EPA in a hurry, with little thought given to the needs of the new Agency. When EPA was created it had no building and, after some deliberation, Vice President Spiro T. Agnew gave EPA Waterfront Mall. This building was designed as a complex of apartments for private sale. In between the two wings of this huge building was, and is, a shopping mall. The site is situated on the banks of the Potomac next to the Naval Yard and, more worryingly, across the road from Anacostia: the poorest area of Washington, with one of the highest murder rates of anywhere in the US. One effect on motivation mentioned by some of those interviewed in DC was the obvious lack of importance attributed to EPA by the Nixon administration. Even in the 1990's officials complained that they felt EPA was less important than other agencies for not having a functional, prestigious building in downtown Washington DC. In 1998 EPA is scheduled to move to the multi-billion dollar Ronald Reagan building on Pennsylvania Avenue, in sight of the White House. EPA officials who served under Anne Burford, a Reagan appointee, might consider the name of their building to be somewhat ironic. Burford was not the most popular Administrator according to most EPA officials interviewed in this work.

Report (HRC) calls these officials 'Current Managers'. Some of these managers explained:

**'Larger spans of control and more programs leaves little time for individual staff attention and counselling. While I have received more responsibility and authority, senior management has been unwilling to let me delegate to my staff.'**

**'There is more to get done in the same amount of time...the larger span of control makes it impossible to be every where your staff wants you to be.'**

**'There is a lot more stress. It is much more difficult to do a good job when managing larger sections. There is not enough time to deal with problems and then follow-up on things.'**

**'I have less responsibility, a smaller staff, and a far less rewarding job. This is frustrating when I know others who have more responsibility and larger staffs who are going nuts trying to do their jobs. We talk of empowerment but nothing has been done to make it happen.'**

Managers experienced: increased stress, less time for personal attention to their staff, little sense that they were performing tasks well, a reduction in their sense of achievement, a failure to be "empowered" by the reforms. Junior staff lacked the help and support from managers that had characterised the culture of Region III. Almost all of those interviewed believed their Region to be supportive of new staff and helpful to those with less experience in federal government. Officials across the Region bemoan the fact that the reorganisation has jeopardised the hitherto successful mentor relationships which existed. Furthermore, managers complain of frustration, stress, inability to complete tasks satisfactorily, and the lack of empowerment.

## **Cultural Effects in Region III (6.7)**

Empowerment is treated here as a cultural factor, with staff in a Reinvented Region III empowered, with new roles and responsibilities, a greater input into decision-making, a sense of being part of a team, with greater communications empowering every member of Region III, or that was the intention at least. The Human Resources Council (HRC) report of November 1996, and the accompanying summary of the report written by Regional Administrator Michael McCabe, described the culture of the Region as one based on innovation, hard-work, a deep-seated commitment to the environment, a willingness to adapt to new techniques and new practices. The interview data support the claim that Region III officials are committed to environmental values and goals. The region is not noticeably cross-cut by sub-cultural groupings, perhaps as a result of the relatively small size of the regional field office in Philadelphia. Prior to the reorganisation of the region there was already some cross-talk between Program Offices, mainly as a result of the close proximity of Region III officials: both physically within one building; and as a result of the closeness of officials to the communities effected by policies.

The lack of sub-cultural groupings within the Philadelphia Office as prominent as those in Washington Headquarters can be explained in terms of institutional and cultural factors. The institutional structure of the Office, and in particular the small size of the Office with people in different media programmes working next to each other in open-plan offices, with staff discussing Water, Air, Land issues pertaining to the same problem (Chesapeake bay for example), means that stovepipes are forced together in the Regional Office.

Professional divides do exist within the Philadelphia Offices, and the stovepipes handed down from Congress, through Headquarters, to the Regions do have some effects, with staff complaining of Washington obstructing the work undertaken in the Regions. But there is an emphasis on collegiality in the Regional Office. In practical terms knowing the names of one's colleagues must be favourable to greater collegiality than would be expected in the far larger, and more anonymous, Washington Headquarters.

The HRC report on the effects of reorganisation states that ‘...the recent streamlining effort...had a great...potential for lingering, detrimental effects on employee morale, job satisfaction, and productivity.’ (p3) The report examined five areas which are most relevant to motivations:

- i) involvement in important decision-making processes;
- ii) personal satisfaction (with “purpose” of work);
- iii) self-value within EPA;
- iv) communication from senior management;
- v) empowerment versus direction.

The officials who suffered the biggest adverse on motivations were those managers who were effectively demoted when the ratio of managers to staff changed from 1:5 to 1:11.

Consider these data from displaced managers:

**‘Personally, I felt used, abused, and betrayed. My commitment to the job went from 100% to 1%. The politics of how decisions were made...was often a joke.’**

**‘Because I feel undervalued, extraneous, and betrayed, my work quality has suffered and my attitude to work has deteriorated.’**

**‘I don’t feel like part of the team...I don’t know what’s going on...I feel ‘out of the loop’.’**

**‘I feel less like a team member and more like a free agent. I have less contact with my supervisor and other division managers.’**

**‘I went from being a highly productive, motivated member of management to being in limbo in an ill-defined position as a program manager with no clear role or responsibility.’**

Displaced managers might be expected to experience negative effects on motivation (having been demoted). However, the argument here does not rely solely on the evidence of displaced managers, nor does it state that only displaced managers in Region III are upset by Reinvention. There was a sense in region III, for this researcher, that staff felt their Office worked well as a team, and was successful in furthering the mission of EPA, and Reinvention had altered this state with no thought to how Regional staff would be affected.

To understand what motivates Region III officials it is essential to demonstrate that there is more to the dissatisfaction with the reorganisation than simply that demoted officials are displeased. A more convincing account of the effects of the reorganisation on motivations is that a new set of values, in the shape of a new organisational culture, was imposed on an existing institutional and cultural milieu. The result of the reorganisation then was a mismatch between the reforms of Reinvention and the existing institutional and cultural composition of Region III.

In Chapter Five bureaucrats were described as cultural beings (*Kulturmenschen*) with culture identified as 'the endowment of segments of social reality with meaning from the standpoint of human beings'<sup>33</sup>. According to the testimonies of Region III officials, the region had a well-developed coherent mission underpinned by a shared culture. The most convincing explanation of why motivations were adversely affected by Reinvention is that culture cannot be changed simply by espousing a new set of values and hoping that an organisation will embrace these values.

The data suggest that the reorganisation of Region III generated feelings of betrayal and worthlessness; of exclusion from the decision-making process; of a loss of direction and a confusion of priorities. Yet such negative effects on the motivations of Region III officials were not restricted to displaced managers as the responses of current managers show.

The data from current managers emphasise the negative effects on motivations generated by the reform of the institutional structure of Region III. These data highlight also the cultural effects of the move to a more "team-oriented" approach. Displaced managers, current managers with less time to devote to their staff, and staff who get too little attention from managers, now constitute the new teams that the reform effort sought to create. To the extent that the Philadelphia Office had a sense of identity, a sense of collegiality, an agreement on group boundaries that constituted a cultural grouping, the move to empower workers and place them in teams did not succeed. Rather, at least in the short-term period considered in the interview data, the Reinvention effort in Region III generated institutional and cultural effects that had negative consequences for bureaucratic motivations in Region III.

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<sup>33</sup> Weber M. (1982), *Gesammelte Aufsätze zur wissenschaftslehre* (5<sup>th</sup> edition), (Tubingen: J.C.B. Mohr). Page 180.

## Reinvention in Washington and Region III (6.8)

To understand how and why motivations in Region III were affected so dramatically by the reforms of Reinvention, it is necessary to understand how important the culture of the Region is to an account of motivations. In Chapter Five an organisational culture was defined as *'A persistent, patterned way of thinking about the central tasks of and human relationships within, an organisation. Culture is to an organisation what personality is to an individual. Like human culture generally, it is passed on from one generation to the next. It changes slowly if at all.'* (see Chapter Five, page 109)

The officials in Region III believed their region to have a distinct organisational culture. The values imposed as a result of Reinvention, combined with the institutional aspects of the reforms, resulted in the failure to make the existing values and practices within the Region and the new values and practices espoused in the reform effort. The result of this lack of congruence was the considerable negative impact on the motivations of Region III officials detailed above.

In EPA headquarters, the effects of Reinvention were far less severe. Headquarters has no single, Agency-wide, culture which was affected by the reforms. Further, the senior officials interviewed in headquarters are much closer to the motive force behind the reform effort, namely the Executive Branch and are accustomed, by their own admission, to dealing with the changing demands emanating from White House and Congress. Importantly, officials in headquarters serve two masters and serve the stakeholders of EPA, the public. While this is nominally the case in Region III, the proximity to the results of policies lead many in the region to view themselves as front-line staff, with 'Washington bureaucrats' facilitating the regional offices in undertaking the (67) 'real work of EPA.' The reforms, as they effected Region III, had much more prominent effects on aspects of policy implementation than was the case in Washington, where officials are more removed from the consequences of policy decisions.

If culture is to organisation what personality is to individuals, then the reform effort in Region III effectively demanded that the region abandon its personality and create

another, different, one. In Washington, EPA is 'schizophrenic', to use the words of one official (5), and the reform effort did not clash so obviously with an existing culture within headquarters. Headquarters has many sub-cultural groupings, with reform affecting different elements of Headquarters in differing ways. The motivations of the senior officials interviewed in Washington, although linked to a concern for the environment, were not directly tied to the palpable effects of policy decisions, or indeed policy re-directions. That officials in Washington were policy-makers, rather than policy-takers, enabled them to cope better with the demands made by the NPR and the Reinvention effort. The proximity of Headquarters to the elected branches of government, and the location of Headquarters within the 'issue-networks' which cross-cut the federal establishment in Washington, enabled Headquarters to respond more positively to the reform effort than Region III, where reforms undermined the motivations of many in the region, with detrimental effects on the culture and values of officials working in all areas of Region III.

The difficulties encountered in trying to implement the Reinvention reforms in EPA, and particularly in Region III, can be analysed in terms of the potential problems with the theories motivating the Reinvention effort, namely New Public Management.<sup>34</sup> Christopher Hood argues that New Public Management is particularistic in its effects, being a self-serving management exercise rather than an effort to promote the 'public good'. It is viewed as a means of promoting the career interests of an elite group of 'new managerialists' (Hood, p9) rather than lower-level staff.

The Region III evidence can support Hood's contention, Reinvention hit lower and middle management hardest, leaving senior managers unscathed both in terms of job security, and in terms of the changes to workloads which resulted from the reform effort. Further, of those senior officials interviewed in headquarters, the vast majority were less significantly affected than lower-level managers in the Regions. Of course much more analysis is required in order to assess the validity of Hood's claims in the case of Region III, but the potential problems with the New Public Management approach should encourage reformers to pay more attention to the possibility of a mismatch between institutional and cultural changes brought about by reforms.

The claim to universality made by New Public Management echoes the claim made by Rational Choice Theory more generally. New Public Management claims to be, in Hood's phrase, a 'management for all seasons'; yet, as Hood notes, '*...administrative values have different implications for fundamental aspects of administrative design, implications which go beyond altering the "settings" of the system.*' To work, this criticism must show that no 'all-purpose' culture exists which can be fitted onto an organisation according to Hood.

To work, this criticism need show only that any meaningful understanding of the term culture must preclude an all-purpose, universal, non-specific, organisational blueprint which will fit every organisation. Cultures are underpinned by deeply-held values, which persist over time, and which represent a particular way of viewing 'a finite segment of social reality'.<sup>35</sup> It is difficult to see how New Public Management can hope to apply equally well to every institutional setting, and yet maintain that what New Public Management represents is some form of universalist culture. This is to rob culture of any explanatory meaning.

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<sup>34</sup> The analysis of New Public Management presented here borrows from the analysis provided by Christopher Hood (1991) in his article Hood, C. (1991), "A Public Management For All Seasons" *Public Administration*, volume 69, No 1, pp3-19.

<sup>35</sup> See the discussion of Weber in Chapter Two, page 34.

## Summary (6.9)

This chapter has demonstrated that the most important reason for Reinvention having detrimental effects on the motivations of many of the officials in headquarters and Region III was the failure of the reforms to cohere adequately with the existing cultural settings within the Agency. Institutional structures were not altered dramatically, and those changes which were made were not congruent with the cultural underpinnings of motivations in the EPA. The Reinvention effort, if we accept that this effort represents a form of New Public Management, failed in important respects for the reason that the reforms paid little or no attention to the important inter-relationship between institutional structures, cultural groupings, and their effect on the motivations of bureaucrats.

We can consider an assessment of the reform effort taken from the *Washington Post* that:

*'At some agencies, the administration is learning that cultural change is necessary before rule-cutting can begin...Participants...at EPA [in the project XL and Common Sense Initiatives where regulatory flexibility and efficiency is the goal] said it is difficult to get agreement between career bureaucrats and administration appointees who want to throw away the rule book on how to give companies more regulatory flexibility while holding them to higher standards of performance.'*<sup>36</sup>

To address the issues of cultural change, of the need to get agreement between career officials and their political masters as to the best way of achieving reforms, senior EPA officials held a meeting in New York to urge consistency between regions on how Reinvention projects are to be handled. The first Congressional report of Reinvention at EPA stated that the initiatives were failing.<sup>37</sup> This article draws attention to the failure of Reinvention precisely in those areas which highlight cultural differences within the Agency. In headquarters important sub-cultural groupings were identified, one of which was the career official/ political appointee divide. Another cultural division, emphasised in this chapter, is the division between EPA officials working in Washington and those working in the Regions. This problem of

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<sup>36</sup> Thursday January 30<sup>th</sup> 1997 Written by Cindy Skrzycki.

<sup>37</sup> The caveat should be made however, that at EPA Headquarters in Washington many of the officials interviewed viewed the report as 'partisan dart throwing in an election year'

'proximity' is discussed in the next chapter where motivations in the Environment Agency for England and Wales are considered.

The architects of Reinvention authors failed to pay sufficient attention to cultural groupings within the Agency, nor did they assess how institutional structures and organisational cultures interacted. The reform effort did not anticipate how these failures would affect the motivations of EPA officials. Whether the reforms begun by the process of Reinvention will succeed would require the examination of Reinvention over the long-term. What can be stated is that the reforms of Reinvention, as they effected the motivations of those subjected to the Reinvention effort, were not a success. In Region III, more than Washington Headquarters, motivations were adversely affected by the reforms introduced by the Clinton/Gore Administration.

# **Part III**

## **Bureaucratic Motivation: the Environment Agency in Comparative Perspective**

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## **Bureaucratic Motivation: the Environment Agency in Comparative Perspective**

In Chapter One and Chapter Two the theoretical background to the study of bureaucratic motivations was examined. Chapter Three outlined the Trifocal Approach to the study of motivations, as well as outlining the type of questionnaire used in interviews conducted in the US and England. Chapter Three provided the background to the creation of the US EPA, locating the analysis of motivations within EPA in an historical and political context.

Part III of this work examines what motivates bureaucrats in the Environment Agency for England and Wales. The interview questionnaire used adheres closely to the questionnaire outlined in Chapter Three, and the present Chapter locates motivations in the Environment Agency within an historical and political context. Following the structure of Part II, this section examines in Chapter Seven the context in which the Environment Agency was created, with institutional factors considered in Chapter Eight, before examining Culture in Chapter Nine. Chapter Ten provides a Rational Choice comparison of the US EPA and the Environment Agency for England, thus re-introducing the third lens in the Trifocal Approach.

The explanation for motivations provided in this section is different from that provided for EPA, but the framework of explanation will be shown to apply equally well to both case studies. The historical and political context of each Agency are markedly different, and this makes for a very different explanation of motivations. Through comparison the differences and similarities in each account of motivations are better understood, and the significance of such differences explained.

# **Chapter Seven**

## **Bureaucratic Motivation in the Environment Agency**

**(7.1)** The Benefits of Comparison

**(7.2)** The Environment Agency: The Historical and Political Context

**(7.3)** The British Policy Style

**(7.4)** The Development of Environmental Regulation in Britain

**(7.5)** Environmental Regulation in Britain: the 1980's to the Present

**(7.6)** The Creation of the Environment Agency

**(7.7)** Legislative Debate and the Passage of the Environment Bill

**(7.8)** Mission in the Environment Agency

**(7.9)** Summary

## The Benefits of Comparison (7.1)

*'[Paradigms] are the source of the methods, problem-fields, and standards of solution accepted by any mature scientific field at any given time.'*<sup>1</sup>

*'...a fetishistic espousal of favoured designs or methods and an excessive preoccupation with their epistemological underpinnings can only stand in the way of developing... understanding.'*<sup>2</sup>

*'Thinking without comparison is unthinkable. And, in the absence of comparison, so is all scientific thought and scientific research.'*<sup>3</sup>

Chapter Three discussed the benefits of utilising the Trifocal Model. The examination of EPA focused on the lenses of Institutions and Culture and the discussion of the Environment Agency in the next three chapters relies on these same two lenses. As the first two quotations above suggest, paradigmatic approaches provide the researcher with a methodological approach that can be adopted when addressing a particular problem in political science, but an obsession with methodological underpinnings can stand in the way of successful research. The third quotation emphasises the importance of comparative analysis, and in this work it is the analysis of two case studies that allows more general findings to be espoused.

The purpose of comparison is to aid understanding: both of the motivations of bureaucrats in two agencies, and of the nature of those organisations under examination. As with much qualitative discourse, the use of subjects' testimonies reflects a concern to forge interpretations in terms of their own natural language. A sense of context, is a necessary precursor to a comprehensive explanation of motivations within EPA and the Environment Agency. The use of a comparative framework must remain consistent with the larger goal of this work: to present results

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<sup>1</sup> Kuhn, T.S. (1970), *The Structure Of Scientific Revolutions* (2<sup>nd</sup> edition) (Chicago: Chicago University Press). Page 103.

<sup>2</sup> Bryman, A. (1989), *Research Methods and Organisation Studies* (London: Unwin Hyman). Page 255.

<sup>3</sup> Swanson, G. (1971), "Frameworks for comparative research; Structural Anthropology and the theory of action" in Vallier, I. (ed.) *Comparative Methods in Sociology: Essays on Trends and Applications* p141-202 (Berkeley, University of California Press). Quoted in Ragin C (1987), *The Comparative Method* (Oxford, Oxford University Press) p1.

generated using a scientific method: the Trifocal model must be used in the same manner as it was in Part I where EPA was examined. To this end, the format of Part I is followed as closely as possible in the study of the Environment Agency.

The unit of comparison is of considerable importance in comparative research. Often analysis will proceed at one level while explanation is couched at another.<sup>4</sup> One benefit of utilising the Trifocal approach in comparative work is that the analysis is not restricted to one level of analysis; it is possible to look at larger macro-social phenomena (institutions and cultures) both within and across nations, as well as adopting a more micro-level analysis (Rational Choice; analysis of sub-cultures; subsections of larger institutions). The analysis below facilitates the comparison of the large-scale variations in the political and historical situations in which EPA and the Environment Agency were created. From here the analysis can proceed based upon a reasonable knowledge of how institutional structures and cultural groupings developed.

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<sup>4</sup> Ragin C. *ibid.* Page 7.

## The Environment Agency: The Historical and Political Context (7.2)

*'Are there forces at work that lead to some kind of conformity. Are there forces that encourage all policy sectors to behave similarly in any one country? To adopt common operating procedures?'*<sup>5</sup>

Examining the creation of the Environment Agency in terms of historical and political context facilitates not only a better understanding of motivations in the BEA but also allows for a more comprehensive comparison with the US EPA. Yet, in order to examine how motivations are affected by regulatory policy in two nations, and by variance in this policy, it is first necessary to establish that such a phenomenon as a 'national style of regulation' does indeed exist.

The data presented in the next three chapters, when compared with those data on EPA already discussed, suggest that national variances in policy style do exist. It is essential that some reason as to why such variance exists be presented. A compelling reason to favour research based on the notion of national styles of regulation stems from the argument made in Part I for the Trifocal model. If one accepts that both institutional structures and the cultures of organisations can go a long way in explaining individual motivations within regulatory bodies, then variance in institutional structures and cultural contexts can begin to explain national variance in regulatory style. Coupled with an explanation of these two variables located within a discussion of its political and historical context, one can provide some explanation firstly, of why regulatory styles differ between the US and the UK and, secondly, how these national differences coupled with institutional and cultural differences explain a large part of bureaucratic motivation in two agencies.<sup>6</sup>

Theodore Lowi seems not to favour the notion of national policy styles.<sup>7</sup> For Lowi, much public policy is a product of how a problem is processed, with different types of policy promoting different types of political activity. A variety of political behaviours exist within a society that Lowi explains with respect to the type of issue under consideration. He identifies three types of policy: distributive; regulatory; and

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<sup>5</sup> Richardson J. (1982) (ed.), *Policy Styles In Western Europe* (Boston, Allen and Unwin).

<sup>6</sup> The idea of a "regulatory style" is discussed in Section (7.3)

redistributive.<sup>8</sup> If Lowi is correct we should not discuss national policy styles but rather restrict our discussion to an examination of which *type* of policy is under examination. *Regulatory* policy, and environmental regulation in particular, would be examined here.

If Lowi is correct then some convergence of policy styles should be apparent, or at least some similarity between the two agencies, given the causal argument presented above-- with national policy style driven by institutional and cultural factors. Some convergence of those data on motivations collected in research at both the EPA and the Environment Agency should be present.

Chapter Eleven suggests there has been some convergence of policy style across the two nations in the area of environmental regulation. But the convergence of motivating forces for officials in the two agencies is far less pronounced. Lowi highlights an important part of the comparative explanation: but the comparison of EPA and the Environment Agency is to compare two regulatory agencies charged with a duty to, at least, prevent the degradation of the environment and, as such, one cannot ignore the relevance of Lowi's argument to an account of motivations in two agencies with broadly similar responsibilities. The argument that there has been a move towards convergence of regulatory style in EPA and the Environment Agency requires substantive support. Chapter Eleven presents evidence favouring a convergence of policy styles, but the differences between the two agencies examined must be emphasised in order to explain where and why data from the two agencies differ in their accounts of motivations.

It is essential to have an understanding of how interested parties in each nation confront a different array of institutional access points, and different cultural groupings within each institutional array. Furthermore, only by appreciating the quite different historical and political circumstances in which each nation's regulatory policy developed is it possible to present a comprehensive account of motivations in two agencies.

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<sup>7</sup> Lowi T., (1964), "American business, public policy, case studies, and political theory" in *World Politics* vol. XVI, no. 4 pp 677-715

<sup>8</sup> See Richardson *ibid.* Ch1 for a discussion of Lowi's argument.

Policies are not so distinctive as to prevent them being accommodated in a basic typology of policy styles.<sup>9</sup> Richardson argues that if there are common trends in liberal democracies, then it might well be the case that not only is there a convergence of policy styles, but that cross-sectoral differences, and differences between policies will gradually be eroded.

### **The British Policy Style (7.3)**

Richardson and Jordan view a policy style as the dominant style in a nation. In the UK there is a preferred type of machinery, reflecting normative values-- which is to avoid electoral politics and public conflict in order to reach consensus or 'accommodation'.<sup>10</sup> These preferred operating procedures tend to be the standard operating procedures with the 'normal' policy style described by Richardson and Jordan as 'bureaucratic accommodation'(p81), a system in which prominent actors are groups and government departments and the mode is bargaining rather than imposition.

One senior Environment Agency official stated that:

**(101) 'The US system is very adversarial. Lots of checks and balances. In Britain you cannot really be close to anyone. At HMIP<sup>11</sup> we were consultative. The UK needs tough powers, it needs a big stick to have people talk to you. We didn't have a big stick. Industry was regulation driven. This was classic UK style regulation.'**

The US regulatory style in the field of environmental regulation is adversarial, with EPA acting as a "gorilla in the closet" with the support of powerful statutes handed down from the US Congress. HMIP was very consultative and lacked the kind of powers of enforcement that the US EPA possessed. The legislation underpinning EPA's powers of enforcement was absent in the UK. UK industry was regulation driven, but such regulation relied in large part on voluntarism, and on industries adhering to these regulations. Bureaucratic accommodationism is a good way to summarise the relationship between industries and regulators. The regulatory style, dictated in large part by the powers of the regulators, and the attitude of the regulated to these regulators, was based on voluntarism and on the setting of regulations. There was no emphasis on what the official in the above response calls a 'big stick.'

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<sup>9</sup> Richardson *ibid.*, pp1-14.

<sup>10</sup> *Ibid* Chapter 4.

Five points characterise the British regulatory style:<sup>12</sup>

- sectorisation

Specialisation in sub-systems of government is inevitable. So, for example, MAFF may deal with certain environmental questions pertaining to agricultural matters, while the DoE has very similar responsibilities in related areas. Co-ordination takes place within the relevant policy community until a policy emerges which is then “sold” to the rest of the system.

- clientelism

Parts of the bureaucracy may actively mobilise its pressure groups in a certain direction. Group-department relations may produce treaties of mutual advantage.

- consultation/negotiation

A cultural bias containing normative values which emphasise the need to legitimise decisions through consultation. Richardson and Jordan suggest a further broad cultural norm that those governing should govern by consent.

- institutionalisation of compromise

Despite the attempted ‘quangocide’ undertaken by the Thatcher governments, the outstanding feature of the British policy process remains the committee. The extensive system of advisory committees is a way of institutionalising group contact with departments.<sup>13</sup>

- the development of exchange relationships

Richardson and Jordan argue that Britain is characterised by a professionalisation of policy-making and a preparedness to settle individual policies without complete agreement about ends.<sup>14</sup> The logic of negotiation also suggests that policy-makers in both government and groups will share an interest in the avoidance of sudden policy

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<sup>11</sup> HMIP: Her Majesty’s Inspectorate of Pollution. One of the three major groupings combined under the 1995 Environment Act which created the Environment Agency.

<sup>12</sup> Jack Hayward says of the British policy style: ‘*Firstly, there are no explicit, over-riding medium or long-term objectives. Secondly, unplanned decision-making is incremental. Thirdly, humdrum or unplanned decisions are arrived at by a continuous process of mutual adjustment...the aim is to secure through bargaining at least passive acceptance of the decision by interests affected.*’ Quoted in Richardson *ibid.* Page 92.

<sup>13</sup> Richardson, J. (ed.) (1982), *Policy Styles In Western Europe* (Boston, Allen and Unwin). Page 92.

<sup>14</sup> *ibid.*, page 93.

change. Wildavsky describes the British style as one of absorption: **‘...the British accommodate conflict through anticipatory adjustment...Consultation is the mechanism to allow anticipatory adjustment: it allows a subtle exchange of desired and acceptable positions.’<sup>15</sup>**

The creation of the Environment Agency marked a move away from the consultative, voluntarist, bureaucratic accommodationism that had characterised regulation in the UK for most of the century. The Environment Act gave the new agency greater powers of enforcement and allowed for much more regulation to occur within one organisation, the so-called ‘one-stop shop’ discussed during the creation of the Environment Agency which would allow industries to be regulated by one organisation, rather than being regulated by Waste inspectors, Water inspectors, Land Quality officials.

## **The Development of Environmental Regulation in Britain (7.4)**

Britain has the oldest system of environmental protection in the world. As one official at the Environment Agency explained:

**(101) ‘To understand what happens at the Environment Agency, or even how its forerunners worked, you have to go back a hundred years to the alkali inspectorate and the like. Angus Smith was the chief inspector of pollution. And this [alkali inspectorate] was the environmental regulatory inspectorate. He tried to solve the original acid rain problem. We had many departments, and many more after the creation of DoE. In 1974 they decided to unscramble the HSE [Health and Safety Inspectorate] and created HMIP [Her Majesty’s Inspectorate of Pollution]. And a Waste Inspectorate was created.’**

Environmental regulation in Britain had developed from a diverse structure of agencies and statutes which stretch back to the mid-Victorian period.<sup>16</sup> By the beginning of the twentieth century Britain had public health mechanisms in place as well as a limited degree of protection against industrial pollution, instruments in place to protect historic monuments, as well as mechanisms to protect wild birds. The ‘50’s and ‘60’s saw legislation which extended controls over air and water pollution, increased controls to conserve rural and urban areas, and looked at problems of toxic waste.

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<sup>15</sup> Wildavsky A. (1975), *Budgeting: A Comparative Theory of Budgeting Processes* (Boston, Mass., Little, Brown) page 153.

<sup>16</sup> Carter N. Lowe P. and Flynn A. (1996) “Environmental Policy in Britain” in *Environmental Politics* vol. 4, 2 Spring 1996.

Chapter Three outlined the growing concern in the US towards environmental issues, notably in the late 1960's and early 1970's. The Earth Day demonstrations witnessed in some of the biggest cities in the US highlight the importance of the environment as an issue in the minds of millions of citizens. The situation in Britain in the late '60's and early '70's, though less pronounced, was nonetheless of great importance, with environmental groups lobbying for reform of Britain's environmental regulation.

Environmental regulation in Britain in 1969 was more fragmented even than that in the US. Even in 1969 there were ten ministries in Britain responsible for protecting the environment. The creation of the Department of the Environment (DoE) in 1970 (p196) did not represent a move towards a unified, coherent and efficient regulatory body any more than EPA represented a truly holistic, multi-media approach to environmental protection, as President Nixon had claimed in 1970. By comparison however, EPA was far more of a genuine regulatory agency for the environment than was the DoE with its multitude of responsibilities, many of which were detached from issues relating to the environment (p196). The creation of the DoE super-ministry did not mark the creation of an agency that would regulate the environment effectively. DoE and EPA had in common a rushed creation, with many organisations thrown together in a new structure. Yet DoE lacked the statutory underpinnings that gave EPA considerable powers and, furthermore, DoE lacked the supportive regulatory culture that facilitated EPA's ability to ensure compliance through voluntarism where appropriate, but through litigation where necessary. Bureaucratic accommodationism UK style was not congruent with DoE acting as a 'gorilla in the closet.'

In his book *National Styles of Regulation* David Vogel compares the responses of the US and Britain to the increased widespread dissatisfaction with the treatment of the environment by government.<sup>17</sup> Noting first the sea-change in the attitude to the environment in the US in the late 60's and early 70's (see Chapter Three) and the increase in the concern for the environment witnessed in Britain during the same period, Vogel assesses why it was that Britain's regulatory stance towards the environment underwent such a small change. In particular, the actions of DoE following its creation in 1970 are far less significant than are the activities of EPA,

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<sup>17</sup> Vogel, D. (1986), *National Styles of Regulation* (Ithaca NY: Cornell University Press).

also created in 1970. EPA had a dramatic impact on environmental regulation in the US and this was not the case for the DoE. Vogel proposes three main reasons for the difference in DoE and EPA activities. Britain has:

- a highly respected civil service
- a business community that was prepared to defer to public authority
- a public that was not unduly suspicious of the motives or power of industry

A fourth reason put forward by Carter *et al* can be added, namely that the British DoE was a department of the environment, not a department for the environment.<sup>18 19</sup>

The resulting regulatory stance in Britain, as Richardson *et al* suggest was one of co-operation and trust between industry and government. An increased concern with environmental issues was as visible in Britain as it was in the US in the late 60's. Britain was shocked by the Aberfan disaster of October 1966 when an avalanche of coal-slag buried a school in a coal-mining town in Wales, killing 28 adults and 116 children. A few months later the oil-tanker Torrey Canyon hit the Cornwall coastline, spilling 60,000 tonnes of crude oil into the Atlantic Ocean, as well as onto both English and French beaches. Rachel Carson's *Silent Spring* had a significant impact in Britain, as it had in the US, raising awareness of the dangers of certain pesticides (such as DDT).<sup>20</sup> 1969 saw 50,000- 100,000 seabirds found dead along the British coastline, their deaths having been caused by the toxic chemical PCB having been dumped into rivers and directly into the sea.

In 1969 the Wilson Administration established the permanent Royal Commission on Environmental Pollution (RCEP). Following the election of a Tory government in 1970 the word "environment" appeared for the first time in an address by the Queen. On Thursday 14<sup>th</sup> October 1970 Prime-Minister Edward Heath announced the creation of a new super-ministry: the Department of the Environment (DoE).<sup>21</sup> At the time of its creation *The Economist* suggested that Peter Walker, the new head of the DoE,

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<sup>18</sup> *Ibid.*, p7.

<sup>19</sup> Carter *et al.* suggest that only about 10% of the DOE staff actually deal with environmental issues and much of the work relating to the environment is devolved to 'quangos' operating under the DoE.

<sup>20</sup> Carson, R. (1965), *Silent Spring* (Harmondsworth, Penguin).

<sup>21</sup> CMND 4566 See *The Economist* October 17<sup>th</sup> 1970, page 24. The Department of Trade and Industry was also created at this time.

would have a very difficult task of making the new department efficient.<sup>22</sup> The DoE was an amalgamation of existing organisations combining the ministry of Housing and Urban development, Transport, and Public Building and Works. One problem for the new department was that the various functions of these glued together departments were not easily subject to clear policy objectives such as the DTI's "let the market decide". Peter Walker signalled the direction he planned for the DoE, stating at the Tory Party Conference (October 18<sup>th</sup> 1970) that the solution to the mounting environmental pollution problems depended on the polluter meeting the full cost of such pollution.<sup>23</sup>

The DoE assumed a series of wide-ranging administrative and statutory powers over a "whole range of functions which affect people's environment" including land-use planning, surface transportation, housing construction, the preservation of amenity, the protection of coasts and the countryside, the preservation of historic monuments, and the control of air, water, and noise pollution.<sup>24</sup> In 1971 Secretary of State Peter Walker proposed legislation to reorganise more than 1400 local and regional agencies responsible for water supply, sewerage, and water conservation in England and Wales. Walker wanted to put in their place 10 regional water authorities, with their boundaries based on natural watersheds, and not on jurisdictional local government units. The regions would be responsible for source to the tap. As Vogel suggests, the impetus for this move came from a predecessor to the DoE, the Ministry for Housing and Local Government, who felt that local authorities were neglecting their responsibilities for water management.<sup>25</sup> In 1973 Parliament passed the Water Act, and this act strengthened the hand of those bodies responsible for controlling pollution.

1974 saw the passage of the Control of Pollution Act. Unlike previous statutes, which had been media specific, this one addressed a multiplicity of problems: waste disposal; water pollution; noise nuisance; air pollution. It marked "...the first formal

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<sup>22</sup> *The Economist* October 17<sup>th</sup> 1970, page 24 Economist Newspapers Limited, London.

<sup>23</sup> The Environment Agency was "slammed for inefficiency" in a Select Committee report which indicated that the Agency was not fulfilling its duty to protect the environment in certain important areas, having failed to investigate properly the activities of industry in specific fields (cement kilns using secondary liquid fuels (SLF's) being a prominent example in the report. See: <sup>23</sup> ENDS *Environment Daily* Thursday 6<sup>th</sup> March 1997. [Http://www.ends.co.uk/subscribers/envdaily/articles/97030602.htm](http://www.ends.co.uk/subscribers/envdaily/articles/97030602.htm)  
See also the Select Committee report at [www.parliament.the-stationery-of...m199798cmselect/cmenvtra/484/48401.htm](http://www.parliament.the-stationery-of...m199798cmselect/cmenvtra/484/48401.htm)

<sup>24</sup> Vogel *ibid.* page 43.

<sup>25</sup> Vogel *ibid.* page 44.

recognition of the environment as a single entity and was regarded as a major step forward in the administration of pollution control in the UK.<sup>26</sup> The Act reversed previous legislation which had placed severe restrictions on the ability of pollution-control organisations to release information obtained from polluters to the public. Unlike the US, and perhaps uniquely among liberal-democratic nations, many of the functions carried out by government bodies in the area of environmental regulation are carried out by *private* organisations in the UK. Nearly half of UK environmental organisations have representation on one or more official advisory bodies.<sup>27</sup>

Prior to the creation of DoE in 1970 there was a consensus among environmental groups, planning officials, and the government that a single body was needed to co-ordinate the entire environmental effort. In 1969 the Committee for Environmental Conservation was created, it composed representatives from major environmental organisations. The DoE was intended to satisfy the calls for an holistic approach to dealing with the problems of the environment.

Yet ten years after the 1974 Control of Pollution Act was passed much of the Act had not been implemented. With the advent of the privatisation of the utilities in the 1980's environmental regulation became more confused. As Carter *et al* suggest, many of the utilities were infrastructure providers; they were now private companies, and new complicated regulatory regimes were demanded to protect the public interest.<sup>28</sup> 1974 also saw the creation of the Health and Safety Executive (HSE), yet much of the responsibility for pollution control remained outside of HSE's remit. Under the 1974 Control of Pollution Act, disposal of waste onto land remained the responsibility of local authorities, monitored by the Land Wastes Division of the DoE. The regional authorities handled water discharges. Radioactive waste was handled by MAFF. This fragmented picture of pollution control was further muddled by the variable distribution of powers and statutory procedures available to these different bodies.<sup>29</sup>

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<sup>26</sup> Vogel *Ibid.* page 44.

<sup>27</sup> Vogel *ibid.* page 50.

<sup>28</sup> Carter N., Lowe P., and Flynn A. (1996) , *ibid.* Page 3.

<sup>29</sup> O'Riordan T., and Weale A. (1989). "Administrative Reorganisation and Policy Change: the Case of Her Majesty's Inspectorate of Pollution" *Public Administration* vol 67, 277-94.

Unlike the tight regulatory and statutory controls established in law which specify exactly what EPA can and cannot do in many instances. Britain by contrast traditionally has relied on negotiation and persuasion, with voluntary compliance not formal rules (as in the US) the norm in environmental regulation. To quote Carter *et al* 'The fragmented structure of the various regulatory agencies responsible for pollution control meant that there was no one authority responsible for monitoring 'pollution in the round'.<sup>30 31</sup> Pollution control developed within closed issue networks, with little public involvement, indeed often Ministers are not always involved in the agreements developed between regulators and industry.<sup>32</sup> Writing in 1986, Vogel states explicitly that the British public, in general, do not know of the damage that industrial pollution does to the environment.

### **Environmental Regulation in Britain: the 1980's to the Present (7.5)**

Interest in, and concern for, the environment continued to grow in the 1980's. Membership of environmental groups grew rapidly in the early 1980's from around 2.5 million in 1982 to between 4 and 5 million in the early 1990's, roughly 10% of adult Britons.<sup>33</sup> This numerical increase in the membership of environmental groups did not translate into an increased impact on political debate within the UK. Yet during the early 1980's politicians from the major parties began to realise that the environment was an issue upon which they could gain favour. Furthermore, the environment was an issue that politicians could ignore at their peril. Margaret Thatcher heralded an important change in the stance of politicians towards the environment in her Royal Society speech in September 1988. Each of the major parties was, largely as a result of the speech, vying for supremacy in the struggle to establish that theirs was the party of the environment.

Working in tandem with this increasing politicisation of the environment as an issue was the breaking down of previously closed policy networks. Unlike the US, most of Britain's environmental policy was made within closed policy networks which gave few points of access to interested interest groups, nor was there much scope for the public being given much information on decisions taken and the effects of these

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<sup>30</sup> *Ibid.* p12.

<sup>31</sup> O'Riordan and Weale, page 284.

<sup>32</sup> Carter *et al.*, *ibid.* Page 12.

<sup>33</sup> McCormick J. (1991), *British Politics and the Environment* 1991 (London, Earthscan Press)

decisions. The advent of multiple privatisations in the 1980's, and in particular the privatisation of the water industry, altered the nature of the policy networks which impacted on environmental policy, opening-up policy networks to influence from concerned groups. One of the consequences of these privatisations was an increased demand, both from within government and outside, to provide a more precise account of policy objectives relating to the environment, as well as the development of measures to assess the performance of the public sector and of the privatised public utilities.<sup>34</sup>

The hitherto piecemeal and often ad hoc approach to environmental regulation in Britain, with responsibility for protection often falling to local governments rather than national bodies, with incrementalism rather than legal or formal methods of regulation the norm, appeared less and less acceptable as EC Directives forced the British government to ensure compliance with detailed stipulations established by the EC. The British style of regulation, described by Richardson as 'bureaucratic accommodationism' with its voluntarist underpinnings could not easily be united with the more formal and legalistic style of environmental regulation emanating from increased European integration.

As moves towards European integration gathered pace, so too did the pace of change in British environmental regulation in the late 1980's and early 1990's. As Carter *et al* note: **'European and international pressures have increasingly required the government to justify its policy in abstract terms and by reference to principles that have international currency, such as sustainable development, the precautionary principle, and integrated pollution control (IPC).'**<sup>35</sup>

Changes to the British style of regulation are compounded by the ability of interest groups to seek recourse within the European forum, circumventing British policy networks altogether. The next major step in the development of Britain's environmental policy came in 1990 with the publication of the Government's White Paper 'This Common Inheritance'. The Paper received a lukewarm reception at best, but did provide the first account of Britain's policy towards the environment.

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<sup>34</sup> For a more detailed discussion see Carter *et al.*, *ibid* p15.

<sup>35</sup> Carter *et al.* *ibid.* Page 16.

Importantly, this White Paper outlined the principles of *sustainable development* which were to underpin British environmental policy.

This emphasis on sustainability was bolstered by Britain's involvement in the Rio 'Earth Summit' of 1992 (and our subsequent commitment to Agenda 21). January 1994 saw the publication of 'Sustainable Development: the UK Strategy, but there was little which was new in this document.

To quote Carter *et al*:

**'Whilst the government...introduced a number of institutional initiatives, the most important change- the creation of the Environment Agency- owed little in its origins or ultimate design to the idea of sustainability...[with] the government persuaded to consolidate the regulatory functions of pollution control within one agency on the grounds of administrative efficiency and political opportunism, not sustainability.'**<sup>36</sup>

That the Environment Agency was not created for reasons of sustainability but for reasons of administrative efficiency adds further support to the point, made in the previous section, that the Environment Agency was not an agency 'for the environment'. It is not stretching the analysis to draw the comparison between the creation of the British Environment Agency and the US EPA. President Nixon was not an environmental President, yet he stated his commitment to the creation of EPA in his Reorganisation Act number 3 on December 3<sup>rd</sup> 1970. The political capital to be made from this decision, made at a time when one million citizens across the country were protesting against the perceived failure of the government in Washington to address the environment as an issue, is obvious. Similarly, the creation of the Environment Agency resembles the almost ad hoc throwing together of various environmental bodies into one new US EPA.

The British government does not appear to have considered the effects of merging HMIP, NRA and WRA's in one body any more than President Nixon and Vice-President Spiro T. Agnew seemed to consider the wisdom of a decision to create in haste the US EPA. It was left to the first staff at EPA to create a means by which EPA could be successful in its mission.

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<sup>36</sup> Carter N., and Lowe P. (1996) *ibid.* page 19.

By examining the institutional and cultural aspects of the British Environment Agency it will be shown that the creation of this agency did not foster an environment in which agency officials were motivated by a commitment to an holistic, integrated, agency-wide approach to environmental regulation in this country. Looking back to 1990, it is possible to witness Britain's attempt to develop institutional structures and operational modalities that noted the interconnectedness of environmental systems. In much the same way that the US EPA has periodically struggled with the question of how to organise their agency in such a way that a more multi-media, cross-media, based approach to regulation can be advanced, Britain addressed the same question in the Environmental Protection Act passed in 1990. This Act emphasised the need for an approach based on IPC: Integrated Pollution Control. Yet IPC had its roots in the Royal Commission on Environmental Pollution (RCEP) of 1976, and it was IPC which underpinned the creation both of HMIP and of NRA.

As with much of Britain's environmental regulation, IPC was introduced in a haphazard, incremental and protracted manner. Nonetheless, IPC did establish a basis upon which Britain could move away from piecemeal, ad hoc and fragmented regulation toward a more unified system. Indeed, IPC was an important element in the move to create the NRA and HMIP and, in 1996, the Environment Agency.

Jordan argues that IPC should be perceived as 'internal integration' of regulatory functions, whereby a single permitting authority has the power to regulate all discharges from certain polluting sources, irrespective of whether they are land, air or water.<sup>37</sup> In the case of the US EPA, the Agency has yet to overcome the problem of 'stovepiping', with an agency vertically separated along media lines. The UK has noted

the problem with such media separation but, as the discussion below will show, the Environment Agency does not represent the optimal solution to the multi-media nature of environmental problems. In order to employ IPC the UK had to move away from secretive, industry-based, confidential collaboration between regulator and regulated. Such a culture of co-operation did not facilitate an easy transition to IPC.

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<sup>37</sup> Jordan A. (1993), "IPC and the Evolving Style of Environmental Regulation in the UK" *Environmental Politics* Vol 2, No 3 Autumn pp405-427.

In 1987 the government created HMIP by amalgamating the Industrial Air Pollution Inspectorate, the Hazardous Waste Inspectorate, and Radiochemicals Inspectorate. In 1989 the NRA was created following the Water Act of 1989. As Carter *et al* note, the Thatcher government had intended originally to vest responsibility for regulating water pollution in the newly created private water companies, but after the Council for the Protection of Rural England obtained legal opinion on the matter. Establishing that such self-regulation would run counter to EC law, the government conceded and created the formally independent NRA.<sup>38</sup> Yet none of these bodies was formally within the framework of IPC. HMIP started life as a neutered body with no all-encompassing statutory basis.<sup>39</sup> Only in 1990 with the Environmental Protection Act did HMIP gain the statutory grounding necessary to operationalise IPC. Only in April of 1991, sixteen years after the Royal Commission recommended IPC, did HMIP have authorisation to implement a policy of IPC.

The advent of IPC is important in the development of environmental regulation in Britain. IPC marked a *shift*, albeit a modest one, in the style of regulation, away from unrestrained bureaucratic accommodationism towards a more formal, unified and rigorous form of regulation. IPC represented also the beginnings of a shift in the *structure* of regulatory agencies and inspectorates. After 1990, Britain had a more formal, and a more strictly enforced regulatory style and structure. As HMIP issued more court orders in the early 1990's, and NRA maintained an aggressive stance towards polluters. This aggressive stance was facilitated by the statutory basis provided by the 1989 Water Act and by the reduction in the 'poacher-gamekeeper' problem.<sup>40</sup>

The creation of the Environment Agency, which combined HMIP, NRA and various local Waste Regulation Authorities did not lead to the increased effectiveness of Britain's regulatory policy to the extent that many hoped (at least not in the early days of Agency, although it is still too early to provide a full assessment). Part of the explanation for the limited success of the Environment Agency can be attributed to the

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<sup>38</sup> The logic of a situation in which the regulator and regulated are not separated, a situation where a body could be both poacher and gamekeeper, did not at first seem to pose a problem for the Thatcher administration.

<sup>39</sup> Jordan *ibid.* p418.

<sup>40</sup> The poacher-gamekeeper problem (see footnote 7) represents those problems where regulator and regulated are not separated. For example, NRA had responsibility for ensuring the quality of water, but also had some

way that the creation of the Agency affected those who staffed it (discussed in Chapters Eight and Nine).

## **The Creation of the Environment Agency (7.6)**

In order to place the creation of the Environment Agency in August 1995 within a larger historical and political context it is necessary to examine briefly the creation of those organisations which were amalgamated in the creation of the Environment Agency. Chapter Eight examines the institutional structure of the Environment Agency in detail, with Chapter Nine examining cultural groupings within the new organisation.

### **Her Majesty's Inspectorate of Pollution (HMIP)**

**'The creation of a unified HMIP must be set in the context of a general transition in British pollution control practise, where the incorporation of more formal procedures is taking place within a tradition of emitting self-policing, client-regulator mutual respect, and regulatory adaptability.'**<sup>41</sup>

The pressures emanating from Europe, the politicisation of environmental issues, the need for politicians to address questions relating to the environment, led the Thatcher government to create HMIP in April 1987. The Industrial Air Pollution Inspectorate, Hazardous Waste Inspectorate, and Radiochemicals Inspectorate were amalgamated to form HMIP. HMIP did seem to represent a shift in regulatory policy towards the environment, as Britain: moved away from confidential flexibility to greater openness and information; from single medium discharge control to multi-media waste management; from a focus on end-of-pipe treatment towards a more comprehensive approach to good management practise.

The creation of HMIP marked a change both in the *structure* of environmental regulation, and in the *procedures* of regulation.<sup>42</sup> The structure of HMIP novel insofar as it had new patterns of managerial control and of lines of accountability. Procedurally, HMIP marked an alteration in the way that the work of the organisation

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responsibility for the representation of the interests of companies providing water. The possible clash of interest here is the 'poacher-gamekeeper' problem.

<sup>41</sup> O'Riordan T. and Weale A. (1989), "Administrative Reorganisation and Policy Change: the Case of HMIP" in *Public Administration* vol. 67 pp277-294.

was undertaken, with an emphasis on cross-media integrated pollution control (IPC). HMIP, at least in 1987, represented a body that lacked the statutory ability to take an holistic, total, view of pollution. In the case of the US EPA, it was Congressional statutes which underpinned media 'stovepiping' (consider The Clean Air Act, The Toxic Substances Control Act (TOSCA) or Superfund (Hazardous Waste) and generated institutional and cultural divisions within the Agency. In the British case, no pollution control body prior to the Environmental Protection Act of 1990 had the statutory basis needed to undertake cross-media, integrated approach to environmental regulation.

### **The National Rivers Authority (NRA)**

Following the 1989 Water Act the government was forced to place the task of regulating the newly-created private water companies in the hands of an independent regulatory body: the National Rivers Authority (NRA). NRA was formed from the ten 'rivers' units of the former regional water authorities for England and Wales. NRA inherited the staff and resources of these units, but had quite new statutory powers under the 1989 Water Act. 1990 saw the passage of the Environmental Protection Act which gave new statutory powers to HMIP. 1991 saw the passage of five new acts which consolidated existing water legislation. Prior to this consolidation water legislation was spread across more than twenty main Acts and a large number of statutes dating back to the 1930's. NRA had powers to influence water quality, through enforcement if necessary. After 1990, HMIP also had powers (as a result of legislation) to control discharges from industrial processes to controlled waters. OFWAT, established at the same time and under the same regulation as NRA, had responsibility for the economic regulation of water supply and sewage treatment facilities.

Despite the talk of IPC and an holistic approach the creation of NRA nonetheless separated economic and environmental regulation of water. NRA was concerned with the quality of water, and OFWAT with the cost of improving quality. The views of the two organisations did not coincide in every instance. Yet NRA did manage to adopt an aggressive regulator stance towards polluters.

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<sup>42</sup> *Ibid.* p275.

In the US, the environmental zeal of EPA was very much tempered by the oversight of Congress, and the activity of Congressional sub-committees within the area of environmental regulation. For most of its existence EPA had hit industry head-on with often fierce regulatory vigour. In Britain, the NRA had been granted the power in statute to punish polluters and enforce compliance. NRA could prosecute and take direct action both to prevent and to remedy pollution. Furthermore, it could recover its costs where it could identify those responsible for pollution. NRA was also empowered through its receipt of some EC Directives hitherto the domain of the regional water authorities.

HMIP and NRA marked the separation of regulatory and management functions in the area of environmental regulation, it was a principle applied zealously in other areas of environmental management. While falling well short of the power which the US EPA had to enforce compliance, the HMIP and NRA after 1991 represented a considerable advancement in the efficiency with which regulators could compel industry to comply with environmental regulations.

NRA and HMIP had different management structures, different philosophies of regulation, different pedigrees. HMIP was a small organisation with 450 staff. It was a centralised body which approached pollution control from a process engineering perspective. As such, its staff were highly specialised scientists and engineers, often with extensive experience gained in industry.<sup>43</sup> NRA was a far larger organisation, with some 7,500 staff<sup>44</sup> more devolved in structure, with a focus on standard-setting activities at end-of-pipe. The task facing the Environment Agency was to marry these two organisations with the hitherto locally based WRA's (Waste Regulation Authorities).

One former Environment Agency official stated that:

**(101) 'HMIP was very consultative...it was classic UK regulation. The NRA was very different. In the new Environment Agency Britain has lost its way. We all realised that at the Agency.'**

The creation of the Environment Agency generated institutional problems detrimental to individual motivations. These institutional tensions were exacerbated by cultural

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<sup>43</sup> Information obtained from an interview with a senior ex-HMIP official.

<sup>44</sup> Figures taken from an NRA pamphlet "The Creation of the Environment Agency", written by an NRA Board member, Geoff Mance in 1995.

divisions within the new agency. To compound these problems, it will be shown in this chapter that “mission”, even loosely defined, was not something that was stressed as a motivating force by many of those interviewed. The creation of the Environment Agency, its remit, and its institutional and cultural aspects, did not lend themselves to an agency populated by staff who were highly motivated by the creation of, or the opportunity to work within, the new Environment Agency.

### **Waste Regulation Authorities (WRA's)**

WRA's were part of local authorities, and were licensed to treat, keep, and dispose of controlled waste. They employed around 1000 technical staff (some part-time). The individual WRA structures varied considerably, and the creation of the Environment Agency centralised these waste management bodies in the hope that a national waste regulation strategy would be developed. One Waste Inspector in the Environment Agency argued that:

**(102) 'Waste regulation is still not working. It is worse than before the Environment Agency took over. The Environment Agency is a river-basin manager, and is not good at waste regulation. The Agency is good as a conservation body but you need a mafia on regulation.'**

By the end of the 12-month period to March of 1997, the Environment Agency had brought 231 successful court actions against violators of waste statutes, with fines levied totalling £273,000. Certainly waste regulation processes are improving, yet the focus of the Environment Agency remains very much water, with HMIP and WRA activities over-shadowed by the dominance of the former NRA.

In the words of the first administrator of EPA, William Ruckelshaus, in his triumphant return speech following the resignation of the Reagan appointee Anne Burford-Gorsuch (see Chapter Three) Ruckelshaus talks of EPA being a “gorilla-in-the-closet”. EPA had far-reaching and important powers of enforcement and would punish any infringement of environmental statutes. The Environment Agency, despite attempts to move the agency toward a more command-and-control type of regulation (albeit relative to the British regulatory style of bureaucratic accommodationism), has yet to exhibit the aggression of the US EPA in many areas of environmental regulation. The Environment Agency presided over the first reduction in water pollution incidents for eight years. In 1996 the number of incidents was 32, 409

compared to 35,891 in 1995. Yet the data on the number of successful prosecutions for infringement of water regulations show that the number of prosecutions was around 250 in 1996/7 compared to around 550 in 1991/2. It may be the case that the aggressive stance of the former NRA has had a coat-tails effect with some effect on the data for the last two years.

Even if the Environment Agency has been effective at enforcing regulations in water, the Agency has yet to make such a major impact in other areas of environmental regulation. It may be fair to say that the US EPA, although somewhat hamstrung by institutional structure with regard to integrated, cross-media pollution control, nonetheless does enforce environmental statutes across fourteen media programs (which mirror the Congressional statutes that created the many EPA media programs). The Environment Agency, at present, does not seem to have matched its achievements in water regulation in other media.

Part of the explanation for this imbalance in Environment Agency achievements lies in the understanding of institutional structures within and across the agency; in appreciating the unhappy marriage of different cultures which resulted from the agency's creation; in noting how these factors affected motivations of agency officials, and why it is that "mission", as defined in Part I of this work, does not possess the importance for individuals in the Agency that we encountered in interviews with US EPA officials and political appointees.

### **Legislative Debate and the Passage of the Environment Bill (7.7)**

Prior to the creation of the Environment Agency regulation in Britain was largely informal and accommodative, not formal and legalistic as was the case in the US EPA. Legislation in the area of environmental regulation tended to be broad and discretionary; there was little in the way of prescriptive environmental objectives and latitude in enforcement was wide.

The debates over the creation of a new Environment Agency focused on questions regarding: the degree of independence that would be enjoyed by the new agency; the role of local authorities; the scope of regulatory functions, and the question of how, if

at all, to separate operational roles from regulatory roles. The Government decided that the Agency should be independent from government. The Environmental Protection Act of 1990 had separated operational and regulatory functions, thus lessening the problem characterised above as the 'poacher-gamekeeper problem'.

Carter and Lowe identify four options considered for the structure of the new agency.<sup>45</sup> <sup>46</sup> The Secretary of State for the Environment, Michael Howard, decided on Option Three: to create an Agency which would amalgamate the functions of the NRA, HMIP and waste regulation work of local authorities. Such an organisation 'broke with the tradition of a devolved and decentralised regulatory structure.'<sup>47</sup>

The impact of the creation of the new Agency on the staff who came to work in it is discussed in detail in Chapter Nine. However, motivations are inevitably affected in some way by institutional change. Importantly, changes in institutional structure are not isolated from real effects on cultural aspects of motivation, and the creation of the Environment Agency emphasises the need to address how best we can combine the structures *and* cultures of existing organisations in the creation of a new organisation. Chapter Four shows the difficulties encountered when EPA was created from fifteen distinct bodies. The Environment Agency is the combination of at least three bodies, though there were 83 waste authorities, as well as regional divisions within both NRA and HMIP, combined to form the new Environment Agency.

The interview data from the Environment Agency suggest that the agency is beginning now, after two years, to lay the foundations for a new agency culture. The data do suggest, both in the US and in England and Wales, that organisational cultures are not brought into existence at that instant where a new institutional structure has been created. Further problems with the creation of the new agency must be examined in Chapter Nine. What we can say here is that there are similarities in the nature of the

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<sup>45</sup> The four structures considered were: 1) the Agency would have a remit for emissions to air and land by taking over responsibility for most of HMIP's functions, and would take over waste functions, HMIP's water functions would go to NRA. 2) Create an umbrella body to co-ordinate the work of NRA and HMIP. 3) Incorporate HMIP, waste regulation, and the NRA within a single, all-embracing Agency. 4) For the Agency to combine waste regulation, HMIP and NRA's pollution control functions, thus consolidating responsibilities for emissions to air, land, and water, but leaving a rump of NRA covering river, water, and fisheries management.

<sup>46</sup> Carter, N and Lowe P., (1996) "The Establishment of a Cross-Sector Environment Agency" *Environmental Politics* Vol 4, Spring 1996

problems encountered when the US EPA and the Environment Agency for England and Wales were created. In the EPA one major problem was that of “stovepiping”: that is, the problems created in an agency separated vertically along lines of media programme. The Environment Agency also has what many officials in the Agency describe as “functional chimneys”; yet the Environment Agency also faced the same problem faced by EPA thirty years ago, namely whether to have an agency organised along functional lines, programmatic lines, whether to separate regulatory and programme responsibilities.

On December 1<sup>st</sup> 1994, the Environment Bill received its First Reading in the House of Lords. The Bill would create a corporate body for England and Wales and a separate body for Scotland called the Scottish Environmental Protection Agency (SEPA). These bodies would have responsibility for: contaminated land; abandoned mines; national parks; control of pollution; conservation of natural resources; the conservation and enhancement of the environment and responsibilities for fisheries.

In comparison to the remit of the US EPA at its creation, we see that the Environment Agency for England and Wales did not have the wide-ranging responsibilities for the entire environment which EPA was granted by President Nixon in his Executive Order of December 3<sup>rd</sup> 1970. The new Environment Agency was to be populated in the main by NRA staff, and more than 50% of agency budget in its first year went to projects that were hitherto NRA’s responsibility. By contrast, the Water Program in EPA, while a billion dollar program, does not dominate EPA, being one of thirteen giant programs (consider: Air; Toxic Substances; Superfund; Land, for example) within the Agency.

Much of the debate in the Lords was concerned with the institutional structure of the new agency, and the way that Integrated Pollution Control (IPC) and a holistic approach to environmental regulation would be fostered by the new Agency. Viscount Ullswater noted for example: **‘...many of the Provisions in the Bill are taken from the existing bodies, but by integrating individual media we will improve the quality of the environment. That has certainly been the**

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<sup>47</sup> Carter and Lowe *ibid.*, p32.

experience elsewhere.’<sup>48</sup>

It is not clear which agencies are being referred to here, but the experience of the US EPA suggests that the debate which has raged within EPA from its inception as to the benefits of a holistic single-media statute underpinning EPA’s statutory responsibilities has not abated. EPA has yet to embrace a change in its statutory underpinnings and remains effectively stovepiped. The Environment Agency is underpinned by “functional chimneys” and part of the reason for this is the statutory basis of the Agency, that is, the way that the Environment Act established the Agency. The funding of the Environment Agency does not allow much scope for freedom of funding across media lines. Although there is some flexibility at the Area level (as a result of a model of organisation based on “matrix management” (Chapter Eight) Head Office and the Regional Offices remain organised primarily along lines which maintain distinct functional chimneys. This form of organisation is similar to the separation in the US between Headquarters and some of the Regions (as when Region 10 (Denver) opted for a more integrated, cross-media approach, when most of the EPA was still media program oriented) and problems of communication with concomitant effects on motivations were visible both in the US and in Britain.

Many of the Lords raised concerns over the costs to existing bodies generated by the creation of a new agency. Lord Chorley, Chairman of the National Trust, was worried by the merging of organisations ‘already doing a good job’ and he identifies major costs in terms of disruption and problems resulting from the merging of different cultures (See Chapter Ten).<sup>49</sup> Lord Crickhowell (head of NRA) stated that ‘morale at NRA has been dented’ by the proposal of a new agency and that NRA was ‘bewildered and uncertain’. In the Second Reading in the Commons Secretary of State for the Environment John Gummer assured both the House that the new agency was necessary if Britain was to develop:

‘a more holistic way...the whole idea is that we must deal with the environment much more in the round...we cannot deal with it as air...land...water.’<sup>50</sup>

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<sup>48</sup> Ullswater Viscount., quoted in Hansard, December 15<sup>th</sup>, 3.53pm. Page 1377 Environment Bill [HL].

<sup>49</sup> Chorley, Lord *ibid.*, page 1395.

<sup>50</sup> John Gummer, Hansard [HC] April 18<sup>th</sup> 1995, page 36. EnvironmentBill, Second Reading

The Environment Agency for England and Wales was formally created on August 8<sup>th</sup> 1995 by the Environment Act of 1995. It took up its statutory duties at vesting on April 1<sup>st</sup> 1996. The Agency's structure was essentially that favoured by Michael Howard. The Environment Agency brought together the functions of NRA and HMIP, the waste regulation functions of 83 local authorities (including the London Waste Regulatory Authority) and a small number of units from the Department of the Environment, Transport and the Regions (DETR) dealing with aspects of waste regulation and contaminated land.

The Agency has yet to resolve many of the problems raised in the Lords debate during the consideration of the Environment Bill: the Environment Agency has yet to develop a new culture, although this is occurring slowly. Further, the Agency has not resolved the problem of having matrix management at the Area level, while Regional Offices and Head Office remain organised along functional lines. Morale in the Agency remains very low, as attested to by much of the interview data discussed in Chapter Eight. Problems of pay remain, the legacy of combining highly paid HMIP staff with NRA and WRA staff whose remuneration were not in any way comparable to HMIP pay levels (discussed Chapters Eight and Nine).

## Mission in the Environment Agency (7.8)

Chapter Three examined importance of mission to an understanding of bureaucratic motivation in the US EPA. Wilson's definition of mission stated that:

*'When an organisation has a culture that is widely shared and warmly endorsed by [workers], we say that it has a sense of mission. A sense of mission confers a sense of worth on the members, provides a basis for recruiting and socialising new members, and enables the administrators to minimise on the use of other incentives.'* (Wilson 1989, page 95)<sup>51</sup>

Mission in EPA was described as more than a buzzword used by EPA officials. Mission was a 'large-scale motivating force for bureaucrats who find in their mission a mirror of the values and ideals which they deem valuable' (Chapter Three). The recurrence of the term mission in the interview data does suggest that mission is discussed so often as to have become part of the rhetoric put forward by EPA, yet mission does play a real and important part in the process of explaining motivations in EPA. The relevance of mission to British officials in the Environment Agency is less obvious.

Most obviously, officials in the Environment Agency did not choose to work for the Agency in the majority of cases; rather, most of the Agency's staff worked for HMIP, NRA or the WRA's. There are now some new recruits who came directly to the Agency, but they are the exception. Furthermore, in EPA the references to 'mission' allowed at least some crossing of media stovepipes, albeit to a very limited extent. The data from the US do suggest that many of EPA's senior officials exhibited a prior commitment to values consonant with the mission of EPA. An examination of the data presented in this section provides little evidence of a prior commitment to the environment on the part of those Environment Agency officials interviewed. This is not a comment on the commitment of Environment Agency staff to their jobs, but

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<sup>51</sup> Wilson J.Q. (1989), *Bureaucracy: What Government Agencies Do and Why They Do It* (Basic Books, New York). In the data presented below the usage of the term *mission* seems to refer to the principal goal of the Agency. Wilson employs the term in a somewhat different way to mean what Morton Halperin calls "essence" Although Wilson does not elaborate on this definition in his footnote (Chapter Three, page 72, footnote 29), but the present work differs in its use of the term-- employing *mission* in a way which allows the term to encapsulate more than simply the stated goals of the Agency-- the EPA mission-statement. Rather, *mission* must be widened to include a cultural element-- a set of norms and values, a belief system, represented by the mission of EPA.

does shed light on some of the values held by various Agency staff. Mission was not something that was mentioned in the data to any significant degree.

The explanations of how Environment Agency staff came to work for an environment agency do not exhibit the almost “vocational” zeal encountered in many of the accounts provided in the EPA data. The term “mission” as employed in this work has a cultural element to it, with mission encapsulating a set of norms and values which permeate the Agency, and which exhibit motivational effects on staff. The Environment Agency has yet to establish an agency-wide culture, even one which would facilitate the co-existence of various subcultures. Whether the Agency will develop such a culture remains an empirical question, yet the US data do suggest that without having in place, at the very least, a rudimentary agency-wide culture it is difficult to establish what Wilson calls an “organisational mission”.

In Wilson’s definition ‘mission’ is viewed as conferring a sense of worth, a means for recruiting and socialising new members, and is underpinned by a culture that is shared and endorsed by workers. The Environment Agency data do not suggest that the Agency has such a culture:

**(107) ‘morale is very low; many staff feel undervalued; turnover of staff in the new Agency is high, running at 8%, about 3% above comparable organisations.’**

The low morale reported by many staff in the Agency suggests that staff do not feel they are part of an organisation that is unified by an over-arching sense of mission. Indeed, many staff complain that the creation of the new Agency destroyed the sense of mission, and what one person called ‘the sense of being part of a larger team’ [404] that staff in EPA, and noticeably in Region III, cited as having positive effects on their feelings of motivation.

As well as lacking anything approaching an Agency-wide culture, the new Environment Agency has to work out the best means of combining staff from different organisations into one new organisation. Only if the new Environment Agency can generate a culture, or perhaps subcultures, which generate a sense of motivation in

staff, and can generate a sense of mission within the new agency, can we expect to see improvements in the very low morale of many Agency staff. One would expect to find problems in such a young agency, but the problems faced by the Environment Agency can, at least to some extent, be explained in terms of the failure to think about more than just what kind of institutional structure would be desirable; in order to create a sense of mission, and by extension, to increase the positive aspects of motivation in the Agency, it is necessary to think about how best to create a culture, or series of subcultures, within an organisation which will generate real motivation on the part of staff.

In the abstract it is easy to state that institutional change and cultural change should be made to move in the same direction. Changes in these two variables do not necessarily move at the same pace, but organisational change should not exclude, or alienate, elements of an organisation. It is necessary to examine the institutional problems faced by the new Agency (for example, problems of differential pay scales). In addition, the problems of aggregating so many cultures into a single, and new, organisation must be analysed. These are the tasks of Chapter Eight and Chapter Nine.

## Summary (7.9)

The historical and political context in which the Environment Agency was created highlights important similarities, and important differences, between this Agency and the US EPA. The Environment Agency lacks an over-arching sense of mission and the cultural divisions within the Agency (discussed in Chapter Nine) are rooted in the institutional structures thrown together when the Environment Agency was created. Many of the differences between the Environment Agency and the US EPA should be viewed in terms of cross-national differences in regulatory style. Unlike the US, Britain has a style of 'bureaucratic accommodationism' which lends itself less easily to stringent environmental regulation.

The creation of the Environment Agency, and the mission of enhancing the environment, is limited by an agency created more for administrative efficiency than for grander reasons underpinned by a genuine commitment, on the part of the government of the day, to more stringent and effective environmental regulation. The Environment Agency is further limited by its statutory underpinnings, which fall far short of the level of power given to the US EPA by the Congress, with much of the Environment Agency funding and responsibilities focused on river-basin management, rather than the overall quality of the environment.<sup>52</sup> A sense of mission was not present in the interview data, although this mission might develop as the Agency matures. After creation the Environment Agency suffered from low morale and, although morale appears to have improved over the last two years, institutional and cultural factors still mitigate against the achievement of an agency-wide mission. These institutional and cultural factors are considered in the next two chapters.

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<sup>52</sup> For example, in the Wallingford Area Office (Oxfordshire) the Environment Agency is responsible for discharge from Didcot power station, but is not responsible for the quality of air in the surrounding area. Such limitations restrict the sense in which Environment Agency staff feel they work for an agency for the environment, rather than a rivers authority with some other non-river responsibilities.

# Chapter Eight

## **The Explanatory Variables: an Institutional Examination of Motivation in the Environment Agency**

(8.1) Explaining Motivations in the Environment Agency: an Institutional Perspective

(8.2) Institutional Divisions Within the Environment Agency and Effects on Motivations

### **(8.3) Propositions: Institutional Structures and Their Effects on Motivations**

- 1) The structures combined to form the new agency were not institutionally congruent
- 2) The creation of the Agency led to political conflict
- 3) Four main issues divided the parties who would decide the structure of the new agency
- 4) The five models considered for the structure of the new agency highlight the lack of congruence between the preferences of NRA, HMIP and the WRA's
- 5) The structure of the Environment Agency: a NRA favourite
- 6) The failure of senior management to reach consensus permeated the new structure and had negative effects on motivations
- 7) Primary loyalty in the new agency remains tied to "functional life rafts"
- 8) HMIP became "isolated" from the rest of the Agency
- 9) Relations across the three tiers of the Agency can have negative effects on the motivations of officials, particularly in Area Offices
- 10) Matrix management had mixed success in re-orienting staff towards a new way of working
- 11) The final structure of the Agency created winners and losers, with important effects on motivations, notably in terms of:  
geographic issues; human resource issues; and communications

### **(8.4) Preliminary Conclusions**

## Explaining motivations in the Environment Agency: an Institutional Perspective (8.1)

In Chapter Four Hall's definition of institutions was used as the basis for analysing motivations in EPA from an institutional perspective<sup>1</sup>. He defines institutions as:

*'...formal rules, compliance procedures, and standard operating practises that structure the relationship between individuals in various units of the polity and economy. As such, they have a more formal status than cultural norms, but one that does not derive from legal, as opposed to conventional, standing. Throughout, the emphasis is on the relational character of institutions [how] they structure the interactions of individuals. In this sense it is the organisational qualities of institutions that are being emphasised.'*

Chapter Four suggested that institutional structures have important effects on the motivations of officials within an organisation. As Hall's definition suggests, institutions are more than simply the organisational chart of an agency. It is necessary to focus on institutional operating procedures, and on the "relational" character of institutions. The "relational" refers here to the way that institutional structures and procedures shape how officials interact with one another, how one group within an organisation interacts with other groups. In the case of EPA it was media "stovepipes" that led to institutional divisions across the Agency, generating problems of communication, of pursuing mission, of one part of EPA viewed by another part as "obstructing" what they were trying to achieve.

This chapter continues the institutional analysis adopted in Chapter Four and applies it to an analysis of motivations in the Environment Agency for England. In Chapter Seven the political and historical context in which the Environment Agency for England and Wales (hereafter the Environment Agency) was examined. The Environment Agency was created in very different circumstances to EPA, in a very different era, and the last chapter argued that, as a result, examining EPA and the Environment Agency is not to compare like with like. Yet one can observe certain

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<sup>1</sup> Hall, P. (1986), *Governing the Economy* (Cambridge, Polity Press). Page 19.

similarities in the explanation of motivations and, where there are important differences, they are essential to the understanding of motivations which this work attempts to put forward.

Institutions are treated in this work as explanatory variables, with an emphasis on:

*‘... the effects of historically specific patterns of organisation...bridging the gap between micro-level studies of individual operating units and macro-theoretical arguments applied across all kinds of organisations.’* (Hall, page 20)

It is essential that the analysis of motivations in both agencies is located within the larger historical and political context in which each agency was created. Indeed, the most important *political* aspects of the explanation of motivations is underpinned by an appreciation of how and why each agency came to have the institutional structure it did. Further, the way that each agency was created, the parties to this creation, and the winners and losers in the fight over the structure of the new agency: these are the areas of inquiry which shed light on the motivations of officials in each agency. In combination with an understanding of the cultural elements of the explanation, we can begin to explain what it is that motivates bureaucrats in EPA and in the Environment Agency.

This chapter analyses the specific institutional structures within the Environment Agency, examining how and why these structures affect the motivations of officials within the Agency. It is necessary first to understand the structures of the bodies combined to create the Environment Agency. Furthermore, in examining the debates over the creation of the Agency and the preferences of each of the parties involved in the process of establishing the Agency, it will be possible to highlight the winners and losers in this debate over the Environment Agency’s creation.

This chapter presents an overview of the institutional factors which affect motivations in the Environment Agency, this is followed by the establishment and testing of some hypotheses which purport to explain what motivates officials in the Environment

Agency. These propositions are then tested against the interview data collected with some preliminary conclusions propounded.

## 8.2 Institutional Divisions within the Environment Agency and Effects on Motivations

The propositions presented below represent an attempt to untangle the many institutional factors which affect the motivations of officials in the Environment Agency. Each proposition must be viewed in relation to the discussion presented in Chapter Seven because most of the effects on motivations identified below can be attributed to: the characteristics of the parties brought together to create the new Agency; the way that the creation of the Agency was debated; the manner in which the transition to the new Agency was undertaken, and the institutional problems encountered in the new Agency. The order in which the propositions are examined follows each of these major groupings.

### Propositions: Institutional Structures and Their Effects on Motivations (8.2)

#### Proposition One

*'The structures combined to form the new agency were not institutionally congruent.'*

Chapter Seven described the nature of the three component parts of the new Environment Agency for England and Wales, presenting a brief historical account of the creation of the Agency. To understand how its institutional structure affects the motivations of staff, one must examine why the Agency came to have the institutional structure established in April 1996. The most important element in the account of Agency structure is an understanding of how the structures of NRA, HMIP and the WRA's affected the shape of the new organisation<sup>2</sup>.

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<sup>2</sup> NRA: National Rivers Authority. HMIP: Her Majesty's Inspectorate of Pollution; WRA's: Waste Regulation Authorities.

The political debates over the creation of the Agency mirror very closely the desire, on the part of the three organisations that would be merged, to create a new organisation which resembled their old organisation. In terms of the definition of institutions given at the start of the chapter, this political battle was not focused on the organisational “chart” favoured by each party to these debates; rather, substantive issues relating to the number of regions, the boundaries of regions, whether these boundaries would be political (local authority) or river catchment based, these were the main areas of contention.

Understanding something of the nature of the bodies which were merged when the new agency was created will illustrate who won and lost in the debates over the creation of the Environment Agency.

## **The Structure of the NRA**

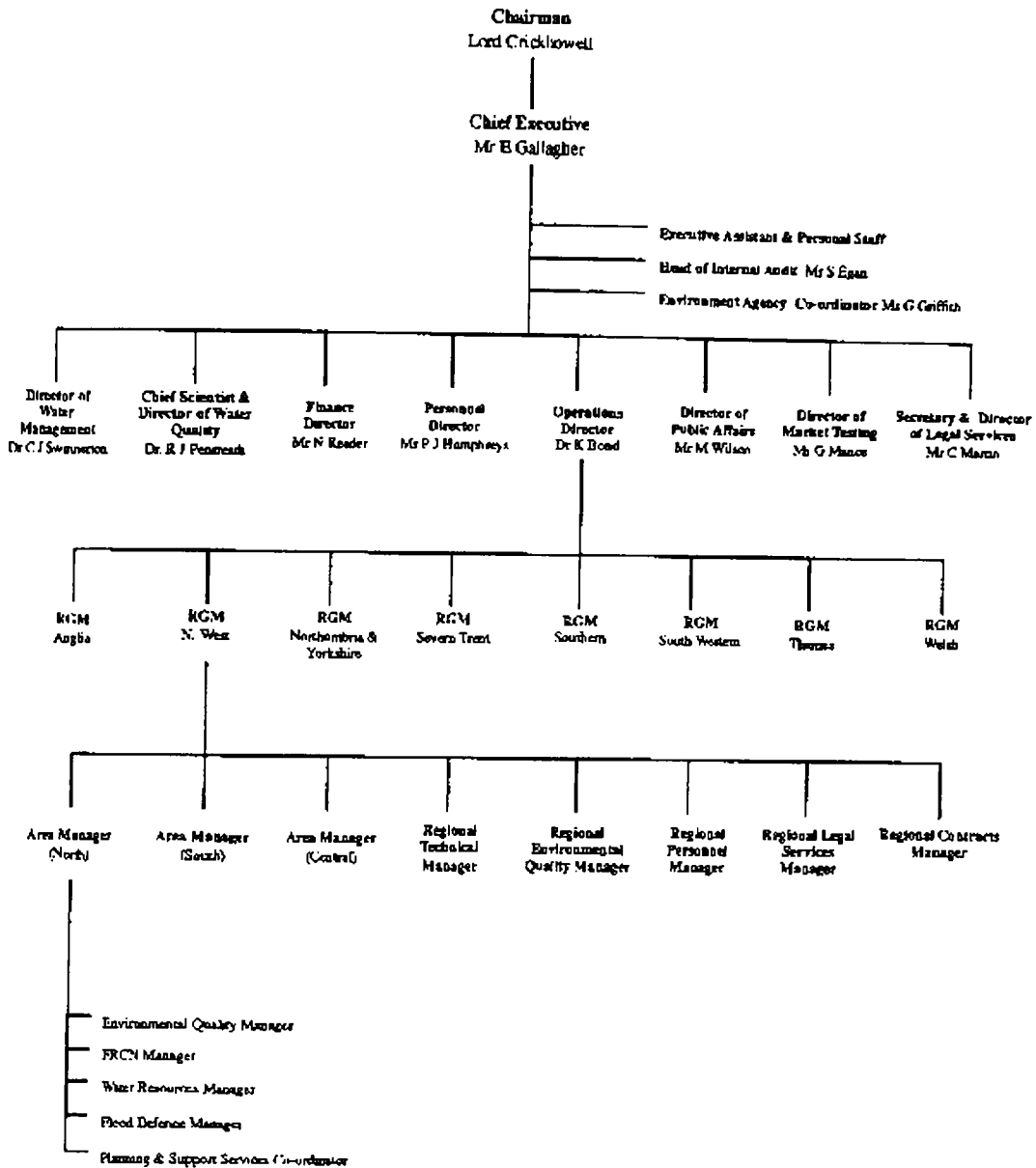
Created in 1989 following the passage of the Water Act (Chapter Eight), NRA was a Non-Departmental Public Body (NDPB) with regulatory responsibilities for controlling water pollution and managing water resources as well as non-regulatory responsibilities for flood defence, land drainage, fisheries, navigation, harbour and conservancy functions<sup>3</sup>. Headed by a Chairman and a Chief Executive, the NRA had eight directorates (see diagram below), with the Operations Directorate split into eight regions each headed by a regional general manager<sup>4</sup>. At regional level there were managers for technical issues, environmental quality, personnel, legal services and contracts. Regions are subdivided into Areas with each area having an area manager. The managers below the Area Manager are shown in the diagram (for Area Manager: North), though there was some variation across Areas. The diagram shows the structure of NRA after its creation in 1989. This structure remained largely unchanged between 1989 and the creation of the Environment Agency in 1996.

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<sup>3</sup> To give an idea of the extent to which Environment Agency spending went to former NRA projects consider that Flood Defence accounted for 45.4% of Agency payments for the year ended 31/3/97. Flood defence levies accounted for 36.0% of Agency income for the same period. Data taken from: *Environment Agency Annual report and Accounts 1996-97* page 22. Printed by the Agency in Bristol.

<sup>4</sup> These directorates were: Water Management; Water Quality; Operations; Finance; Personnel; Public Affairs; Market Testing and Legal Services.

## *NRA Structure*



NRA was formed from the merger of the non-privatised elements of the former Water Authorities, and was not fully integrated. NRA was organised around river-catchments. When discussing the move to a new agency, the Director of Market Testing at the NRA stated on February 21<sup>st</sup> 1995 that:

**‘The NRA would wish to see the Environment Agency organised on the natural environmental boundaries. These are essential for the achievement of integrated river basin management...rather than potentially unstable political boundaries.’<sup>5</sup>**

This NRA Director makes it very clear that, although he is talking about the way that NRA will interact with “our future partners”, he is quick to point out that ‘The NRA is

<sup>5</sup> NRA document “The Creation of a New Agency” (21-2-1995), Mance, G., page2. Bold type was contained in the original.

**in an advantageous position compared to its future partners...although it is very much an equal partner going into the new Agency.'**<sup>6</sup> The sentiment expressed here does capture the essence of some of the problems which the interview data highlight, namely that the creation of the Environment Agency did not, contrary to this quotation, generate a genuine partnership between the three partners thrown together in the new organisation. NRA did dominate geographically and numerically, having the vast majority of staff, offices, and resources. As discussed below, the shape of the new organisation closely resembled the shape of NRA, and such an institutional structure did have negative effects on the motivations of staff not drawn from NRA. Consider the following responses:

**(112) '...the Environment Agency is still a river-basin manager, it is still NRA. The structure of the Agency shows this.'**

**(107) 'There was no real intention by the Government to create a genuine environment agency, it was really an NRA take-over. The NRA was a mismatch of people for 10 water companies. It is badly managed, it even owns a pub for some reason. The NRA was full of bad people, because bright people went to the commercial sector, Severn Trent Water etc.,'**

These responses were not expressed by NRA people. They suggest that, after two years in existence, the Environment Agency remains divided. In particular, these responses emphasise the way that many of the non-NRA staff interviewed felt about their role in the new Agency. All of the literature disseminated by the Environment Agency suggest harmony, partnership, an holistic approach to dealing with the "total environment" discussed by the Major government in its creation of the Agency. Yet these data suggest that many Environment Agency staff do not feel that they are equal partners in the Agency. The first respondent worked for HMIP and was aggrieved at being moved to an organisation in which her [112] '**...expertise and experience**' were not valued. She argues that the new organisation is dominated by the culture of the NRA, where the expertise of HMIP staff is not valued. Reflecting on her own feelings of motivations she suggests that motivations were affected detrimentally by the way that the new Agency failed to respect HMIP staff. She feels less proud of her work, and

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<sup>6</sup> NRA document "The Creation of a New Agency", Mance, G., page2.

resents the attempt, as she sees it, to subsume HMIP expertise within the larger ‘generalist dominance’[112] of the NRA.

What is interesting to note here is the effect on motivations which is HMIP specific. That is, the changes to formal procedures, and informal institutional processes have had considerable effects on motivations. When HMIP was part of the DoE it was largely insulated from the rest of the Department, but in the Environment Agency it has been forced to co-exist with two other partners in a structure very different to HMIP. If Lasswell is correct in his assertion that politics is about who gets what, when, and how, then HMIP did not get the institutional structure it wanted.

The second response is from someone who resigned rather than move into the new Environment Agency. This person also worked for HMIP and felt he could not continue to enjoy his job in this new structure. This is a very important effect on motivations: to resign is certainly one of the more extreme responses of HMIP staff to the creation of the new Agency. The institutional aspect of the motivations examined here reflects the mismatch between the existing structures combined to form the Environment Agency; further, the way these structures were combined also had negative effects on the motivations of many of the staff who populated the new Agency.

Staff from NRA express less discontent with the structure of the new Agency, but did not share the perception of former HMIP staff that the new Agency was an NRA take-over. Rather, many NRA staff complained that HMIP was unwilling to move towards partnership with the other partners in the new Agency, seeing HMIP staff as arrogant and intransigent. The perception of most of the NRA staff interviewed (all but two of the seventeen) was that HMIP managed to create within the Environment Agency another HMIP little changed from its former shape.

## The Structure of HMIP

HMIP was part of the DoE with chief responsibilities for pollution control for processes involving the most serious risk of pollution. Both the Chief Inspector (its head) and the HMIP inspectors were civil servants. Administrative and support staff were civil servants also with total staff totalling 450. One third of staff were located at Head Office in London.

HMIP responsibilities included the authorisation and regulation of the most complex and seriously polluting categories of industry; authorisation and regulation of premises which use, store, or dispose of, radioactive materials; research on pollution control and radioactive waste disposal; expert advice, assistance and planning consultation to Government and industry.

As the diagram below shows, HMIP was headed by a Chief Inspector and Director, with six Head Office divisions.<sup>7</sup> Regulatory work was handled in Regional Offices of which there were seven. The Field Development Division supported the Regions in this work with offices in locations which covered the main centres of industry.<sup>8</sup> Importantly in the present context, HMIP inspectors within Regions worked in multi-disciplinary teams. Further, Regional field forces had support from HQ divisions, so: Regulatory Systems and Policy Divisions were responsible for technical policy, definition of standards, regulatory procedures, production of technical guidance, quality assurance of HMIP's professional work and the HMIP research programme; Corporate Development and Resources Division were responsible for corporate planning, publicity, budgeting, finance and accounts, staff recruitment and training.

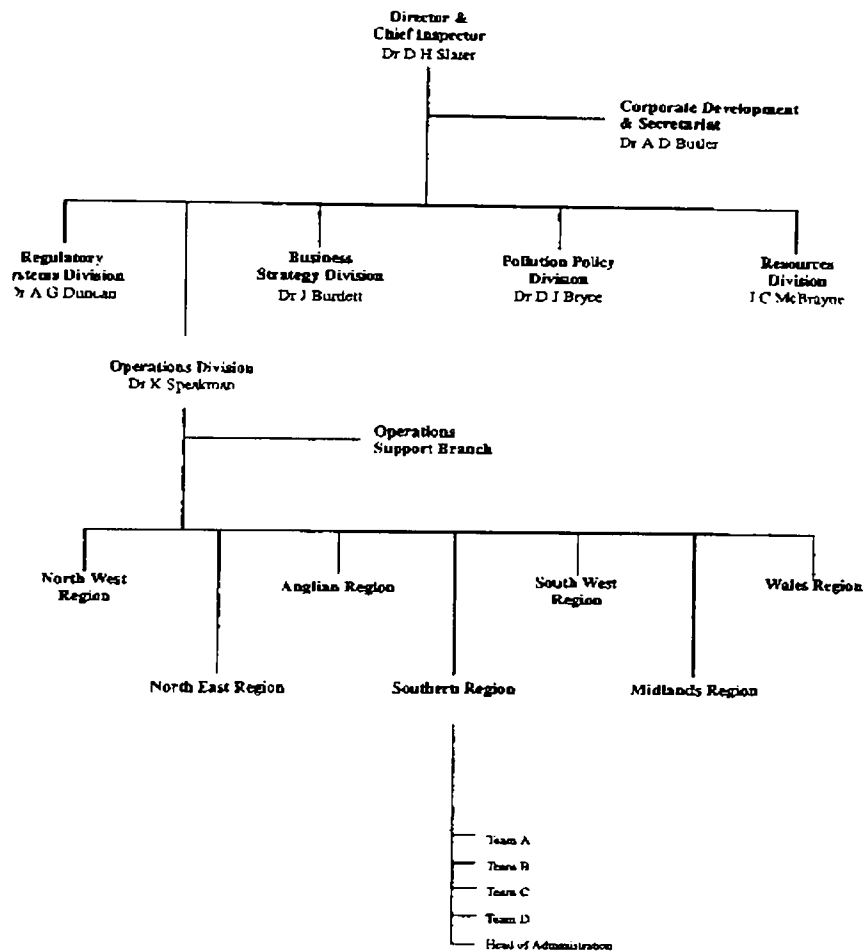
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<sup>7</sup> These are: Corporate Development and Secretariat; Regulatory Systems; Operations; Business Strategy; Pollution Policy, and the Resources Division.

<sup>8</sup> Including: Leeds, Bedford and Bristol.

## The Structure of HMIP in 1994

### *HMIP Structure*



HMIP was a far smaller organisation than the NRA, but its staff, with considerable experience drawn from industry, were paid much more than NRA staff. In itself this pay differential was a problem for the Agency in the first two years after its creation. In terms of the motivations of HMIP staff affected by the creation of the new organisation the major implication of the move to the new Agency was the loss of the structure shown in the diagram, where HMIP had few levels in its hierarchy and where every HMIP official had close links to a particular industry constituency. Further, in the structure outlined here, HMIP is organised around small teams of specialists. The entire organisation had only 450 staff, unlike the NRA which had 7,500 staff in eight Regions as well as many Area offices. In short, it is the mismatch between the existing institutional structures of the three component parts of the new Environment Agency that generated, in part, the considerable negative effects on motivations.

Consider the following response:

**(101) ‘HMIP was consultative. NRA was very different. Now the Environment Agency has lost its way and we all realised that. Unlike the US EPA, which has a Federal structure, and has state EPA’s, we have local authorities doing many things, with the Environment Agency separate, so we impose an imperial structure. The Environment Agency is too national to be locally sensitive, yet too local to have national drives.’**

This response makes what might better be treated as a cultural point, yet it is important to appreciate the fact that many HMIP saw the problem with the new Environment Agency as being one of a flawed institutional structure that would not allow HMIP to undertake its work in an efficient way. The cultural and institutional aspects of the creation of the new organisation, as they affected motivations, are inter-linked. This response comes from a HMIP official who had input into the deliberations which preceded the creation of the Agency (see Hypothesis Two) and highlights the sentiment expressed by six of the HMIP staff-- that HMIP suffered when the Environment Agency was created. The idea of an “NRA take-over” was a popular sentiment expressed by HMIP staff, and one which was cited as a reason why HMIP staff felt their motivations had been adversely affected. The third party included in the new Environment Agency were the Waste Regulation Authorities (WRA’s).

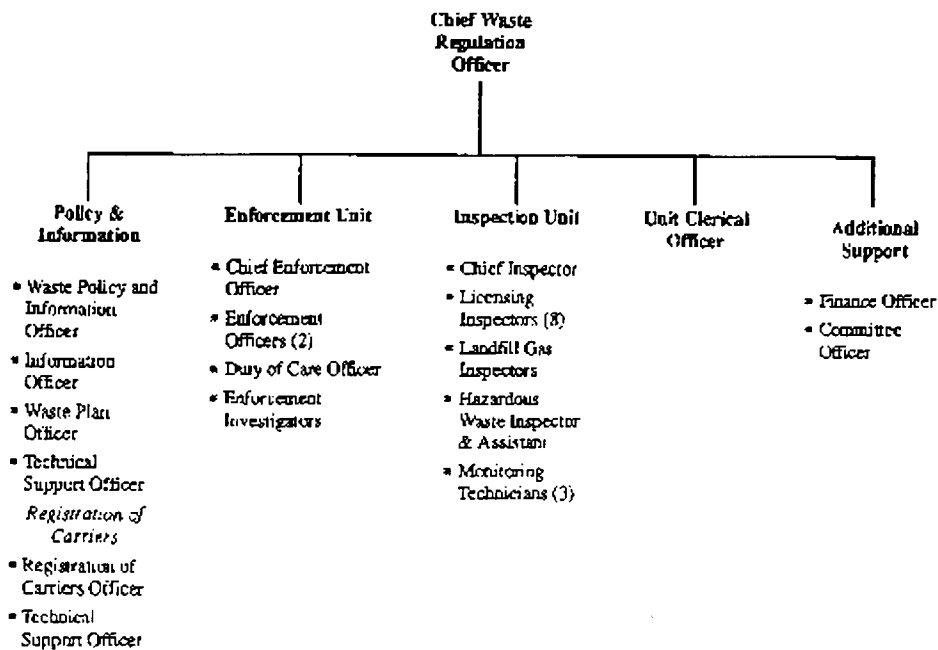
### **The Structure of the Waste Regulation Authorities (WRA’s)**

All WRA’s were part of local authorities (part of the county councils or metropolitan authorities in England, and of the district councils in Wales). They were licensing authorities responsible for controlling the treatment, keeping and disposal of controlled waste in or on land, and for maintaining registers of carriers of waste. WRA’s employed 1200 technical and administrative staff, some of these staff worked part time, undertaking other work for local authorities in addition to waste regulation. Individual WRA structures varied considerably, with the structures of two authorities set-out on the next page.

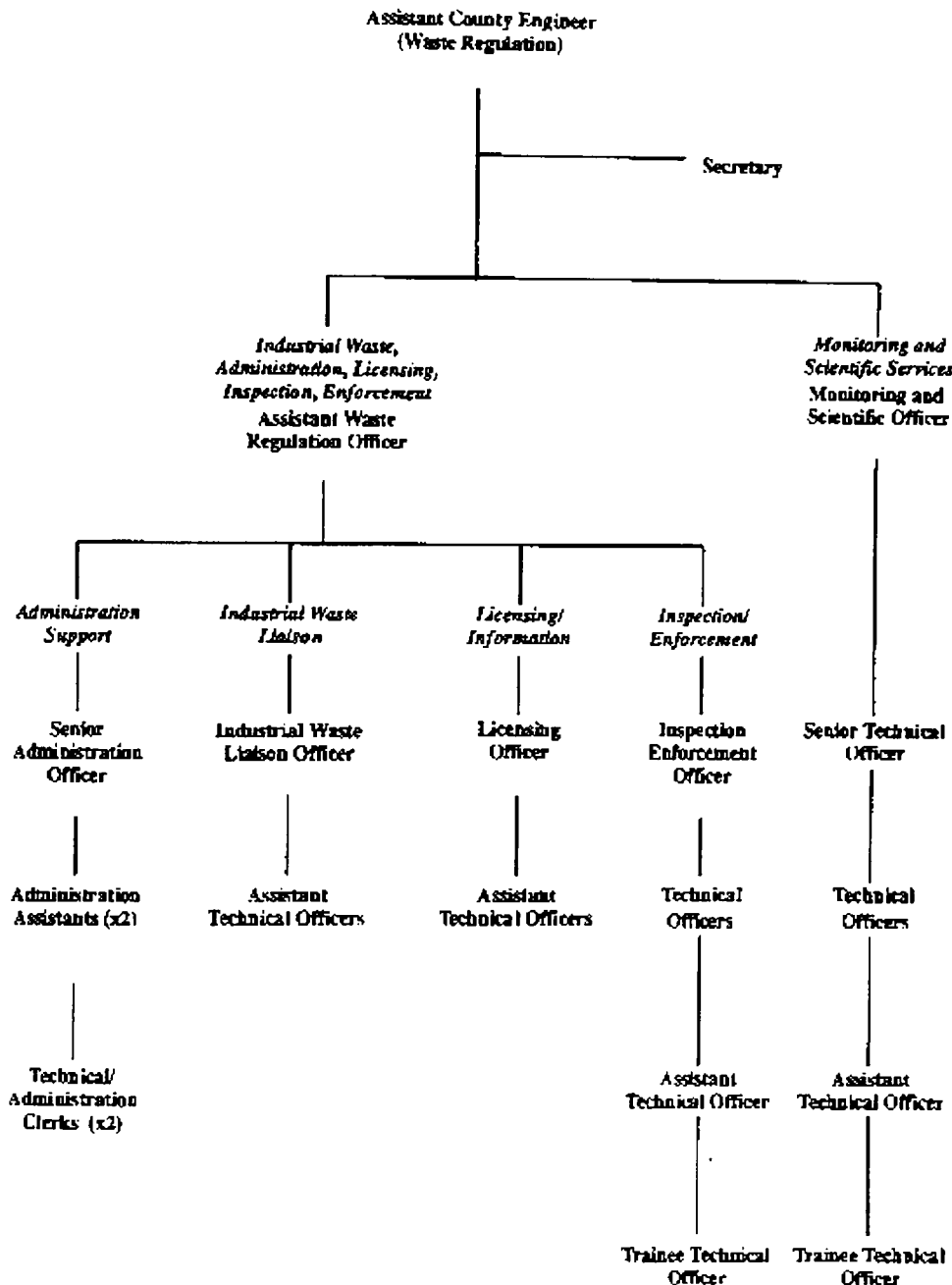
Because WRA’s were separated into eighty-three individual units tied to local authorities they had no common institutional structure which could be represented in the new Environment Agency. Further, WRA’s did not bring with them to the new agency a level of senior management which would be represented in the management

structure of the Environment Agency. One official who came from the WRA's suggested that the interests of the WRA's was not represented adequately during the debates over the creation of the Agency for the very reason that few of the senior management who decided the shape of the new agency had an active interest in the activities of the WRA's. Furthermore, although all WRA's were tied to the structures of local authorities, there was no unifying structure which would encompass the considerable differences between WRA's. The few unifying factors which did tie WRA's together in terms of what they wanted from the new agency are discussed in Proposition Four.

**Cheshire County Council**  
**Waste Regulation Management Structure**



# ***Buckinghamshire County Council Waste Regulation Management Structure***



The co-ordination of waste regulation activities was undertaken through voluntary regional committees established at the request of Government. In Buckinghamshire functions were split between monitoring/scientific services and industry waste, administration, licensing and inspection/enforcement. In Cheshire there is a marked contrast in the structure of waste regulation, with functions split between policy and information, and enforcement and inspection.

In institutional terms, staff from the WRA's were at a disadvantage vis-à-vis NRA and HMIP:

*'About 1200 people came across to the Agency from...83 separate local authorities in England and Wales and came together with the Waste Technical Division of the DoE...Because they came out of other organisations which remained, these staff came with no offices, senior management or support functions.'*<sup>9</sup>

The creation of the Environment Agency adversely affected the motivations of WRA staff. Although numerically superior to HMIP, the WRA's lacked the institutional cohesion of either HMIP or NRA. Only after two years have the staff from WRA began to feel a sense of belonging to the new Environment Agency. Most of WRA staff interviewed describe a very difficult period of adjustment as their roles and functions were combined with many of the functions performed by NRA people. For NRA and WRA staff, the new working practices created by the new agency were not well specified, nor were they familiar or comfortable. Although motivations are now healthier, many WRA staff complained of feeling isolated and unclear as to what their role in the new agency was. It is necessary to examine how the Agency was created in order to understand why motivations were, in many instances, negatively affected by institutional change.

Consider the following response from a Waste person who is a manager in one of the Areas:

**'we are sometimes treated like...second-class citizens...We did not have much clout at the outset when the Agency was formed. We gave our ideas but knew we'd not have an effect on the shape of the...[Environment Agency].'** (121)

This contention is supported by an examination both of the Models considered for the Environment Agency and the final structure of the Agency. It does seem that the WRA people did not have much effect on the decisions taken in regard to the future shape of the Environment Agency. Furthermore, if one considers the role of the Waste people in the new Agency (Proposition 11) then it is clear that many Waste people felt, at the time when the new organisation was created, that they were not equal partners in the Environment Agency (although this problem has lessened during the last two years). It should be clear that political conflict, and winners and losers,

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<sup>9</sup> Devine, M. and Hirsch, W. (1998), *Mergers and Acquisitions: Getting The People Bit Right* Roffey Park Management Institute October (Horsham, West Sussex, Roffey Park).

resulted from the creation of a new institutional structure into which three distinct organisations were combined.

## **Proposition Two**

*'The creation of the Agency led to political conflict.'*

In their report on the creation of the Environment Agency, Roffey Park Management Institute argue that the model put forward as a blueprint for the creation of the Environment Agency was essentially a structural one which "failed to deal with...some of the psychological dislocations" which resulted from the move to a new Agency.

No structure for the new Environment Agency could accommodate the wishes of each of the three parties that would constitute the new Agency. There would have to be winners and losers as a result of the move to a new organisational structure. Having considered the main areas of disagreement between the parties, and the models proposed by each of the three bodies: NRA, HMIP and the WRA's, it will be possible to assess the costs and benefits which each partner experienced once the Environment Agency was created.

A Director in the Environment Agency explained the difficulties faced in creating the new organisation in this way:

**'you had eighty-six organisations coming together, with HMIP command-and-control, NRA a regional balancing organisation, DETR sent in government people, former DoE people, technical people came from other government departments, and you had the eighty-three waste bodies...Now, I don't know of any other model or change where you have that number of groups coming together.'** (303)

There was no single structure for the new organisation that would please all of the parties that would constitute the new Environment Agency. What was at stake in the debates over the creation was the nature of the new agency. Each of the three main bodies that would constitute the new Agency had specific interests which each wanted represented in the new organisation. The interview data suggest that the less that each partner got from the new Agency the more motivations were adversely affected. NRA

did not have to change that much, as the structure of the new Agency shows, but the WRA's and HMIP were placed in a very different structure to those described above. To highlight what was at stake in the debates over the creation of the Environment Agency, and to show who won and who lost, it is important to examine briefly four areas of disagreement which led to, according to the testimony of a senior HMIP official, heated debates when the final structure of the Agency was being decided.

### **Proposition Three:**

*'Four main issues divided the three parties who would decide upon the structure of the new agency'*

The four issues at stake in the debates over the shape the Environment Agency should take are discussed below. It was these four issues which generated considerable conflict between the three future partners, and these issues which highlight the importance of the final Agency structure for each of the partners.

**Functional Nature of Districts:** River Catchments were favoured by the NRA. Advocates argue that catchments follow natural, and therefore, logical environmental boundaries which will assist the Agency in generating an integrated and holistic approach to the environment. To impose arbitrary political boundaries, claim those who favour the NRA approach, will diminish the ability of the Agency to manage the environment effectively by adversely affecting the interdependencies which are captured by river catchment boundaries. Such boundaries are unchanging, unlike political boundaries, at least that was the argument put forward by the NRA. Further, 80% of the Agency will be composed of NRA people, so the least upheaval is generated by this approach. Organising according to river catchment would match the existing structure of the regional and local communities for flood defence, rivers and fisheries which would interface well with the future activities of the Agency.

The discussion regarding river catchments represents a larger debate which divided the three parties to the debates over the Environment Agency's creation. NRA favoured river catchments for obvious reasons, and NRA staff were familiar with an organisation structured in this way. But HMIP feared it would lose its close

professional links with industries which it had developed through the use of small, specialist, teams. HMIP feared the creation of another NRA in which HMIP would be subsumed. For this reason HMIP fought very hard to maintain the core elements of its existing structure: professional teams, links to industry, autonomy in working practices. If one considers the other main areas of disagreement it is possible to paint a picture of a Steering Committee trying to create an Agency where no obvious consensus and sense of direction existed. The point to note here is that the fact that senior management were pulling in different directions did not alter suddenly on the Environment Agency's Vesting Day. The debates were continued after Agency creation, and continued to generate problems of motivations well into the first eighteen months of the new Agency.

Consider these responses, made almost two years after the Environment Agency was created:

**(112) '...the Environment Agency is still a river-basin manager, it is still NRA. The structure of the Agency shows this.'**

**(104) '...the Agency has no national strategy at present. The Environment Agency does not speak for the UK. There is no national environmental agency.'**

The first comment comes from a former HMIP official. This person felt aggrieved at the fact that her organisation (HMIP) which she felt was very effective, and which had developed a very good set of relationships with its client base, was made less efficient as a result of being incorporated into what she sees as "another NRA". The second comment comes from a former WRA person who felt his motivation in the new Environment Agency was adversely affected by the lack of direction given to WRA staff who came into the Agency at its inception. He explained that his feelings of motivation had waned when he came to the new Agency because waste staff had their jobs altered, as Water people from NRA joined teams with Waste people.

These changes were not explained by senior managers and, at least in his office (Area), one had Water people and Waste people mixing only when they had to, separated most of the time at either end of the office. One grievance expressed by staff drawn from all three constituent bodies was that the new Agency lacked a coherent

direction, and many staff expressed a feeling of aimlessness, not knowing what their job was and whether they were doing it well. This situation has improved in recent months, but those staff who were placed in a new structure (that is HMIP and WRA staff more than NRA) felt a lack of motivation as a result of what many of those interviewed describe as a lack of concern for the difficulties faced by those staff placed in the new organisation.

**National Consistency:** This question also generated much disagreement during the discussions over the structure of the new agency. Arguments focused on the most effective way to deliver Agency functions effectively on a national basis while ensuring that there was maximum delegation of responsibility for operational management to the local level. There were calls for a small number of regional units, yet there were calls also for the necessity of maintaining a consistent regulatory stance throughout England and Wales. Indeed, the idea of the “one-stop shop” requires that industries do not encounter regional variances in regulatory policy.

In order to ensure that the Environment Agency is a genuine “one-stop shop” there must be national consistency and, as such, there must be a strong role for Head Office, with strong control over the regions and over local offices. In terms of the number of Regions that the new agency would have, it is worth noting that, despite considerable variance in the size of the three constituent bodies which would form the new agency, each of the three had effectively the same number of regional components: NRA had eight; HMIP seven, and the WRA’s had nine consultative regions around which the eighty-three authorities were organised.

To appreciate the decision reached in terms of the final number of regions in the new agency (eight in fact) we must examine the significance of the fact that the decision was framed by the prior question of whether operational and regulatory functions would be integrated or separated. Had the Agency been separated then there would be 9,000 staff in the Agency of whom 3,000 would work in the regulatory part. With this smaller number of regulatory staff there would be scope for a lesser number of regions than the seven-to-nine likely to be encountered in an integrated Agency.

NRA, HMIP and the WRA's all had a preferred structure for the new Agency in terms of number of regions and areas. NRA favoured a structure based on river catchments and, as such, favoured a similar number of Regions and Areas as it had at present. HMIP wanted to ensure it could continue to have close relationships with its clients, underpinned by specialist expertise. The WRA's had no single model to use to make its case, it had 83 different models. What the WRA's did propose was an Agency based on local authority boundaries. Such a suggestion was not likely to prevail. The dominance of NRA in the discussions meant that an organisation resembling the former NRA was likely to result. The politics of the debates centred around the fact that much of the Environment Agency work would be concerned with NRA tasks and as a result the structure of the new Agency would in some way reflect this.

Much of the interview data suggest that the Agency lacked an institutional structure that engendered staff with a feeling of common purpose, of integration across the three groupings that constituted the new organisation. As explained above, ex-NRA people were aggrieved at what one (ex NRA) official called **'the obsession with status, with professionalism, with keeping their PhD on their card'<sup>10</sup>...the huge pay differences between us and them.'** (118) Among hitherto HMIP staff there was a significant resentment that the NRA dominated the new agency, and that there was little scope for recognition of **'professional excellence'** among HMIP people integrated into the new agency. With respect to people from the WRA's, one response that was characteristic of many of the ex-WRA staff interviewed was that **'we are sometimes treated like...second-class citizens...We did not have much clout at the outset when the Agency was formed. We gave our ideas but knew we'd not have an effect on the shape of the...[Environment Agency].'** (121)

**Integration of Activities:** Arguments in favour of partitioning the Environment Agency along the lines of political boundaries focused on the need to provide clearly defined and relevant points of local accountability and an obvious arena for recourse for the Agency's constituents. These included business and industry who already dealt with local authorities in a number of areas which included air-pollution and non-IPC processes, and planning, as well as the general public who do, in many instances turn to local authorities as a first port of call for environmental issues.

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<sup>10</sup> Many of HMIP's inspectors were chemical engineers by training, or other scientists educated to PhD level. In HMIP staff had their Doctorate on their business card. It was decided that the Environment Agency would not adopt this practise of putting qualifications on business cards.

A second area of contention raised in the debates over the shape that the Environment Agency should take focused on how to divide the Agency in terms of its functions. In the US EPA one of the most commonly discussed institutional problems was the so-called ‘stovepiping’ of the Agency, in essence the separation of the EPA along lines of media program creating what one senior official described as fiefdoms within the larger organisation. Such fiefdoms were prominent at the Washington DC headquarters level, but were also found in Region III (Philadelphia) though the integration between programs was greater as a result of the smaller size of the Region III office, and because of the greater “proximity” of officials to the results of their work. That is, Water people in Region III are much more likely to see first-hand the results of their work in a particular area. Officials working in Washington are far less likely to view directly the results of the decisions they make, this is what is meant by “proximity”.

The rationale advanced by Secretary of State William Waldegrave for the new Environment Agency (following recommendations from the RCEP<sup>11</sup>) emphasised the need for an integrated and holistic approach to environmental protection. Yet the creators of the new agency had to decide how to structure it: along lines of media with possible problems of stovepipes (referred to by Environment Agency staff as functional chimneys); or in a Matrix Management structure, a term used to refer to the management structure adopted throughout the Agency, whereby nine overarching “themes” were pursued throughout the Agency so that the achievement of goals determined by these themes would cross-cut so-called functional chimneys. For example, to quote the Director of one of the Environment Agency’s functions, [202] ‘...well. It was the case that one part of a task would be performed by land quality people, another part of it by waste people outside our organisation, another aspect of the job by rivers people, now we do it “in the round” as we now say.’ Matrix Management encourages the crossing of functional chimneys, and the freedom to communicate across line-hierarchies. In theory at least, Matrix Management is intended to be a means of combining functional organisation with a more holistic approach to environmental regulation.

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<sup>11</sup> Royal Commission on Environmental Protection: the 1974 findings of the Commission placed an emphasis on sustainability and on the need for an *integrated* approach to the environment (referred to now as IPC: Integrated Pollution Control).

A further question to be decided before the final structure of the Agency was established was whether to have separated regulatory and operational functions, where the former refers to all types of pollution control functions, and the latter to what is left. The question here is how to partition regulatory functions (and this leads us back to the holistic/integrated versus media specific/separated debate): along lines of media, or along the lines of multi-skilled teams (as advocated *in theory* in the Reinvention of Government).

**Integration of Operational and Regulatory Activities:** there are two main arguments in favour of integrating operational and regulatory functions. The first argument mirrors the debates in the US EPA which have raged for thirty years--namely the need for a single environmental statute from Congress as a precursor to any real move to a multi-media, cross-stovepipe, holistic and integrated approach to environmental protection, as opposed to those in the US EPA who favour the continued organisation of the Agency along lines of media programs. In the Environment Agency example, arguments for the former approach can be summarised as:

- if the Agency was to have an holistic approach to environmental protection then regulatory and operational functions should be integrated. If one accepts that decisions pertaining to regulatory issues cannot be separated from broader questions of managing the environment (regulatory questions) then integration is essential.
- Conversely, operational decision-making should not be separated from regulatory initiatives that have been proposed.

The second argument was underpinned by a consideration of cost-effectiveness, with integration of Agency functions at Regional and Sub-regional (Area) levels viewed as the best use of resources. The main support for this second argument was based on the view that integrating management and regulatory functions would maximise informational (communication) economies of scale.

The advantages and disadvantages of each argument were condensed into a report by Touche Ross consultants who were employed to consult on the process of creating the

new Agency.<sup>12</sup> In examining the models favoured by each of the three constituent parts of the new Agency it is possible to determine which models for the new Environment Agency were favoured by each prospective partner. In undertaking the examination one can highlight which partners got some, or even all, of what they wanted, and which, if any, of the partners lost out as a result of the creation of a new organisation.

### **Proposition Four:**

*'The five models considered for the structure of the new agency highlight the lack of congruence between the preferences of the three parties which would constitute the new agency.'*

### **The Five Models Proposed for the New Agency**

The major areas of debate which surrounded the creation of the new agency have been outlined above, and these debates shaped the models put forward for the new agency by each of those organisations which would constitute the Environment Agency. In order to understand the final shape of the new agency it is necessary to examine those models which were not selected. In doing it will be clear that the final structure of the Agency very closely resembled the structure of the NRA, but with an emphasis on Matrix Management.

- Model A: Separation of operations and regulation

(Immediate transition to new structure)

*Model A reflected an initial WRA model which provided an umbrella structure for the existing three organisations.*

- Model B: Separation of media within regulation

(No change to existing structures)

*Model B reflected the views of HMIP.*

- Model C: Integration of operations and regulations

(Immediate transition to a new structure)

*Model C reflected the views of the NRA.*

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<sup>12</sup> DoE *Options for the Geographical and Managerial Structure of the Proposed Environment Agency: Final Report* June 1994, published by Touche Ross and Co.

- Model D: Separation of operations and regulation

(Staged transition to a new structure)

*Model D was developed by Touche Ross and Co.(later favoured by the WRA's)*

- Model E: Integration of operations and regulation at field director level

(Full integration of media through multi-skilled professionals)

*This model is based on the idea of industry facing teams. Again, it was developed by the consultants and it was intended to represent the views of the 'customers' of the new Agency, that is the general public.*

Over the period of discussion of these four models, between the Summer of 1993 and June of 1994, details changed considerably. The NRA model was developed in detail over the course of discussions, but did not change much in terms of its overall structure. HMIP remained basically unchanged, and the WRA model changed fundamentally so that, by the end of the consultation period, the WRA model resembled quite closely the fourth model (Model D) developed by Touche Ross. Model E will not be considered in detail for the reason that none of the three constituent bodies that would form the Environment Agency actively lobbied for this Model. In focusing on models A, C and D it is possible to highlight the winners and losers in the debate over the structure of the Environment Agency.

Although each Model was assessed against Evaluation Criteria, what is most relevant here is not which model was the best model for the new Agency, but rather that the "mission" of the Agency was to be dedicated, in large part, to the tasks formerly undertaken by the NRA. Further, that the vast majority of Environment Agency staff were to be drawn from NRA meant that the new agency would, in some sense, have to reflect the dominance of NRA in the new agency. It is the sense of their having been an "NRA take-over" which is reflected in the accounts of motivations presented in the interview data. It is the relationship between the debates over Agency creation and the final institutional outcome which is central to an understanding of motivations in the Environment Agency.

**Model A:** incorporated the existing functions of NRA, HMIP and the WRA's so as to retain their individual strengths, organisation and management structures, whilst

providing co-ordination through improved team-working and communication, thus moving towards the idea of a “one-stop shop”<sup>13</sup>. There would be three directorates with an NRA (water) directorate, a HMIP (IPC<sup>14</sup>) directorate and a new national and regional structure created for waste. Each directorate would have its own head office policy and support functions, regional management and teams of local operations staff. Field staff in the water directorate would be organised into area groupings at sub regional level. IPC teams would report directly to regional management. WRA staff would remain in their local authority offices, with the advantage of maintaining local accountability.

**Model B:** here the new agency would have a very powerful head office with a policy division responsible for Environmental Quality. There would be three ‘field’ divisions responsible for Regulation, River Basin Management and Flood Defence. This model separates operational and regulatory functions. On the Regulatory side of the Agency there would be a Central Services Team (also called Centres of Excellence) which would ensure national consistency was maintained in the process of regulation. Each field division would have regional managers who would answer to their field division. Each regional manager would have three functional groupings below her (IPC; Waste Regulation, and Water Regulation). These groupings would comprise inspectors with technical expertise in these areas. From these groupings multimedia teams would be formed providing the one-stop service for the regulated. There would be seven regions, and the agency would be organised along local authority boundaries. This was HMIP’s favoured model.

**Model C:** represents a small head office with: one policy setting directorate; an operations directorate (charged with maintaining national consistency in regulation and operational services); an environmental management directorate; an environmental regulation directorate, and two support directorates. The environmental regulation directorate would allow specialist advice on regulation to be delivered to regions and areas. Environmental management at regional level would deal with the

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<sup>13</sup> The term “one-stop shop” refers to the idea that an industry can address all questions of environmental protection in one forum, dealing with one agency. Formerly, one issue might require the involvement of Waste people, Water people, Land Quality people. The new Environment Agency is designed to bring all these functions together, making the relationship between the Agency and its clients more straightforward. The term regulating “in the round” has much the same meaning.

<sup>14</sup> IPC: Integrated Pollution Control. IPC underpinned the role played by HMIP.

planning functions to achieve regional strategies. At area level, the area manager would ensure resolution of local issues, based on guidance and support from regional and head office levels. This model is based on eight regions, partitioned on a river catchment basis. The model, though strongly based on the existing structure of the NRA, did allow for some variation in the boundaries of areas in order to meet local interests.

**Model D:** proposed the separation of regulatory and operational functions, with regulatory activities arranged on the basis of local authority boundaries. Operational activities would be organised according to river catchments. The aim is to devolve responsibility to the lowest practical level to ensure local accountability. Services would be provided on the basis of county-sized units, with additional local offices provided where needed. This model would be implemented in two stages, with the hope that this will minimise disruption to staff and service provision. In Stage X, NRA, HMIP and WRA staff would be co-located at regional level but would continue to work in separate teams under separate managers. In Stage Y a more integrated structure would emerge, with individuals at regional and area levels preserving their specialisms but working in multi-disciplinary teams.

**Model E:** was developed by Touche Ross Consultants and is underpinned by teams which would orient themselves around industry requirements rather than media separation (so-called “industry-facing” rather than “media-facing” teams). Model E was favoured by the CBI and other industry representatives who wanted an agency which would provide industry specialisation with multi-skilled staff supported by technical staff. In this model there are four directorates, two of which are support functions. The Field Services Directorate would be responsible for operational and regulatory functions. The Environmental Quality Directorate would be responsible for establishing policy. Within operations there would be a regional general manager in each region, and an area manager in each area. There would be eight regions based on river catchments. Within the regulatory side there would be a regional manager for each region who would manage a range of industry specialist managers. At area level teams would mirror local industry requirements. This model requires that staff can

work on a multi-media basis. Operational and regulatory separation would not be present at the Head Office level.

## **A Summary of the Models**

Each model was assessed against Evaluation Criteria-- criteria that failed to reflect, perhaps inevitably, the fact that the Environment Agency would have to reflect the role that river-basin management would play in the new organisation.<sup>15</sup> In the responses considered in this chapter certain themes are prominent. In particular, the idea of an NRA take-over, or the feeling that the former WRA's were "junior partners" in the new organisation, even the sense among HMIP staff that their professionalism would be compromised, all these reported effects on motivations can be attributed in large part to the structure of the Environment Agency.

No single Model could marry the preferences of NRA, HMIP and the WRA's. That four major issues divided the three parties presented a problem for the Steering Group responsible for creating a new institutional structure for the Environment Agency. The conflict over the future shape of the Agency was visible when the Director of HMIP, Dr David Slater, resigned during the deliberations over the structure of the new Agency. Slater argued that the role of HMIP was to be diminished in the new Agency, and he left when it became apparent that a structure wholly favourable to HMIP would not be forthcoming. Yet it is worth noting that HMIP did create a degree of institutional "isolation" within the new organisation, a point discussed at length below.

The WRA's were ineffective in arguing the case for Model A, largely as a result of the institutionally fissiparous nature of the WRA's. The two structures of WRA's highlighted earlier in the chapter show the differences in the structures of the eighty-three authorities (based as they were on local authority boundaries). Once it was decided that local authority boundaries would not constitute the boundaries of the new agencies it was difficult for the WRA's to wrest any meaningful concessions from NRA and HMIP. The WRA's did adopt Model D (abandoning Model A) during the

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<sup>15</sup> These Evaluation Criteria are discussed in the Touche Ross report, *ibid.* pages 3-34.

course of these debates, but the final structure of the Environment Agency did not reflect the preferences of the WRA's.

The final structure of the Environment Agency reflects what each partner in the new organisation hoped to get from the new Agency, and what was gained by each of them. (The structure of the Environment Agency is outlined in the Appendix A).

## **Proposition Five**

*'The Final Structure of the New Agency: an NRA Favourite.'*

The final structure of the Agency closely resembled the structure of NRA (at the time of its integration into the Environment Agency).<sup>16</sup> It would almost be possible to cross out the diagram heading which reads "NRA" and replace it with "Environment Agency" without changing anything else on the diagram. This is not a trivial coincidence. A major factor in explaining the motivations of officials within the Environment Agency is the way that the new organisation was created. In particular, Waste officials, and officials from HMIP complained that they were the subject of an "NRA take-over".

Adverse effects on motivations are generated by change, but in the creation of the Environment Agency there is a huge differential in effects upon officials who came to the Agency from different organisations. Part of the explanation for the adverse effects on motivations expressed by Agency staff may be cultural, namely that cultural groupings are no longer congruent with a new institutional structure. But in institutional terms, motivations were adversely affected by the creation of an Agency very much focused on river-basin management, and by the perceived marginalisation of non-NRA officials. The charts provided at the end of this chapter highlight how closely the new Agency resembled NRA, and the effects of these similarities, both in institutional and cultural terms, are significant in understanding why morale in the new agency was so low for the first two years of the Environment Agency's existence.

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<sup>16</sup> Appendix A provides an organisational chart of the Environment Agency (Article One) as well as providing charts detailing the management structure of the new agency (Article Two). The general structure of the new

In comparing the structure of the Environment Agency with the five highlighted above, it becomes clear that Model C most closely resembles the final structure of the Environment Agency (although the Agency has undergone some changes over the nearly three years since its creation). Model C is described by Touche Ross as having:

- a small head office with a policy-making directorate
- single field or operations directorate
- common (river catchment) boundaries
- multi-disciplinary managers with multi-media teams
- co-located staff which share support resources

In this model there is a “one-stop shop”, a single point of contact for Agency customers. Regulatory and Operational aspects of the Agency are combined at regional and Area levels, again providing a one-stop shop for the customer. A further benefit of this structure is structural flexibility, that is the high degree of integration of the Agency’s functions and the co-location of services.

The final structure of the Agency, based in large part on Model C, generated one structural feature which many officials reported as being a problem in their work, and something which had negative effects on motivations. The Environment Agency has a “Matrix” structure, based on the idea of matrix management and this Matrix structure *‘potentially undermines the single line of staff reporting in the field...and clarity of responsibilities.’*<sup>17</sup>

The Matrix structure was not something that the NRA had asked for. As such, none of the three partners obviously stood to gain from the move to this new structure. Further, as shown in Proposition 10, much of the dissatisfaction expressed with the Matrix structure, and much of the praise of it, as expressed in the data, are not limited to staff drawn from one particular background. More relevant is the position one

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agency is outlined with the structure of NRA outlined next to the chart of the Environment Agency (Articles Three and Four). The general structure of NRA is also provided (Article Five).

<sup>17</sup> Matrix Management might best be thought of as a combination of a typical hierarchic organisational ordering, with lines of accountability running from vertically through the Agency, be they along lines of media (functional chimneys in the parlance of Environment Agency officials), or along functional lines (so a function would be, for example, Environmental Protection, a function which has taken over almost all of the responsibilities hitherto performed by HMIP), and of less formal lines of interaction. These less formal lines are drawn on an organisational chart as dotted lines, and represent the formation of relationships which cut across functional separations (so-called “functional chimneys”). The quotation is taken from Touche Ross *ibid.* page 29.

occupies within the Agency hierarchy, given that staff from the Area offices were critical of the Matrix structure far more often than were senior management interviewed in the Bristol Head Office. The Matrix structure, and the differential effects of this structure on the motivations of staff at various locations within the Agency suggest there were winners and losers as a result of the creation of the new organisation, but in the case of Matrix Management, it was staff at the lower levels of the Agency who were most affected by the move to the new Agency.

What should be clear from an analysis of the structure of the Environment Agency is that the NRA got most of what it wanted from the debates over the Agency's creation. In terms of the four issues identified in Hypothesis 3, NRA got an Agency with boundaries based on river catchments, thus no real change to the way that NRA worked was caused by a re-drawing of Agency boundaries. Further, the number of Regions and Areas closely resembled the existing structure of the NRA (the Environment Agency has eight Regions and twenty-six Area offices).

Organisation along the lines of political boundaries (following the way that the WRA's were organised) was rejected in favour of river catchments, thus the WRA's had to adapt to what was, for them at least, a radically different structure. Finally, as Model C prescribed, the regulatory and operational aspects of the Agency were integrated in the new structure, although only at Regional and Area levels.

Consider Model D, favoured by WRA, in which separate boundaries for regulation (local authority) and operations (river catchment) were favoured, with separate regional teams for waste, water, with IPC<sup>18</sup> moving to multimedia teams. The most obvious drawback with this model is that there are effectively three distinct teams at Regional and Area levels, which is not in any way a "one-stop shop".

It is clear that such a Model would allow the WRA's to continue their work much as they had done prior to the creation of the Environment Agency, but Model D was not selected. Further, it is hard to see how Model D and Model C could have been combined to create a new structure favoured by the NRA and the WRA's. In the

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<sup>18</sup> IPC: Integrated Pollution Control.

debate over the future structure of the Environment Agency the WRA's were not the victors, and the NRA did retain most of its original structure.

The introduction of Matrix Management meant that NRA staff did face an organisation which was, in many ways, new to them. Indeed, many Waste and Water people were thrown together in the new organisation, with obvious short-term effects on the motivations of staff, but as one Waste person explained when asked about the changes she experienced on moving to the new Agency:

**[145] 'I really enjoyed working as a Waster [a term which some of the ex-WRA people use to refer to themselves] and knew the job backwards, you do after ten years. Then we were forced to move to [Area Office X] and work with the Water people [ex-NRA]. We would sit at one end of the room and them at the other. But we were forced to mix because we were no longer allowed to visit sites and to issue licenses. These aspects of my job were separated. But we then had to show the Water people how to work on Waste, and I had to learn about Water. I did not like it, but now we all get on really well. It took time though, a lot of working in an office that was friendly enough but no-one knew what they were supposed to be doing.'**

There are two points to be made in response to the words of this Waste person. Firstly, this person had trouble adjusting to a change in her role, and in a new organisation where roles and responsibilities were not clearly specified. Over time the situation did improve, but it must be emphasised here that many of the problems relating to motivations, and in particular the reported low-morale in the new Agency, and the very high turnover of staff, can be attributed to the way that debates over the structure of the Agency were conducted, and the way that the transition to the new institutional structure was undertaken. The latter point is considered in Hypothesis Seven.

It is inevitable that adverse effects on motivations would result from the move to a new organisation, but the failure of senior management to consider the particular cultures of those groups which would populate the new agency, and the failure to give Agency staff clear roles-- as well as information about these roles-- was a failure on the part of those responsible for the creation of the new Environment Agency. The low morale in the Environment Agency after its creation is not inevitable. In comparison with Region III of EPA, where staff morale was adversely affected by the reforms of Reinvention, the morale in the new Environment Agency was particularly

low. The magnitude of this low morale can best be explained in terms of a poorly thought-out model for moving to the new agency, in combination with this was the failure to delineate clearly the roles that staff would play in the new organisation. Despite all the talk by senior management regarding ‘team-working’ and ‘informational cascades’ little information reached staff in the Areas. The interview data presented in this chapter and the next support the view that the move to the new agency, and also the nature of the new agency (and its lack of a coherent mission), led to low morale across the Environment Agency.

The second point to note from this response is that both WRA people and NRA people had to undergo changes in their roles, and in the way that these roles were undertaken. The idea of a “one-stop shop” and the combining of functions at Regional and sub-regional (Area) levels was a real event, not a management idea which had no effect on the functioning of the new organisation. The negative effects on motivations which many of the Waste people reported came from the role that the WRA’s played in the deliberations over the structure of the new Agency, combined with the failure of senior management to explain what role each person was to play in the new organisation.

The transition to the new Agency had negative effects on the motivations of many of the staff interviewed in the Environment Agency. This transition had effects on NRA staff as it did on WRA and HMIP people. In sum then, although the institutional structure of the new organisation closely resembled the NRA, and although most of the staff and much of the funding for the new organisation went to “NRA projects”, yet many NRA staff had to work in a new structure based on a Matrix. The transition to the new Matrix structure had negative effects on many staff, at least in the short-term (See Proposition Ten). The effect of the transition to the new organisation on the motivations of staff is discussed in Proposition Seven.

### **Proposition Six**

*‘The failure of senior management to reach consensus permeated the new structure and had negative effects on motivations.’*

Having settled on a final structure for the new agency, the focus of the senior managers was on the need to make the transition to a new organisation as painless as was possible. This new organisation would be composed of Civil Servants, staff from local authorities, as well as former staff of the NRA and HMIP. Essential for the new agency was its being able to function across the nation from the first day of its operation.

For the Agency to be ready to commence work on the date specified by the Government an interim structure was put in place. Most of the senior appointments to the Agency were made swiftly through the Autumn of 1995. Most of the senior management positions were filled by people from NRA, in part because the other two partners did not bring many managers with them. During the period prior to the start of the Agency's work each partner was doing its own staff communication. According to the Roffey Report, this communication was not co-ordinated and was undertaken ineffectively.<sup>19</sup> The interview data suggest that communications prior to, and after, the creation of the Environment Agency were not efficient. As such, motivations in the new organisation were adversely affected by poor communication from management, combined with a failure to co-ordinate the information being passed to staff regarding what to expect in the organisation.

A second, and related, problem came from the inability of senior management to generate a consensus in terms of exactly what the Environment Agency should do, how it should be done, and who should do it. The senior management team consisted of ex-NRA people, with two HMIP people (the head of HMIP having resigned during the debates over the shape of the future organisation), with some external appointments made in Operations and Personnel.

One of the most obvious, and the most damaging, factors which affected the motivations of almost all Agency staff was the failure of senior management to generate consensus. The protracted process of legislation and deliberations which created the Agency allowed managers to develop very detailed plans for what they wanted to see from the new Agency. As with the five models discussed earlier, these

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<sup>19</sup> Devine, M. and Hirsch, W. (1998), *Mergers and Acquisitions: Getting The People Bit Right* Roffey Park Management Institute October (Horsham, West Sussex, Roffey Park).

plans were very different, and the differences of opinion that underpinned the development of these models persisted at least for the first eighteen months of the new Agency's life.<sup>20</sup> As a result of this dissension at the top of the Agency, it was very difficult to reach a consensus on issues of organisational structure and management style.

A further institutional obstacle to generating consensus in the Environment Agency stems from the fact that the very large Board (typical of most government agencies), dominated by non-executives, was a barrier to consensus building among senior managers who, if in the private sector, would be Board members. In the Environment Agency consensus had to be built among three separate groupings: the Board, the senior team, and the larger population of senior managers. Feedback given to questions raised by the Chief Executive (in October 1995) showed that among the 100 most senior managers considerable dissension persisted well into the first year of the new organisation.

Responses from more than one Waste manager suggested that consensus within the Agency did improve considerably over time, with staff from different groups working together as they became more familiar with their roles. Yet it is essential to emphasise the negative effects on motivations generated by a badly executed transition to a new Agency in which senior management could not agree.

The Chief Executive [Ed Gallagher] adopted a model which would outline the main phases of this transition to a new structure. The three phases of this model were:

- Phase One: The period up to Vesting Day (April 1<sup>st</sup> 1996). The task set by the Chief Executive was to ensure that the Agency would be ready to operate in all key areas of activity.
- Phase Two: April to October 1996: in which major re-structuring would take place and the new integrated organisation take shape.
- Phase Three: October 1996 to April 1998 in which the main work of aligning systems and processes would be completed. Integrated working practises would take root, with a shift of emphasis within the Agency away from organisational issues and toward environmental issues.

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<sup>20</sup> See Roffey Report, page 124.

With the benefit of hindsight, it is easy to suggest that the Environment Agency has yet to complete Phase Three. Much of the interview data focused on organisational effects on motivation. Many of those officials interviewed suggested that the Agency has not settled upon a new direction and *modus operandi*. It may be that the Chief Executive was over-ambitious in expecting staff to have accepted the new structure and their role within it.

Although some senior managers were conscious of the Three Phases of transition to a stable agency, there were numerous staff lower down the Agency who were not aware of these phases. In the Roffey Report some senior managers, as well as managers in the Regions were highlighted as having viewed Phase Two as the phase in which discussion of organisational structure would cease.<sup>21</sup> The problem in the report is explained as a failure of communications between senior levels of the Agency, Regions and the Areas.

As noted in the Roffey Report (page 122<sup>22</sup>), the model used to develop a strategy for creating the new agency, with its three phases, was essentially a structural one: driven by formal organisational considerations. The model did not deal with, and indeed may not have anticipated, some of the psychological dislocations between phases.

Consider this response:

**[146] 'I think the way the Agency is going now is good, and most of us, at least at the level of team leader and above, really care about our success. We were upset by the criticism over the Easter Floods, and I do not know that we could have done that much different. But what I would have changed is the way that the Agency was set-up. Now we can see what this Matrix structure is, and how we have to work together. But two years back, there was no "because" from management. You were told what was going to happen, but you could not ask why it was happening. There was no communication from on-high, and no way of getting a message back up.'**

In sum then, the creation of the Environment Agency, and the transition to the new structure failed to create consensus at the most senior levels of management. Furthermore, it is the creation of the Agency that is cited by many staff as the root

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<sup>21</sup> Devine, M. and Hirsch, W. (1998), *Mergers and Acquisitions: Getting The People Bit Right* Roffey Park Management Institute October (Horsham, West Sussex, Roffey Park).

<sup>22</sup> *Ibid.* page 122.

cause of so much distress within the Agency in the first two years of its existence. Problems in adjusting to change, while important, cannot explain the magnitude of distress and low morale within the Environment Agency. As a result of the way that the new organisation was created, staff who were already experiencing rapid institutional and cultural change, with obvious winners and losers resulting from the creation of a new structure, faced the added difficulty of having to undertake new and poorly defined tasks in a management structure where no real consensus and sense of direction existed. This was one of the most important negative effects on the motivations of staff in the Environment Agency.

### **Proposition Seven**

*'Primary loyalty in the new agency remains tied to "functional life rafts".'*

Although the lack of consensus within the Environment Agency was addressed, with much improved relations between the Agency's partners visible within eighteen months of Vesting Day, motivations continued to be adversely affected by the limited extent to which the Matrix structure at Regional and Area levels could generate a genuine feeling of co-operation across functional specialisms (Water, Hazardous Substances, Waste). As one Area Manager explained:

**(119) 'The primary loyalty is to the Function. It is a "Functional life-raft" which people cling to, and it is the function which probably brought you into the job in the first place. If you have a vocation, then this is probably it.'**

Many of the data support the view that of considerable importance to the motivations of staff, particularly those with so-called "specialisms", is the desire to work on projects that use the skills one has, and that allow one to work with peers drawn from similar professional backgrounds. If this senior [area] official is right to suggest that it is the "functional life-raft" to which people cling, that it is function to which one's primary loyalty, and one's primary source of motivation are tied, then the move toward a more integrated organisation must take note of the way that motivations are driven and how people are affected by changes to working practises.

If the primary loyalty of staff is to their particular specialism, then there will be important factors that must be addressed when trying to understand motivations. For example, the introduction of teams into the Environment Agency (and to some extent into the US EPA as a result of the National Performance Review), where experts in different fields are brought together, must be accompanied by an understanding of the importance of functional specialisms to staff. Further, the motivations of most of the staff interviewed on both sides of the Atlantic suggest that working on projects that make good use of these specialisms, and gaining recognition for these specific skills, has positive effects on motivations. As one of the Agency's Directors explained:

**[loyalty in the Agency still seems to run from] [141] 'Function, to Area, to Region, to Agency...and in that order.'**

The creation of a structure in which staff fear that their specialist skills will not be noticed, capitalised upon, or will be engulfed within a new structure will lead to what EPA officials called "hunkering down." Staff in the Environment Agency did, in the main, stay at the Agency long enough to see their roles defined more clearly, as consensus on Agency direction was established. Yet many staff left the Agency in its first year, at least in part because of what many staff report to be a failure, largely on the part of management, to reassure staff that their skills would be recognised in the structure of the new Agency; as well as a further failure to communicate with staff at all levels of the Agency.

A senior member of the Environment Agency management team addressed the question of how groups within the organisation interact with other groupings, and how staff in these groups interact with staff outside of their area of functional expertise. He said:

**'I was talking to EPA in November, and they just don't talk to each other....Head Office and State people don't communicate. In the Environment Agency, at this stage, you bring people together, we have brought Regions and Areas together in the Matrix, but it is not surprising that people still say "yes, our group do things this way". We have to establish a culture where groups are brought together, generating a local team feel, particularly within the Areas, that is our next challenge.'** [303]

Staff do cling to their functional specialisms, but in addition they do not interact easily with other levels of the organisation. This lack of interaction worsens problems of

communication. Further, it is difficult to generate an integrated approach to environmental protection when staff from various specialisms do not interact. The Matrix structure is designed to increase interaction through the use of teams. But, as this senior manager notes, the Agency has yet to develop a culture where interaction is the norm and not the exception. The focus on “functional life-rafts” does exacerbate this focus on functional specialisms, but the Matrix structure, particularly at Area level, has increased the focus on teams and reduced the focus on one’s functional background.

A large part of the relationship between “functional life-rafts” and motivations can best be explained in terms of *Culture* (Chapter Nine), but the lack of congruence between the institutional structures, procedures, and rules established in the new Agency, and the functional specialisms which are so important to many staff in the Environment Agency, led to large-scale negative effects on the motivations of officials at almost all levels of the Agency. For those staff who were “clinging to their functional life-raft” (to use the language of the last respondent) and who felt that their position within the new organisation was to be as a “second-class” citizen (to paraphrase one Waste manager) the effects of the move to the new Environment Agency were almost wholly negative with respect to motivations.

### **Proposition Eight**

*‘HMIP became “isolated” from the rest of the Agency.’*

HMIP staff entering the new organisational structure in the Environment Agency were at first aggrieved that their preferences regarding institutional structure and working practices were not dominant, with many HMIP staff complaining of the “NRA take-over” that many of the WRA people interviewed discussed. HMIP staff were viewed by WRA and NRA staff as distant and aloof; some of those interviewed accused HMIP staff of being arrogant. This work does not attempt to test the validity of those criticisms made of HMIP staff. Rather, all that matters for this work is that staff within the Environment Agency felt that HMIP were isolated from the rest of the Agency.

The senior management team of the new Agency decided to remove professional qualifications from business cards, and perhaps more significantly, to attempt to generate a new way for staff to address one another: first names would be used whenever possible, and divisions in terms of scientific background, qualifications, or the organisation one had come from, would be subsumed by the emphasis on teams (particularly at Regional and Area levels).

Many HMIP staff were unhappy at such changes. Of thirteen HMIP staff interviewed ten expressed sentiments that, in general terms at least, suggest a dissatisfaction with the way HMIP staff were treated in the new Agency. Of importance here is the way that HMIP staff are perceived as “isolated” from the rest of the Agency by many of those (non-HMIP) staff interviewed in this work. Consider the following response from a Waste person in an Area office:

**[241] ‘In this office the HMIP people keep themselves to themselves totally...When they arrived they made loads of demand, and management were scared of them and so they [HMIP] got their way....they have bigger desks, and they are located in their own part of the building away from the Waste and the Water people.’**

This official took me across to look at the HMIP section of her office. She had explained that the desks in this section were arranged to prevent people walking through what was, ostensibly, an open-plan office. Their desks were indeed bigger, and the HMIP people in this office were noticeably separated from the integrated larger part of the Area office. The physical arrangement of the office was viewed as important and significant by those WRA and NRA staff who considered HMIP to be isolated from the rest of the Agency.

A further claim made by this Waste official suggested that HMIP people had complained about members of the Area office walking through the HMIP section. The claim, which I could not substantiate (but which matched what I observed), was that HMIP staff had their desks re-arranged to box off their area, using partitions (mobile) to create this “den” as this Waste official described it.

In terms of motivation then, what is interesting is the dynamic between HMIP and other Agency staff. Particularly in the Area offices visited for the present work, HMIP

staff were seen as different and distinct, and not really integrated into the new Agency. For HMIP staff this so-called “isolation” did not improve the motivations of those HMIP staff who felt their professionalism had been downgraded in the move to the new Agency structure.

However, for those Area office staff not drawn from HMIP, motivations were affected adversely by the relationships between HMIP staff and other staff within the Area office. Some staff (4 of 16 interviewed in the Areas) reported that HMIP are becoming more integrated into the Agency over time, but other staff still feel undervalued, or feel aggrieved at what they see as the [242] ‘**preferential treatment**’ that HMIP receive.

For the purposes of the present argument it does not matter whether HMIP staff in the new Agency do get preferential treatment. The effects on motivation are the relevant factor here. It does seem reasonable to suggest that the incomplete integration of the three “partners” in the Environment Agency has led to negative effects on motivation, and one effect on motivations is seemingly caused by the way that HMIP staff interact with other officials within the Agency (particularly within the Area Offices).

One senior manager stated that:

**(128) ‘...the Agency was designed to create and exploit synergies...HMIP became the Environmental Protection Function. But, despite the merger, working practises in the new organisation haven’t changed that much in the last two years or so.’**

This person works in one of the Regional Office and argued that HMIP were not really integrated into the rest of the Agency. The synergies which he discusses were an intended consequence of having staff drawn from different backgrounds working together within one organisation. As this person saw it, there were almost no synergies between HMIP and the rest of the Agency, primarily because HMIP did not work with other sectors of the Agency.

A Director of the Environment Agency states that:

**‘I would say that in many places HMIP still lives. They’ve modified their views, and what I am trying to do is use IPC to change the regulatory culture...We could have taken better care of our technical specialists when we created the Agency, but we need all our staff to work together now, and we are not quite there yet.’ [303]**

From the interview data it seems that many staff still view HMIP as detached from the rest of the organisation. For their part, HMIP staff are aggrieved at the treatment they received in the creation of the new Agency, primarily the failure to take account of the technical expertise and industry relationships developed in HMIP. This is another tension within the Agency which still has negative effects on the motivations both of HMIP and non-HMIP staff.

### **Proposition Nine**

*'Relations across the three tiers of the Agency can have negative effects on the motivations of officials, primarily in Area Offices.'*

Relations across the levels of the Agency are very closely related to the introduction of the Matrix Management structure discussed in Hypothesis Ten. Yet it is useful to unpack relations across the Agency from other aspects of Matrix Management for the reason that the latter (Matrix Management) cannot account for all of the motivational effects that seem to result from relationships across the three tiers of the Agency.

One senior Head Office official explains the relationship between the levels of the Agency thus:

**'It is important for us to ask whether the Areas in particular see themselves as a MSE [Medium Sized Enterprise] or as something like the front-suspension factory at a Ford car plant. If the Areas see themselves as independent companies, then we have a problem in terms of generating communication across the Agency. In Ford staff know they are working for the goal of making the car, they have a focus. I think we still lack that focus, and the challenge is getting the Area to see themselves as part of the Agency. Sometimes I think the Areas should be asked how long they think they could survive in the absence of co-ordination from Head Office. We need to ask "are you a part of the Agency or not?"' [303]**

According to this manager, Head Office staff sometimes feel frustrated at what they see as obstruction from Area people. Conversely, most of the Area people interviewed complained that Regional and Head Office people were unsympathetic to the needs and pressures experienced by staff at the "sharp end" of regulation. Until communications across the tiers of the Agency improve (alongside the development of something like an Agency-wide culture) divisions across tiers of the Agency will continue to affect negatively the motivations of many staff within the Agency.

One of the complaints that nine of sixteen Area Office staff mentioned when asked how, if at all, relationships between the tiers of the Agency affected motivations, emphasised a feeling of detachment between the Areas and the rest of the Agency.<sup>23</sup> In particular, these Area staff suggested that Regional and Head Office people [242] **‘really did not understand what the Areas did, and how they did it.’**

A second and related point which is significant in an explanation of motivations is captured in the response that;

[246] **‘...at the sharp end people don’t matter.’<sup>24</sup>**

This response suggests that some Area staff feel that staff in the other levels of the Agency do not consider the way that Area staff will be affected by organisational changes, or changes in procedures, or even the roles people occupy within the Area Office. This point might be seen as related to a point made earlier in relation to the “proximity” of an official to her work.<sup>25</sup> In the Area Offices, as was the case with US EPA officials interviewed in Region III (and in the Wheeling offices), officials are in direct contact with the results of their work. As was the case both with Region III and Wheeling officials (see Chapter Five), staff higher up the Agency were seen as paying scant attention to the needs and pressures experienced by staff working at the “sharp-end” of the organisation.

The Matrix structure does not operate in a vacuum and has shaped the way that the levels of the Agency interact. It is useful to view what Area staff said when questioned about relations with other levels of the Environment Agency:

(121) **‘...there are gulfs between Head Office, Regions and out here in the Areas. Sometimes it is Head Office that is a hindrance. Sometimes the Regions get in the way, or can help Areas in dealings with Head Office. We have matrix management in the Areas, but this is not matched at regional and Head Office level. This is sometimes a problem.’**

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<sup>23</sup> Question 43 “their views of the relationships between the three tiers of the Agency, and how these relationships related to their feelings of motivation”

<sup>24</sup> Devine, M. and Hirsch, W. (1998), *Mergers and Acquisitions: Getting The People Bit Right* Roffey Park Management Institute October (Horsham, West Sussex, Roffey Park). Page 127.

<sup>25</sup> The notion of ‘proximity’ was discussed in Chapter Six, where the motivations of EPA staff working in the Regions are closely tied to the palpable results of their work. That is, staff in Regional and Area Offices are closer to those communities affected by the work of EPA. This ‘proximity’ is also important in the Environment Agency

As was the case with Region III officials, many Area staff in the Environment Agency talk of other levels of the Agency “getting in the way”. In both Agencies, staff at the lower end of the organisation view more senior managers as out-of-touch with what a US official called the “real work of the Agency”.

The problem of proximity has real effects of motivations, particularly when Area (or Regional in the US) staff believe that the higher levels of the Agency do not understand what happens in the Areas (Regions in US) and have unrealistic expectations as to what can be achieved. In short, such a perception on the part of Area staff does have negative effects on their motivations. It was the case that, at least in the US, staff higher up the Agency felt that some staff at the bottom were not doing what senior managers wanted (consider the desire of many senior managers, and managers in Region III to have the Wheeling Office closed).

The response below echoes the sentiment that the Area may be hindered by the higher levels of the Agency, but in this response it is the Matrix structure which is considered to be responsible for way that these higher levels “hinder” Area staff.

**[138] ‘...sometimes Head Office is a hindrance, often the Regions are a hindrance to our work here [in the Area Office]. We seem to be organised according to a Sector basis, and the Regions and Head Office on a Functional basis. We are expected to turn these functional chimneys into an integrated result.’**

This hindrance, in conjunction with the difficulty of translating a functional requirement into an integrated result has left some Area staff feeling unclear as to their proper roles. The main problem for one Area person is summarised as follows:

**(134) ‘Ed Gallagher [Agency Chief Executive] had his Next Steps programme to help the entire Agency to move in the same direction; but this really only affected the Area Offices. You still have Functional organisation in the Regions, and I think Head Office must be run along the same lines. But in the Areas our managers have to move from Functions to Sectors, from line management, to the matrix model. So our managers are constantly juggling functional requirements in a Sectorised structure out in the Areas. It can be a problem, but it can help to get around the problems of hierarchies.’**

This person welcomes the move away from strict hierarchies, which she felt had negative effects on her motivations, and she does welcome the team-oriented

approach generated by the Matrix structure at Area level. Yet she states that her motivations suffer as a result of the confusion which results from the translation from functional to integrated structures (from Regional to Area levels).

The institutional structure of the Environment Agency has yet to generate full integration across all levels of the Agency. Hypothesis Ten will show that the Matrix structure has had mixed success in terms of improving motivations, but the most important negative effect on motivations, notably in the Area Offices seems to stem from the confusion generated by the move from functional organisation at Regional and Head Office levels to an integrated Matrix structure at the Area level.

Further, the view that Area staff, and the problems faced in the Areas, are not understood by managers at higher levels of the Agency mirrors the sentiments expressed by US officials in Region III and in the Wheeling field offices. One plausible explanation, which holds for both Agencies, is that the proximity of staff to the results of their work generates a tension between staff at the “sharp-end” and staff higher up the Agency.

## **Proposition Ten**

*‘Matrix management has had mixed success in re-orienting staff towards a new way of working’*

To best explain in brief what Matrix Management is, it is useful to examine how one Director in the Environment Agency understands it:

**‘Although I am the head of a Function, I do not have direct responsibility for people in the Regions or the Areas. I establish policy and then the Head of Operations [Archie Robinson] explains how this policy should be implemented. The Regional Managers report to Archie, and the Area Managers to these Regional Managers. We have tried to break down the functional chimneys, and so we have, for example, brought waste and water people together. We have a “virtual head office” so you have around eleven people in head office working on water quality, then maybe 30% of Regional water people working for us. What is supposed to happen is that us in Head Office provide the interaction with government, and the Regional people provide the interaction with the Areas. The outcome should be rounded policy.’ [303]**

This response from a Director of the Agency, suggests that the Matrix management structure has many benefits for the new organisation. Certainly this structure had negative effects on the motivations of staff at the Area level, particularly just after the creation of the Agency. However, much of the interview data presented in this chapter does suggest that the Matrix has increased the flow of communication within the Agency. Further, most of those staff who were asked about working in teams said that, having adjusted to a new way of working, the teams had positive effects on motivations. Further, what one Area official called the “open-door policy” whereby it is acceptable to go to management with questions (where team leaders approve) has improved the “cascade” of information flowing through the Agency.

Yet there have been some noticeable negative effects on motivations generated by the adoption of a Matrix structure. These problems are highlighted in the response that: **‘out here [in the Areas] we are organised according to a Matrix, but the Regions and Head Office are organised functionally. I think that the Regions do not always appreciate how we work out here, and the Matrix does not give the clear chain of command that we had in the NRA.’ [308]**

In short, the Matrix structure does seem to have addressed some of the problems prominent in the US EPA, noticeably the stovepipes which separated Media Programs. However, the translation of Functional requirements into integrated commands to be executed at the Area level has led many Area staff to feel confused as to who the exact nature of the tasks they are to undertake. One Area Manager described the system as “good in theory” but argued that functional life rafts worked against the emphasis on the Matrix and the sharing of information across teams and functional specialisms.

Matrix management does represent a step forward insofar as it reduces the negative effects that “stovepipes” (US) and “functional chimneys” (UK) have on the motivations of staff within EPA and the Environment Agency. However, at the Area level, the Matrix structure has yet to convert all Area staff to its merits. As such, the effect of Matrix Management on motivations in the Environment Agency is mixed.

## Proposition Eleven

*'The final structure of the Agency created winners and losers, with important effects on motivations, notably in terms of:*

*⇒ geographic issues*

*⇒ human resource issues*

*⇒ communication across the Agency*

**Geographic Issues:** The creation of the Environment Agency did create winners and losers, and Agency creation, by extension, had many negative effects on motivations. For those staff who experienced little upheaval in the move to a new organisation there were few negative effects on motivations, but in the short term the new organisation did not actively improve the positive feelings of motivation that the Chief Executive had hoped to see. Further, there were few staff who were unaffected by the move to a new Agency. NRA staff were, in many instances, insulated from the adverse effects of change for the reason that the structure of the new Agency resembled closely the structure of NRA. But even NRA staff had to adjust to new working practices (particularly at Area level).

Geographic Issues adversely affected many Agency staff. When the Agency was designed, decisions had to be taken regarding office locations and where people would be based. The WRA people had to undergo considerable change, and this had big negative effects on motivations in many cases. As one Waste person explained:

**when we left the LWRA [London Waste Regulation Authority] we were told we would lose our London Weighting, and that was three grand [£3000] a year. Then we heard we would lose half. We did not know what was going to happen, and that really unsettled us, we had a lot more stress. This was on top of having to move house, job and office.'**

This official had to move office, change job, move house and her husband and children were obviously affected by this move. Combined with what this official saw as a cut in salary and a new job role which she did not fully understand, the effects on her motivations were considerable. It seems that the transition to the new Agency structure did not fully take into account the adverse reactions of those staff who had to re-locate. As explained above, the Environment Agency was based on river-basin boundaries, so WRA people were detached from local authority boundaries. HMIP

people had to move to a new institutional structure, but were less severely affected than were the WRA people.

***Human resource (HR) Issues:*** Another factor which had adverse effects on motivations was the failure to integrate pay and personnel systems in the new organisation. The initial appointments process is described in the Roffey Report (page 125) as “in hindsight not quite careful enough.” The early structure did not easily accommodate functional specialists and, as one middle manager said:

**‘a lot of functional specialists left at that time because roles were not there for them in the new structure.’ [142]**

The fledgling Agency had a high turnover of staff, with morale seen to be low throughout the Agency (most of those staff interviewed stated that morale had been at a low ebb in the first few months of the new Agency)<sup>26</sup>. Pay differentials were another HR problem in the new organisation. The most important problem in terms of motivations was the huge pay differential between HMIP staff and other Environment Agency staff. This problem fed into the perception of HMIP staff as arrogant and aloof. Again, the validity of the claim of arrogance is less important than the affect that this pay differential had on Agency staff. In particular blue-collar Waste and Water people felt under-valued as a result of this pay disparity.

Conversely, HMIP people were aggrieved at what many of those interviewed saw as an erosion of their pay and conditions. One HMIP person explained that HMIP staff were specialists with considerable industry experience. His worry was that the Environment Agency would fail to attract qualified staff to the pollution (Environmental Protection (EP)) function if HMIP pay is downgraded in the name of Agency-wide consistency. Indeed, it is this move towards consistency which many HMIP staff saw as the biggest threat to the proper execution of the pollution control function in the Environment Agency.

***Communications Across the Agency:*** In general terms, problems such as the lack of clearly defined roles in the new Agency, the failure of senior management to reach

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<sup>26</sup> Of twenty-two staff asked about morale in the Agency, seventeen described it as “low” or “bad”, and of these seventeen ten said the problem was most noticeable in the first few months after the Agency’s creation.

consensus, the lack of a coherent sense of direction within the new organisation, and the failure of the new partners in the Agency to work together from its inception, all of these can be subsumed under the umbrella term “communication problems”.

Consider the following response:

[148] ‘We have this thing called a cascade, where information cascades down through the Agency, bearing in mind we only have five tiers of management now. Information is supposed to be able to cascade back up to the top, and I suppose that I can go and knock on the door of the Area Manager, although you usually go through your team leader. But we are more open now. We were not open when we began [at the creation of the Environment Agency] and many of us did not know what was going to happen...’

The idea of an information cascade was intended by management to work in conjunction with the Matrix structure of the new Agency. As with Reinvention in the US, the flattening of hierarchy, and the removal of layers of management was intended to improve communications within an organisation. The above response suggests that staff are able to talk to people at different levels of the Agency, as well as being able to exploit the mix of specialist expertise in teams. This increase in communication has had a positive effect on many staff, particularly those in the Areas, but also in the Regions and Head Office.

As this response suggests, communications in the fledgling Agency were less efficient than was needed to ensure that staff in the new organisation knew what the changes in their roles meant. As already discussed, the failure to generate consensus at senior levels of management, the lack of clarity in Agency direction, and in the roles staff were to occupy, led to a negative impact on the motivations of most of those staff who felt unsure as to what they should be doing, and in some cases who they were to turn to for clarification of their roles.

Communications in the Environment Agency have improved considerably since its inception, but the adverse reaction of many staff to their role in the new organisation must result in large part from the failure of management to manage the transition to this new organisation carefully and coherently. That management were not agreed on a direction for the Agency meant that many staff felt “lost at sea” (to quote one senior

NRA manager [242]) and unable to turn to management for help. As one ex-NRA person in a Regional Office explained:

**[254] ...two years back there was no “because” from management. You were told what was going to happen, but you could not ask why it was happening. There was no communication from on-high, and no way of getting a message back up.’**

Despite the idea of an “informational cascade” information in the new Agency flowed down as a trickle, with staff in the Regions, and particularly in the Areas, left unclear as to what was expected of them. Information flowing bottom-up from staff to management was rare. Some staff complained of feeling excluded from all decision-making, and this feeling of detachment compounded other negative feelings in relation to motivations. The feeling expressed in this response, of not being able to ask “what was happening”, and of being “told what was going to happen” without the ability to question these directives, left staff with a sense of being lost in the new Agency, of feeling insecure in their job, of not knowing what management expected of staff. The negative effects of such feelings on motivations are clearly highlighted in this response, and this response was not an isolated aberration in the interview data.

The communication problems encountered in the Environment Agency have been noted at the most senior levels, as demonstrated by this response from an Agency Director:

**‘My own observation is that some of the communication challenges that we have are, I think initially it was between head office and the regions, are that the regions and the areas were fairly close together, I think as it’s going through now, there is more communication between head office and the region and from the area perspective, the areas perceive head office and the regions in the same way, and that’s where the gap now is.’ [303]**

Communications are improving in the Agency according to most of the interview data, and the challenge the Agency now faces is in improving communications between Areas and the rest of the Agency. the Matrix structure does seem to improve on the communications witnessed in EPA between Head Office and Regions, yet there remains a tension between Matrix structures at Area level, and the functional organisation at Regional and Head Office levels. In addition, the problem of “proximity” and the clinging to “functional life-rafts” makes the task of improving communications across all levels of the Agency that much harder.

## Preliminary Conclusions (8.4)

*'The Environment Agency is cross-cut by institutional divisions which have negative effects on motivations. These divisions are being addressed in the maturing organisation.'*

This chapter has demonstrated how the creation of a new institutional structure based on the merger of eighty-three separate organisations generated negative effects on motivations. The data do suggest that some of the ways in which motivations were adversely affected was the result of the problems of the transition to a new structure. However, there are some institutional problems which appear more deep-rooted, and which do not appear to have been solved as the Agency has matured since its creation. The tensions between HMIP and the rest of the Agency remains a problem, as does the relationships between the three tiers of the Agency. These problems are compounded in part by the mixed effects of Matrix Management on the motivations of Environment Agency staff.

What should be clear from the preceding discussion is that the effects on motivations discussed in this chapter are primarily institutional: the explanation of motivations presented here focuses on *'... the effects of historically specific patterns of organisation...'* Indeed, as the statement from Hall used at the start of the chapter stated *'Throughout, the emphasis is on the relational character of institutions [how] they structure the interactions of individuals. In this sense it is the organisational qualities of institutions that are being emphasised.'*<sup>27</sup>

The creation of the Environment Agency is a good example of the bringing together of institutionally diverse organisations, with distinct operating procedures, as well as distinct cultures. The creation of the Environment Agency failed to pay sufficient attention to the ways in which the move to new organisational structure would affect the motivations of those staff who would populate that structure.

The last eighteen months have seen improvements in the ways that staff within the Environment Agency interact, and morale is less of a problem than it was when the Agency was created. Nonetheless, morale is still lower than senior management would

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<sup>27</sup> Hall, P. (1986), *Governing the Economy* (Cambridge, Polity Press). Page 19.

like, and appears to be lower than was the case in the Agencies merged to create the Environment Agency. To explain more fully the way that staff in the Environment Agency are motivated (and de-motivated) it is necessary to focus next on the cultural aspects of motivations in the Environment Agency for England and Wales.

# **Chapter Nine**

## **The Role of Culture in Explaining the Motivations of Officials in the Environment Agency**

### **(9.1) How An Understanding of Culture Helps to Explain Motivations**

Culture as a means of explaining why the motivations of officials within the Environment Agency were adversely affected by the move from NRA, HMIP and the WRA's to the new organisation

### **(9.2) Propositions: Cultural Groupings and Their Effects on Motivations**

#### **Cultures in the Environment Agency**

- 1) The Environment Agency is primarily a river-basin manager, with only limited responsibilities for the total environment. The cultures within the Agency are adversely affected by this focus on rivers
- 2) The Cultures of the Partners in the Environment Agency were not congruent:
  - the WRA's lacked any unifying culture on entering the Agency. This lack of a coherent culture led to adverse motivational effects during the transition to the new organisation. The WRA's staff have adapted best to their role in the new organisation, having become integrated with NRA staff
  - NRA was not adversely affected by the move to the Environment Agency. The most important cultural effects on NRA motivations came from the need to co-exist with new partners and new cultural groupings
  - the culture of HMIP has led to its remaining isolated from the rest of the Agency

3) The Agency lacks any over-arching sense of Mission and remains divided in terms of culture and structure. There is no *Integrationist* culture in the Agency

### **The Transition to the New Agency**

4) The model utilised in the creation of the Environment Agency was structural, as such it ignored the cultural implications of change

### **Cultures After the Transition Period**

5) The relationship between the culture of each partner in the new Agency helps to explain the failure to move towards an *Integrationist* culture

6) 'Proximity' and functional life rafts mirror cultural groupings underpinned by professional background and functional specialisms. Proximity facilitates the development of Area Offices as sub-cultures.

7) Integrated Pollution Control and regulating 'in-the-round' has had only limited success in creating a new organisational culture

### **(9.3) Preliminary Conclusions**

Cultural groupings within the Environment Agency are not congruent with institutional structures. The new institutional structure has led to the institutional rigidification of an HMIP subculture. The new structure has led to integration between NRA and the WRA's. The new structure has allowed Area Offices to remain detached from the rest of the Agency.

## How An Understanding of Culture Helps to Explain Motivations (9.1)

This chapter will show that the Environment Agency is cross-cut by cultural divisions and by distinct cultures. These cultures failed to cohere in the new organisation. Having identified the major cultural groupings in the Environment Agency it will be possible to examine how the transition to the new organisation affected them; the next task will be to examine the role of culture in the Environment Agency two years after its creation.

Institutional structures have not created a single, *Integrationist* culture. HMIP have remained a distinct sub-cultural grouping, NRA and the WRA's have become more integrated within the new structure. The Area Offices constitute sub-cultures; institutional rigidification in the new organisation has compounded these groupings. Having analysed the sub-cultural groupings that exist within the Environment Agency it will be possible to show that these sub-cultural groupings prevent the Environment Agency from developing an Agency-wide *Integrationist* culture.

Unlike the US EPA, the Environment Agency does not exhibit a commitment to 'mission'. The Agency is an not agency for the whole environment, but only specific elements of it; these specific elements mirror functional specialisms and represent one of the most important dividing lines between the cultures within the Environment Agency. In order to operationalise the concept of Culture it is useful to reproduce the definition from Chapter Two:

Chapter Two (page 34) defined culture as:

- 1) a pattern of shared basic assumptions
- 2) invented, discovered, or developed by a given group
- 3) as it learns to cope with its problems of external adaptation and internal integration
- 4) that has worked well enough to be considered valid, and, therefore
- 5) is to be taught to new members of the group as the
- 6) correct way to perceive, think, and feel in relation to these problems

It is not necessary to reproduce here the theoretical discussion of culture presented in Chapter Two. All that need be noted is that for a grouping within an organisation to qualify as a cultural grouping the above criteria must be met.<sup>1</sup> It is also useful to reproduce table 1 from Chapter Two (page 34) which highlights some of the major elements of a culture:

| External Adaptation Tasks                                                                                                                                                                                                                                                                                   | Internal Integration Tasks                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Developing Consensus On:<br>1.The core mission, functions, and primary primary tasks of the organisation vis-à-vis its Environments.<br>2. The specific goals to be pursued by the Organisation.<br>basic means to be used in Accomplishing the goals.<br>4. The criteria to be used for measuring Results. | Developing Consensus On:<br>1. The Common language and conceptual system to be used.<br>2. The group boundaries and criteria for inclusion.<br>3. The criteria for the allocation 3. The status, power, and authority.<br>4.The criteria for the allocation of rewards and punishments. |

(Table 1: adapted from Frost P., *et al* page 248)

Those scholars who favour an exclusively institutionalist approach, might explain the cultural groupings identified in this chapter in institutional terms; the argument in this thesis, however, is that it is essential that cultural explanations be examined in addition to any institutional analyses. It is hard to explain, for example, those situations where the formal institutional boundary of a particular grouping is not congruent with the cultural boundaries of that grouping. In the case of the Environment Agency, it seems to be the case that HMIP remains a distinct cultural grouping, despite its having formally been integrated within the EP (Environmental Protection) function of the new organisation. It is this lack of congruence between institutional structures and cultural groupings that plays an integral part in the explanation of motivations. Furthermore, it is the use both of cultural and institutional explanations which allows a reasonably complete account of bureaucratic motivations.

<sup>1</sup> In this work the term “Subculture” is sometimes used to refer to a distinct cultural grouping within a larger organisational unit. For example, in this chapter HMIP, although now integrated into environment agency, will be classed as a subculture because it meets the above criteria and, in addition, it meets the criteria established in the diagram in Chapter Two (page 35: table 1) This diagram is reproduced here. In sum, the term “subculture” should be seen as being a “cultural grouping” which exists within a larger organisational unit.

To give another cultural example: in terms of ‘developing consensus on core mission’ it is clear from the analysis of EPA that Staff and Program officials, and within Program Offices those officials who work in different media programmes, have sharply different conceptions of EPA’s mission.<sup>2</sup> This is in spite of the fact that every person interviewed at EPA could outline the mission statement verbatim. How people perceive their mission, and the best way of achieving it, often contrast with perceptions encountered in interviewing other staff within one agency. When a group of people within an organisation reflect consensus regarding their perception of mission, when they have a sense of where the boundaries of this grouping are (to recall some of the categories in table 1), then it is useful to talk about *cultures* in addition to institutional groups and divisions.

This chapter sets out the cultural groupings within the Environment Agency, the task here will be to explain how these cultural groupings were integrated into the new Agency and how cultural separations continue to divide and de-motivate some staff within the organisation.

## **The Propositions: Cultural Groupings and Their Effects on Motivations (9.2)**

### **Cultures in the Environment Agency**

#### **Proposition One**

*‘The Environment Agency is primarily a river-basin manager, with only limited responsibilities for the total environment. The cultures within the Agency are adversely affected by this focus on rivers’*

Chapter Eight and Chapter Nine have demonstrated that to compare the Environment Agency with the US EPA is not to compare like with like. EPA, like the Environment Agency, was formed from a number of earlier organisations. This bringing together of different agencies created a situation in both agencies where people with different cultural identities were placed in a new institutional structure. In some cases, this

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<sup>2</sup> Developing consensus on core mission is discussed in EPA’s draft Strategic Plan, September 1997.

institutional structure was cross-cut by cultural groupings: in EPA media stovepipes and professional specialisms divided the agency. In the Environment Agency, the three organisations combined to form it suggest that the Environment Agency did not develop a single *Integrationist* culture.

The Environment Agency is primarily responsible for river-basin management. More importantly the Environment Agency, like the former Department of Environment, is not primarily an Agency *for* the environment; rather, the Agency is responsible for rivers with a limited responsibility for other areas of the environment.<sup>3</sup>

To give one example of the limitations of the Environment Agency in terms of regulating the environment consider the following:

**[401] ‘We [the Environment Agency] are not responsible for air quality. We regulate what comes out of the top of Didcot [a local power station in Oxfordshire] but we cannot regulate air quality a mile down the road. There are other agencies which are responsible for most of what you would think of as the responsibility of an environment agency. We do not have the sense of mission that you would expect of an agency which deals with all of the environment. ..We are still primarily focused on rivers.’**

The Environment Agency was created from three organisations with distinct cultures, procedural norms, and functional specialisms. For two of these organisations, the transition to the new order entailed upheaval, but the move also revealed incongruence between a new institutional structure and pre-existing cultural identities. The focus of the new agency on rivers, and the geographical and numerical dominance of NRA in the new organisation suggests that the transition to the new Agency paid no heed to the cultural dislocations that such a transition might create.

As the above response suggests, the Environment Agency does not have a sense of mission which allows staff to feel they are working for the benefit of the total environment. Most of the staff interviewed (more than half of those interviewed who had not come from NRA) expressed the sentiment that their specialisms (whether one was in Waste, or in HMIP) was not valued by the Agency. The new Agency saw the merger of the three major groupings of NRA, WRA’s and HMIP, but to merge

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<sup>3</sup> See Chapter Eight.

cultures, or indeed to create an new Agency culture, would require more than a focus on creating a new institutional form. One of the most pronounced adverse effect on the motivations of staff was the failure to acknowledge the diversity of cultures which would populate the Environment Agency.

Some of the staff interviewed complained of an “NRA take-over”, and there is a cultural element to the explanation of this sense of an NRA take-over. In terms of motivations, what is important here is how each person within the Agency perceives his or her role within it. If one can identify the cultural groupings to which staff belong, and compare these groupings with the dominant grouping within the Agency then it should be possible to identify some of the reasons why motivations are adversely affected. Table I can be used as a starting point for identifying cultural groupings.

As one middle-level manager explained:

**[121] ‘It takes new people to create a new culture. In some ways it would have been better to play to the strengths of the existing cultures...The focus of the Agency is still NRA. If there is a culture then this is it. Funding is still restricted by functional chimneys so I do not really see how we will move away from this focus on NRA.’**

Whilst there is a core mission in the Environment Agency, it is focused primarily on river-basin management. As a result of the dominance of NRA in the new organisation there is a consensus in terms of the goals of the Agency and the way to achieve these goals. However, there is no Agency-wide consensus and so the Environment Agency has more than one culture, and the cultures within the Environment Agency are not congruent in terms of the goals pursued by each grouping, and the methods of pursuing these goals. Staff from the WRA’s have best adapted to working with the NRA people, it is HMIP people who remain most isolated from the rest of the Agency.

## **Proposition Two**

*‘The Cultures of the Partners in the Environment Agency were not congruent.’*

- *The WRA’s lacked any unifying culture on entering the Agency. This lack of a coherent culture led to adverse motivational effects during the transition to the new organisation. The WRA’s staff have*

*adapted best to their role in the new organisation, having become most closely integrated with NRA staff.*

The Environment Agency is cross-cut by cultural cleavages. At the time of its creation, the WRA's constituted a *Fragmentation* culture, HMIP constituted an *Integrationist* culture, and NRA a *Differentiation* culture. However, over time the Area Office moved towards a more integrated approach to regulation, which increased the congruence of cultural identities within Area Offices. Areas came to resemble sub-cultural groupings cross-cut by functional identities. This tension may be resolved over time, yet the Environment Agency remains divided along cultural lines.

Of the three bodies merged to create the new organisation the WRA's came to the new structure with the weakest identifiable culture. The WRA's were united in terms of their core mission, at least insofar as all WRA staff pursued the same general goals (see page 34, table 1). In terms of "External Integration Tasks" (the left side of table 1) WRA staff were reasonably unified. However, examination of "Internal Integration Tasks" indicated both that WRA staff lacked clear group boundaries, and were unable to transmit shared basic assumptions to new members of their group; in fact, the WRA staff did not form a coherent group. Waste staff (from the WRA's) came from eighty-three different local authorities and brought with them little by way of general management. Waste staff interviewed showed no obvious shared assumptions or values, other than their functional specialisms. WRA staff were shaped by the culture, or cultures, of the local authorities in which they had worked. As one official explained:

[207] 'We were definitely the junior partner in the Agency, at least when we first got here. I had been part of the GLC [Greater London Council] set-up, and I have been in local councils since, but the job was the same, and so was the way of doing it. Here we were put in teams, our roles were changed, we were working with other Wasters [Waste officials] but none of us knew exactly what we were doing. The NRA people were settled, they were really the main force in the Agency and HMIP, as everyone says, were not really a part of the Agency anyway.'

The Waste officials assembled in the new organisation did not constitute a culture. The boundaries of a group centred around Waste staff would lack internally generated over-arching goals, lack a clear sense of direction, with no common perceptions of the rest of the Agency. WRA staff represented a *Fragmentation* culture on entering the Agency.

Chapter Five demonstrated that the WRA's shared a *Fragmentation* culture. Such a culture exhibits '*...a common orientation...[with people who have] similar problems, and have comparable experiences...However, these experiences may have multiple meanings.*'<sup>4</sup> Waste officials do share a common orientation generated by their common functional expertise. Yet the experience of staff drawn from eighty-three separate local authorities means that shared experiences and outlook, and shared meanings are not sufficient to constitute an integrated culture.

One explanation for the feeling to which Waste officials, that of being a "junior partner" (response [207]) is that, in institutional terms, the staff who came to the Environment Agency from the WRA's lacked cohesion and had no senior management to fight for their concerns during the debates over the Agency's creation. However, a second element of an explanation of why Waste staff suffered adverse effects on their motivations upon entering the Agency is a cultural explanation. The primary commonality for WRA officials was their functional specialism. But because Waste officials were integrated with Water officials in the new agency, Waste staff did not have a 'functional life raft' to which they might cling. To extend the metaphor, they were now sharing their life-raft with the ex-NRA people. Waste staff experienced changed roles in the new organisation. Most were relocated as they moved from local authorities to an agency organised in terms of river catchments. Waste officials had to adapt to new roles, where their work was combined with the work carried out by Water officials who had come from the numerically dominant NRA.

Consider another response from a WRA official:

[209] 'When we arrived all of us Wasters [Waste officials from local WRA's] were used to working in our own authorities. A lot of us in this Office came from the GLC [Great London Council] and we had never worked together. But we were thrown together with the people who came from NRA. They [NRA officials] had to write Waste regulations now, and we no longer completed the entire Waste process. It was hard at first, but we had to share our new roles with the Water people. We sat at one end of the office, and they sat at the other, they all knew each other you see. It took a few months, but now we work well together, and we now know our jobs well. I think knowing your job makes a big difference to how you feel.'

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<sup>4</sup> See Chapter Five page 133.

WRA staff lacked any unifying culture when they entered the new Agency, nor did they possess any institutional continuity carried over from previous organisations. Yet the data support the view that WRA officials went from “junior partner” status to a more equal footing with NRA staff. Water and Waste staff work closely together in the new agency. The institutional structure created in the new agency has led to an institutional rigidification that has compounded the development of a new sub-cultural grouping. The numerically dominant NRA officials have subsumed the WRA officials in the Area Offices, where the so-called ‘holistic’ IPC (Integrated Pollution Control) approach has necessitated that Water and Waste people work together. The response above supports the view that Waste and Water people in the Area Offices are now working together.

A further point to note from the above response is that this Waste official notes an improvement in her feelings of motivations now that she is familiar and happy with her new role. The informational complaints made by officials about the creation of the Environment Agency appear to be moving towards resolution in those areas of the Agency where staff have a good understanding of their roles within the new organisation. As Proposition Six suggests, WRA officials in the Area Offices are developing distinct sub-cultural identities. Yet, when the Environment Agency was created, WRA officials did not constitute an integrated cultural grouping. Because of the lack of a cultural location which offered support to Waste officials in the new organisation, these officials motivations were adversely affected by the move to the new Agency, and the role of WRA staff within it.

- *NRA was not adversely affected by the move to the Environment Agency. The most important cultural effects on NRA motivations came from the need to co-exist with new partners and new cultural groupings.*

Prior to the creation of the Environment Agency the NRA can be viewed as having a *Differentiation* culture in which there was subcultural agreement. There was a general consensus on the core mission of the organisation, and on the way to achieve this mission. However, NRA was rooted in local authorities, with a highly devolved way of working. Inconsistencies across the Authority were tolerated. This inconsistency across Regions, combined with the consensus on the “External Adaptation Tasks”

listed in table 1 (page 34) generated a *Differentiation* culture where subcultural groupings coexisted within a larger umbrella organised focused on a core mission to manage rivers.

Examination of the institutional impact of the creation of the Environment Agency on the staff who came from NRA demonstrates that the new organisation closely resembled the last. Further, although the Agency has nothing approaching an Agency-wide mission, there is widespread acceptance that the majority of its work is dedicated to managing rivers and floods and locks, in essence the work that NRA had undertaken.

As the Directors of one of the functions explained:

**[303] 'You've got 8000 people coming into an organisation of 9000: it is inevitable that NRA will predominate...unless you want positive discrimination, and I do not, then what you have is the case of putting the best people into the best jobs. Here we have a ratio of 8 NRA staff to 1 person from elsewhere. You would expect this ratio to be reflected throughout the entire structure.'**

This argument seems valid, but what is important to note here in terms of motivations is that this Director (who was not present during the creation of the Agency) detects no problem in NRA's cultural and numerical domination. Cultures, unlike the number of staff, cannot be easily quantified. If it were the case (and there is evidence to suggest that it was) that the *Differentiation* culture of NRA set the tone for the new Agency: in terms of mission; the primary focus of the Agency; the background of most senior managers; the way that regulation was undertaken, then other cultures would be swamped by the dominant culture.

As one senior NRA manager explained:

**[192] ' We did not take-over the new Agency. We are forced to work together in teams now. My people and the Waste people work on projects jointly...the new structure is not that different to NRA, but then we are primarily responsible for rivers here, although of course we now have other important functions. There was no other way that we could have organised that would have worked.'**

Whilst Waste and Water people work together (in the Areas at least) the admission that the Environment Agency differs little from the NRA is noteworthy. It seems

reasonable to suggest that, if staff have a preferred institutional structure, and if this structure has effects on motivations, then NRA staff should not have been adversely affected by the move to the new organisation.

Staff may have a preferred institutional structure, but it is necessary to explain why one structure is preferred over another. Part of this explanation is cultural: staff in NRA (for example) share a commonality in terms of core objectives, they share a common language, a pattern of shared basic assumptions. In essence, what is being described here is a culture.

NRA had a *Differentiation* culture where regional variations were accommodated within a larger set of general goals. The transition to the new Agency was a move to a structure markedly similar to the structure of NRA. Regional variations persisted in the new Agency, and the motivations of NRA staff were affected less by the move to the new Agency, than by the necessity of co-existing with the WRA's and HMIP, each of which challenged the boundaries of the cultural groupings which had existed within the NRA.

The creation of the Environment Agency left no room for the existence of subcultures within the new institutional structure. Part of those adverse effects on motivations reported in the interview data must be attributed to the lack of attention given to the question of how best to integrate quite distinct cultures into a new organisational form. An examination of the integration (or lack of) of HMIP into the Agency demonstrates the problems of a merger which largely ignored cultural issues.

- *The culture of HMIP has led to it remaining isolated from the rest of the Agency*

HMIP was the smallest numerical grouping to enter the new agency, with approximately 450 staff. HMIP was characterised by centralised guidelines and procedures, with an emphasis on professionalism and consistency across all their inspection sites. HMIP staff were paid considerably more than staff of equivalent service in either the WRA's or in the NRA.

During the creation of the Environment Agency senior HMIP managers fought to maintain a degree of independence within the new organisation (see Chapter Nine). Formerly, HMIP Inspectors had been answerable to their Chief Inspector only. In the new organisation HMIP staff would be integrated into a Matrix structure, which would not be organised along functional lines. HMIP opposed what they saw as a threat to their: [182] ‘...professionalism. We need to have autonomy. We go out and have to inspect industry, and we build-up links over time. In the new agency it is difficult to maintain these links.’

As one Inspector explained:

[184] ‘I used to be answerable to the Chief Inspector --as his agent-- now I have to do what a manager tells me to do.’<sup>5</sup>

HMIP staff complained of their motivations being adversely affected by their integration into the Environment Agency. HMIP may be a good candidate to support a “bureau-shaping” hypothesis, with staff pursuing the maintenance of a small, elite organisation with no real hierarchy, and significant autonomy residing with each member of staff.<sup>6</sup> The motivations of HMIP staff were greatly harmed by the integration of HMIP into the new organisation. An indication of this harm is the large number of HMIP staff who left the Agency in the first few months after creation. A significant event in the early life of the Agency was the departure of the Director of HMIP, Dr David Slater, who left ostensibly because of the treatment of HMIP in the negotiations during the creation of the new agency, and the role assigned to HMIP within the Environment Agency.

Rational Choice theorists might explain the motivational effects experienced by HMIP staff with respect to a decrease in their ability to maximise those preferences that are important to them, these preferences might be explained with reference to “bureau-

shaping”. However, it is possible to give a more Institutional explanation, and allow that institutional structures, procedures, and norms, confer specified advantages on the agents within a given structure. The move from HMIP to the Environment Agency

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<sup>5</sup> Quoted in Roffey Park Report *ibid.*, page 126.

<sup>6</sup> Patrick Dunleavy develops the idea of “bureau-shaping” in Chapters One, Two and Six of his book, see Dunleavy, P. (1991), *Democracy, Bureaucracy and Public Choice* (London, Harvester Wheatsheaf). See Chapter Ten for a discussion of this theory.

altered considerably the ability of HMIP staff to satisfy the preferences they value (bureau-shaping values). Such an institutional explanation is what Shepsle would call 'structure-induced equilibrium'.<sup>7</sup>

However, one should not be too quick to explain HMIP motivations in Rational Choice, or Institutionalist terms alone. There is a cultural explanation to be propounded here. Given the definition of 'culture' presented at the start of this chapter (and used in conjunction with table 1) it is clear that HMIP has agreement on: a core mission; has shared assumptions, indeed has a common language and shared conceptual system. HMIP came to the Environment Agency with an *Integrationist* culture.

A senior member of HMIP observed during the discussions which took place prior to the creation of the Environment Agency that:

[101] 'there was immense frustration for me, and for my colleagues; the person whom I replaced committed suicide. There was never any real intention by the Tories to create an agency for the environment; it soon became clear that we were looking at an NRA take-over.'

This very senior member explained that, at the meetings to decide the organisational details of the new agency, HMIP considerations were not addressed, or so he felt. The recurring point that he put forward at these meetings was that "HMIP is different." [101]

The professionalism of HMIP and, importantly, the fact that HMIP was so small an organisation may explain why such a prominent *Integrationist* culture was present in HMIP. Further, staff were engaged in essentially the same activity, and functional specialisms generated consensus on all of the points highlighted in table 1 (group boundaries, common language to name two). The move to the Environment Agency, for HMIP, represented the biggest move away from what was the most distinct and clearly delineated cultural grouping that moved to the new agency.

All of the HMIP staff interviewed stated that they "were different" from the rest of the Environment Agency. As one former HMIP inspector explained:

[107] 'HMIP did not fit, and does not fit. We are from industry, with ten years plus experience. And to regulate you really do need that experience. Also, we get paid, well 35k upwards [£35,000

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<sup>7</sup> Shepsle, K., (1989), "Studying Institutions: Some Lessons From the Rational Choice Approach" in the *Journal*

per annum] but NRA people get maybe half that on average. We do not fit so we will be eased out person by person.'

Two issues recur: the first is that HMIP is different, the second is that HMIP staff have a particular expertise that was not recognised in the move to the new agency. Recent research into the Environment Agency supports the view that the merging of HMIP into the Agency could have been better handled, with more emphasis given to cultural identities in each of the three "partners" merged in the Environment Agency.<sup>8</sup>

### Proposition Three

*'The Agency lacks any over-arching sense of Mission and remains divided in terms of culture and structure. There is no Integrationist culture present in the Agency.'*

Organisational mission was defined as a '*culture that is widely shared and warmly endorsed by [workers]...we say that it has a sense of mission.*'<sup>9</sup> If such a mission is present then it is useful to consider whether an organisation has an *Integrationist* culture, where there is organisation-wide consensus across all of the categories identified in table 1. Applying these terms to the Environment Agency suggests that there is no over-arching sense of mission in the Agency and, further, that nothing approximating to an *Integrationist* culture exists within this organisation.

The response below suggests that many staff within the new Agency do not perceive themselves as part of a larger organisational culture. The limits of cultural boundaries extend to their team, or their Area Office and rarely beyond.

[403] 'We did not create a new culture. You might be able to create an integrated culture at the Area levels, or within teams, but you won't do so across the Agency. We are all doing very different things, and groups do not tend to mix, or if they do then it is mainly within teams at the Area level.'

A further barrier to the creation of, and identification with, an organisational culture which supports a commitment to mission, can be traced back to the way that the Environment Agency was created. If the dominant focus in the Environment Agency is river-basin management then it is extremely difficult to envisage a commitment to

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of *Theoretical Politics* vol. 1 (2) 131-147.

<sup>8</sup>Devine, M. and Hirsch, W. (1998), *Mergers and Acquisitions: Getting The People Bit Right* Roffey Park Management Institute October (Horsham, West Sussex, Roffey Park), pages 121-128.

<sup>9</sup> Wilson J.Q. (1989), *Bureaucracy: What Government Agencies Do and Why They Do It* (Basic Books, New York). Page 92.

rivers when one is a Waste or HMIP person. There has been considerable integration of the Waste and Water functions at Area levels but HMIP, even at Area level, remains a distinct cultural grouping. However, at the level of the entire Agency, pockets of sub-cultural consensus cannot generate an Agency-wide commitment to mission, nor will such a consensus lead to the development of an organisational culture. The presence of “mission” within the Environment Agency would require, as the minimum necessary condition, elements of this mission being identified within the cultural groupings within the organisation. The lack of overlap between groups in the Agency explains the lack of an organisational mission *and* the failure to move towards an *Integrationist* culture.

One senior manager (who left the Agency because of his dislike of the way it was created) said:

**[101] ‘You need a mission. There are nine Themes, five issues, but they are not enough and are not carried out really, mainly because of the structure of the Agency...There is no national strategy at present. The Environment Agency does not speak for the UK. There is no national Environment Agency.’**

The discussion in Chapter Nine supports some of the contentions raised here. Certainly the interview data support the claim that there is no organisational mission in the Agency, and the structure of the Agency (discussed in the preceding chapter) does not admit easily of an integration across functional specialisms, functional chimneys, or across the tiers of the Agency. The Environment Agency is divided because cultural groupings have not oriented around the focus on integration which, at least in theory, led to the move to create a new agency for the environment.

In the US EPA data there were frequent references to mission, although it appeared from the data that there was a lack of agreement as to exactly what this mission was and how it should be pursued. A ‘sense of mission’ is the same thing as stating there is an ‘actual mission’ when ‘mission’ is understood primarily in cultural terms. That is, if within EPA most staff see a congruence between those values that are integral to their motivations and the values that they perceive their mission to entail, then there will be the beginnings of an *Integrationist* culture insofar as staff think in terms of the

goals of the Agency, but through the lenses of their particular cultural groupings (or subculture).

In the Environment Agency there is no 'actual mission' nor is there a sense of mission that permeates the Agency. There are distinct cultural groupings, but these groupings do not share any consensus in terms of the larger goals of the Agency. The mission statement of the Environment Agency to '*protect or enhance the environment, taken as a whole...*' really is no more than management speak.<sup>10</sup> Unlike the US EPA, staff within the Environment Agency do not discuss their mission in terms of Agency goals but rather in terms of the goals of their functional specialism which is most prominent at the Area level.

A new organisational culture, and the sense of mission that might accompany it, can be created neither top-down nor rapidly. Senior management in the Environment Agency conspicuously failed to create consensus about the new Agency's direction, and indeed the way that Agency goals would be pursued. In large part this lack of consensus reflected the lack of common ground between the parties merged to create the new organisation. The institutional structure of the Agency failed to address the cultural differences which, in hindsight at least, appeared to be present during the discussions surrounding the creation of the Environment Agency.

The cultural groupings within the Environment Agency do not correspond to the institutional divisions created when the Agency was formed. Most noticeable is HMIP detachment from the rest of the Agency, and the detachment of Area Offices from the rest of the Environment Agency and from each other (discussed below). Yet the cultural groupings cannot be explained solely in terms of institutional analysis. The sub-cultures within the new agency do not correspond to the institutional structures combined to form the Environment Agency. HMIP remain very similar in terms of cultural grouping despite their new institutional location. NRA and WRA staff have become integrated, and resemble the beginnings of a new sub-cultural grouping. The Area Offices were not intended to be culturally distinct groupings, indeed the Matrix structure of the Agency sought to increase co-ordination across the tiers of the Agency.

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<sup>10</sup> See *Environment Agency Annual Report and Accounts 1996-97*, page 5.

The Agency was designed to maximise integration across functional specialisms and to regulate “in the round”, but some of those cultures which existed prior to the creation of the Environment Agency were brought into the new organisation. The creation of the Agency paid scant attention to the task of integrating cultures in what was less a new organisation, and more the amalgam of three distinct groupings. The result of the merger which created the Environment Agency was a new structure cross-cut by cultural groupings not congruent with the new institutional structure, but reinforced by institutional rigidification.

### **Proposition Four**

*‘The model utilised in the creation of the Environment Agency was structural, as such it ignored the cultural implications of change.’*

One problem with the transition to the new agency, and one element in the explanation of why it was that so many of the staff in the new organisation complained of not enjoying their roles in the new agency must be couched in cultural terms: the model used in planning the creation of, and transition to, the new agency failed to address the cultural implications of organisational change.

The model used in the creation of the Environment Agency focused on structural considerations such as pay systems and financial controls, with almost no consideration given to psychological dislocations.<sup>11</sup> More worryingly, the creation of the Agency saw little discussion of cultural identifications, of how staff saw *themselves* and their organisation.

One important failing in the creation of the Environment Agency was the attempt to “**paint the culture on afterwards.**”<sup>12</sup> The larger and more general point shown by the data, is that to assume that a new organisation will have a new culture supportive of the goals of this new organisation is unwarranted. Only by understanding the existing cultural groupings within an organisation, or by analysing the cultures of those groups which will constitute a new organisation, can an organisation be expected to have a

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<sup>11</sup> This point is made in the Roffey Park report *ibid.*, page 122.

<sup>12</sup> Roffey Park, page 126-7.

culture congruent with the institutional structure created. The Environment Agency is learning this lesson two years or so after its creation.

## **Cultures after the Transition Period**

### **Proposition Five**

*'the relationship between the culture of each partner in the new Agency helps to explain the failure to move towards an Integrationist culture'*

Chapter five showed that for an Integrationist culture to be present in an organisation requires consensus on what group members are to do, why they will do it and how they will do it. Although significant progress has been made in the Environment Agency since its creation with respect to improving morale at Agency, and moving towards a more integrated way of working, the Agency remains divided in important ways.

The structure of the Environment Agency has led to an increase in the collaboration of NRA and WRA staff. Most of these staff now work jointly on many projects, and interview data suggest that staff are now more used to what was for them a new way of working. However, HMIP has, as suggested by the data, remained a distinct cultural grouping within the Environment Agency. Furthermore, HMIP remain institutionally distinct, having largely escaped pressures to work with NRA and WRA staff.

Indeed, it is difficult to imagine HMIP becoming integrated into the Agency in the absence of a radical re-structuring which would, in turn, have at best uncertain effects on Agency staff. Thus, an *Integrationist* culture is not present in the Environment Agency and, in terms of motivations, this lack of an over-arching culture is consequential. Most important is the lack of any sense of “mission” in the Environment Agency, there is also a lack of consensus regarding what the Agency should do, how it

should do it, and who should do it. The divisions within the Agency are akin to the problem of “stovepipes” in the US EPA (see Chapter Four) but “stovepipes” were primarily institutional manifestations. The Environment Agency has its equivalent to

motivations of Agency staff. In some cases the converse appears to have occurred, where staff felt such a divide between cultural identities and institutional structures that morale was low and motivations adversely affected.

### **Preliminary Conclusions (9.3)**

*'Cultural groupings within the Environment Agency are not congruent with institutional structures. Distinct cultural groupings are prominent in the organisation, and these groupings hinder the development of an Agency-wide culture as well as restricting the development of a sense of mission within the Environment Agency'*

The Environment Agency has no over-arching sense of mission. In the US EPA, although staff had varying views as to what exactly the mission of EPA was, most nonetheless made reference to "mission" in explaining their motivations. Yet EPA remains divided along the lines of "stovepipes" and is cross-cut by sub-cultural groupings. The Environment Agency is cross-cut by sub-cultural groupings also. Most prominent is that of HMIP, which is a distinct grouping within the organisation. Waste and Water staff have become more closely integrated (particularly at the Area Office level) and this integration might constitute the basis of a new cultural grouping (although to prediction would be impudent).

Staff in the Environment Agency seem more closely tied to function, and less to Agency-wide goals (for example, environmental protection in general), than their US counterparts. Few references are made to "mission" in the data, despite the questionnaire used in the US and UK being very similar in content.

The Environment Agency has an institutional structure which cross-cuts existing cultural groupings with mixed success. Where there are the beginnings of a change in culture, as with the integration of Waste and Water staff in new teams, the congruence of structure and culture is working positively to improve the motivations of staff. However, where cultural groupings remain distinct, avoiding integration with other parts of the Agency, there is a mismatch between culture and structure.

roles having adjusted to these new roles in the first few months of the Agency's existence.

Although speculative, it appears from the data that staff from Waste and Water backgrounds are, at Area Office level at least, working together and re-drawing the boundaries for group inclusion. IPC will have succeeded to the extent that the Environment Agency has moved away from functional chimneys. However, HMIP makes this a partial success in remaining isolated from other functions.

One of the reasons for creating the Environment Agency (discussed in Chapter Eight) was to create a so-called "one-stop shop" whereby regulation would be carried out by one body, and those being regulated could expect a consistent and co-ordinated approach to regulation. Prior to the creation of the Agency those regulators could expect to go through "many hoops" which various regulators would require. A consistent approach to industry, and a consistent approach across the nation was the goal of a "one-stop shop". Certainly the Environment Agency has increased the co-ordination of regulation in different functions and across areas. But HMIP does continue to regulate industry much as it did prior to its integration (formal) into the new organisation. Neither the move to IPC, nor the adoption of regulation "in the round" has led to the creation of a "new" culture in the Environment Agency.

What would enable groups within the Agency to cohere around a new culture that was Agency-wide is an empirical question. What can be said here is that a "new" culture would have to understand the values, beliefs and attitudes that already exist and that define existing cultural identifications. One way of creating a new culture is, as the Agency did, to use teams to combine staff from functional specialisms. (Waste and Water is a good example). For such teams to work there must be sufficient commonality of purpose that members can be motivated by the goals pursued by their team. It is not that one can expect to remove the identification of staff with their "functional life-rafts" so much as expect to create a new "life-raft" based on the integration of functions.

In focusing on institutional and structural questions, the creators of the Environment Agency had little chance of creating a workable culture that would foster the

the results of their work which worked against those motivations reinforced through “proximity”.

In addition, the creation of a new organisation altered the congruence between institutional forms and cultural identities. The creation of the Environment Agency, and the move to the Matrix structure (most noticeably in the Area Offices) placed staff in new institutional groupings and alienated them from many of the cultural identities that constituted important elements in their motivations.

Problems of “proximity” and attachment to ‘functional life-rafts’ reflect a deeper attachment to professional background and, by extension, functional specialisms. To ignore this, as noted in Hypothesis Five, was to ignore the relevance of culture to an understanding of motivations in the Environment Agency and indeed in the US EPA.

### **Proposition Seven**

*‘Integrated Pollution Control and regulating ‘in-the-round’ has had only limited success in creating a “new” organisational culture’. One cannot “paint the culture on afterwards”’*

The creation of the Environment Agency represented the incorporation of the Government’s IPC (Integrated Pollution Control) approach to environmental regulation within a new, integrated, organisation. Yet the creation of the new agency largely ignored the cultural implications of change and the attempt to “paint the culture on afterwards” was not likely to be successful.

As a result of the emphasis on IPC within the Environment Agency, Waste and Water functions are now working closely together within teams (noticeably at the Area Office level) as the data presented in this work attest. However, HMIP remains a distinct grouping within the Environment Agency and, as such, is not integrated in any way with other functions within the Agency. The emphasis on IPC has had only limited success in moving the Agency towards a new culture. The Waste and Water officials interviewed do, however, express more confidence in their new, combined,

In Region III of the US EPA proximity to the results of one's work had significant effects on motivations. Many staff in Region III explained that positive effects on motivations were generated by one's being close to the results of one's efforts. In addition, living and working in a particular locality (and in the case of Wheeling, WV being the neighbour of those affected by environmental regulation) had important effects on motivations. In the two Area Offices examined in the Environment Agency fieldwork the proximity of officials to the results of their work had significant effects on motivations. The data presented in Chapter Seven, Eight and Nine have highlighted the importance of proximity to motivations, yet the creation of the Environment Agency has led to the beginnings of Area Office sub-cultures. The evidence for this assertion is based on the way that, as staff in the Area Offices adapt to their new roles in a new organisation, they also seem to adjust to a new constituency in a new locality, or at the very least officials adjust to re-defined roles in a new organisation.

The integration of Water and Waste functions at Area level, in conjunction with the effect of proximity on motivations, has created the beginnings of a sub-culture not present at Regional and Head Office levels, where functional separation remain prominent. However, the development of a full sub-culture at Area Office level is prevented by the persistent isolation of HMIP from the rest of the Agency across all levels of the Agency.

Negative effects on motivation were most apparent at the very top of the Agency, where staff from each of the three "partners" were seeking to maximise the position of their organisation within the new structure, and at the bottom of the Agency, in the Area Offices. Proximity and 'functional life rafts' (discussed earlier in the chapter) are underpinned by deeply-held values, beliefs and attitudes. The data support the view that many staff are motivated by a commitment to one element of environmental protection, be it rivers, waste, or hazardous chemicals to give some examples.

The magnitude of the effects of the move to the new agency on staff reflects, among other factors, the link between one's functional specialism and one's motivations. This link is compounded by "proximity" in the case of Area Office staff. Many staff explained that they could "see" the results of their work, and this reinforced positive feelings of motivations. Many staff in the new Agency experienced a detachment from

stovepipes in the form of “functional chimneys, but the Agency is also divided along the lines of the organisations which were combined. The main obstacle to full integration though, is HMIP resistance to further integration with the other partners in the new agency.

In large part the failure to create an *Integrationist* culture in the Environment Agency could have been avoided by the adoption of an approach to managing organisational change that focused on more than organisational charts. Though perhaps more cumbersome, the questioning of staff in each of the three organisations (that constituted the new organisation) regarding their cultural identities (the attempt to delineate cultural boundaries for example) and their motivations for example might have been used in conjunction with institutional analyses to examine the optimal structure for the new agency, both in institutional terms and with respect to existing and future cultural groupings.

### **Proposition Six**

*Proximity and functional life rafts mirror cultural groupings underpinned by professional background and functional specialisms’. Proximity facilitates the development of Area Offices as sub-cultures.*

The attempt to create a Matrix structure in the Environment Agency was intended to encourage teamwork, to promote integration across media functions (Water, Waste etc.) and to promote the flow of information throughout the Agency. However, the Matrix structure had most impact at the Area Office level.

It was suggested above that staff in the Area Offices are often motivated by their “proximity” to the results of their work (an argument also applied to the US EPA’s Region III office). Further, the data supported the contention that primary loyalty in the Agency is, first and foremost, to one’s functional specialism. The latter can best be explained in terms of cultural identity. However, although functional specialists work most closely together in the Area Offices, these Area Offices appear to have developed the beginnings of defined sub-cultural identities.

In Region III of the US EPA proximity to the results of one's work had significant effects on motivations. Many staff in Region III explained that positive effects on motivations were generated by one's being close to the results of one's efforts. In addition, living and working in a particular locality (and in the case of Wheeling, WV being the neighbour of those affected by environmental regulation) had important effects on motivations. In the two Area Offices examined in the Environment Agency fieldwork the proximity of officials to the results of their work had significant effects on motivations. The data presented in Chapter Seven, Eight and Nine have highlighted the importance of proximity to motivations, yet the creation of the Environment Agency has led to the beginnings of Area Office sub-cultures. The evidence for this assertion is based on the way that, as staff in the Area Offices adapt to their new roles in a new organisation, they also seem to adjust to a new constituency in a new locality, or at the very least officials adjust to re-defined roles in a new organisation.

The integration of Water and Waste functions at Area level, in conjunction with the effect of proximity on motivations, has created the beginnings of a sub-culture not present at Regional and Head Office levels, where functional separation remain prominent. However, the development of a full sub-culture at Area Office level is prevented by the persistent isolation of HMIP from the rest of the Agency across all levels of the Agency.

Negative effects on motivation were most apparent at the very top of the Agency, where staff from each of the three "partners" were seeking to maximise the position of their organisation within the new structure, and at the bottom of the Agency, in the Area Offices. Proximity and 'functional life rafts' (discussed earlier in the chapter) are underpinned by deeply-held values, beliefs and attitudes. The data support the view that many staff are motivated by a commitment to one element of environmental protection, be it rivers, waste, or hazardous chemicals to give some examples.

The magnitude of the effects of the move to the new agency on staff reflects, among other factors, the link between one's functional specialism and one's motivations. This link is compounded by "proximity" in the case of Area Office staff. Many staff explained that they could "see" the results of their work, and this reinforced positive feelings of motivations. Many staff in the new Agency experienced a detachment from

the results of their work which worked against those motivations reinforced through “proximity”.

In addition, the creation of a new organisation altered the congruence between institutional forms and cultural identities. The creation of the Environment Agency, and the move to the Matrix structure (most noticeably in the Area Offices) placed staff in new institutional groupings and alienated them from many of the cultural identities that constituted important elements in their motivations.

Problems of “proximity” and attachment to ‘functional life-rafts’ reflect a deeper attachment to professional background and, by extension, functional specialisms. To ignore this, as noted in Hypothesis Five, was to ignore the relevance of culture to an understanding of motivations in the Environment Agency and indeed in the US EPA.

### **Proposition Seven**

*‘Integrated Pollution Control and regulating ‘in-the-round’ has had only limited success in creating a “new” organisational culture’. One cannot “paint the culture on afterwards”’*

The creation of the Environment Agency represented the incorporation of the Government’s IPC (Integrated Pollution Control) approach to environmental regulation within a new, integrated, organisation. Yet the creation of the new agency largely ignored the cultural implications of change and the attempt to “paint the culture on afterwards” was not likely to be successful.

As a result of the emphasis on IPC within the Environment Agency, Waste and Water functions are now working closely together within teams (noticeably at the Area Office level) as the data presented in this work attest. However, HMIP remains a distinct grouping within the Environment Agency and, as such, is not integrated in any way with other functions within the Agency. The emphasis on IPC has had only limited success in moving the Agency towards a new culture. The Waste and Water officials interviewed do, however, express more confidence in their new, combined,

roles having adjusted to these new roles in the first few months of the Agency's existence.

Although speculative, it appears from the data that staff from Waste and Water backgrounds are, at Area Office level at least, working together and re-drawing the boundaries for group inclusion. IPC will have succeeded to the extent that the Environment Agency has moved away from functional chimneys. However, HMIP makes this a partial success in remaining isolated from other functions.

One of the reasons for creating the Environment Agency (discussed in Chapter Eight) was to create a so-called "one-stop shop" whereby regulation would be carried out by one body, and those being regulated could expect a consistent and co-ordinated approach to regulation. Prior to the creation of the Agency those regulators could expect to go through "many hoops" which various regulators would require. A consistent approach to industry, and a consistent approach across the nation was the goal of a "one-stop shop". Certainly the Environment Agency has increased the co-ordination of regulation in different functions and across areas. But HMIP does continue to regulate industry much as it did prior to its integration (formal) into the new organisation. Neither the move to IPC, nor the adoption of regulation "in the round" has led to the creation of a "new" culture in the Environment Agency.

What would enable groups within the Agency to cohere around a new culture that was Agency-wide is an empirical question. What can be said here is that a "new" culture would have to understand the values, beliefs and attitudes that already exist and that define existing cultural identifications. One way of creating a new culture is, as the Agency did, to use teams to combine staff from functional specialisms. (Waste and Water is a good example). For such teams to work there must be sufficient commonality of purpose that members can be motivated by the goals pursued by their team. It is not that one can expect to remove the identification of staff with their "functional life-rafts" so much as expect to create a new "life-raft" based on the integration of functions.

In focusing on institutional and structural questions, the creators of the Environment Agency had little chance of creating a workable culture that would foster the

motivations of Agency staff. In some cases the converse appears to have occurred, where staff felt such a divide between cultural identities and institutional structures that morale was low and motivations adversely affected.

### **Preliminary Conclusions (9.3)**

*‘Cultural groupings within the Environment Agency are not congruent with institutional structures. Distinct cultural groupings are prominent in the organisation, and these groupings hinder the development of an Agency-wide culture as well as restricting the development of a sense of mission within the Environment Agency’*

The Environment Agency has no over-arching sense of mission. In the US EPA, although staff had varying views as to what exactly the mission of EPA was, most nonetheless made reference to “mission” in explaining their motivations. Yet EPA remains divided along the lines of “stovepipes” and is cross-cut by sub-cultural groupings. The Environment Agency is cross-cut by sub-cultural groupings also. Most prominent is that of HMIP, which is a distinct grouping within the organisation. Waste and Water staff have become more closely integrated (particularly at the Area Office level) and this integration might constitute the basis of a new cultural grouping (although to prediction would be impudent).

Staff in the Environment Agency seem more closely tied to function, and less to Agency-wide goals (for example, environmental protection in general), than their US counterparts. Few references are made to “mission” in the data, despite the questionnaire used in the US and UK being very similar in content.

The Environment Agency has an institutional structure which cross-cuts existing cultural groupings with mixed success. Where there are the beginnings of a change in culture, as with the integration of Waste and Water staff in new teams, the congruence of structure and culture is working positively to improve the motivations of staff. However, where cultural groupings remain distinct, avoiding integration with other parts of the Agency, there is a mismatch between culture and structure.

The problem of this mismatch is not restricted to those groups that are not integrated for the reason that this lack of integration has effects on all parts of the Agency. As the data examined in this chapter suggest, there is considerable dissatisfaction with the way that HMIP are regarded as “aloof” [109]. Such sentiments have negative effects on motivations, both on HMIP and non-HMIP staff. There are further problems when staff do not enjoy the way their roles have been defined in the new Agency, as some ex-NRA staff have complained. Importantly, many staff and senior managers complained that the Agency lacks an overall sense of mission, and is essentially direction-less. Many WRA staff still complain of being junior partners in an NRA take-over.

It seems that the Environment Agency is not likely to develop an Agency-wide (*Integrationist*) culture in the near future, unless institutional and cultural groupings are made congruent, or cultures can adapt to the new structure (a slow process not achieved through a change to the organisational chart alone).

It is the case that the Environment Agency is not an agency for the entire environment in the way that the US EPA is. The Environment Agency cannot regulate Air Quality and focuses over fifty percent of its resources on river-basin management, flood defence and most if the tasks for which NRA had been responsible. It is difficult to envisage an Agency-wide mission developing within the Environment Agency as long as its activities are fairly narrow in scope, and the Agency is dominated by NRA work. If “mission” is understood as going hand-in-hand with an organisation-wide culture then it is unlikely that the Environment Agency will develop an either an agency-wide culture or a commitment to an over-arching mission. In part this is to be explained by the failure to consider the cultures that would constitute the new organisation when this new agency was being created.

# **Chapter Ten**

## **The Limited Role of Rational Choice in Explaining Motivations in the US EPA and the Environment Agency for England and Wales**

**(10.1) Why Rational Choice Explanations Are of Limited Use in Explaining Motivations in Two Agencies**

**(10.2) The Null Hypothesis: What Would a Rational Choice Account of Motivations Look Like?**

**(10.3) Types of Rationality and Preference Formation: Atomism; Human Agency: Max Weber; Charles Taylor; Jon Elster**

**(10.4) Institutional Rational Choice--King and Dowding: A More Useful Approach to Bureaucratic Motivation?**

**(10.5) The Utility of Rationality: Niskanen, Downs, and Dunleavy**

**(10.6) Bureau-Shaping as the Most Useful Rational Choice Explanation of Data in Two Agencies**

**(10.7) Preliminary Conclusions**

## Why Rational Choice Explanations Are of Limited Use in Explaining Motivations in Two Agencies (10.1)

*'Far removed from realities, instead, is the hypothesis that human beings draw logical inferences from residues and then proceed to act accordingly. In activity based residues human beings use derivations more frequently than strictly logical reasonings, and therefore to try to predict their conduct by considering their manner of reasoning would be to lose all contact with the real.'*<sup>1</sup>

Rational Choice models of bureaucratic motivation are of limited use in explaining the interview data considered in this work. Institutional and Cultural approaches to the examination of motivations have provided reasonable and valid accounts of motivations both in the US EPA and the Environment Agency for England and Wales.

This chapter provides an account of what a Rational Choice explanation of motivations could look like (a Null Hypothesis) before highlighting some of the problems which are encountered when employing Rational Choice accounts of motivations. The most convincing Rational Choice accounts are those that give some explanatory weight to Institutions, although such approaches will be shown to be incoherent. Four seminal Rational Choice approaches will be examined, with one, Dunleavy's *Bureau-Shaping*, shown to be of some use in explaining the motivations of Environment Agency and EPA officials.

Having examined data from both agencies it is possible to show that Rational Choice approaches are of very limited explanatory value in the case studies examined in this work. There is some *bureau-shaping* taking place in both agencies, and there may be some budget-maximising too, but the explanations with the greatest power are Institutional and Cultural. The limited explanatory power of Rational Choice approaches should serve two purposes here: first, the data show that we cannot dismiss out-of-hand the use of Rational Choice in explaining what it is that motivates bureaucrats; secondly, to highlight the very limited usefulness of this approach. In short, the limited utility of Rational Choice weakens those theories that Dunleavy's

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<sup>1</sup> Pareto, V. (1980), *Compendium of General Sociology* 287 [831] abr. Giulio Farina, trans. Elizabeth Abbott, (Minneapolis: University of Minnesota Press). Cited in Shafer B. (ed.) (1996), *Partisan Approaches to Postwar American Politics* Chapter Three "Partisan Elites" (Shafer B.), (New York, Chatham House). Page 137.

“bureau-shaping” attempts to rescue. Although the most useful of the three models examined in this chapter, “bureau-shaping” can at best account for only a small section of the data on motivations examined in the present work.

## **The Null Hypothesis: What Would a Rational Choice account of Motivations Look Like? KKV Re-visited (10.2)**

Chapter Two examined the work of King, Keohane and Verba to show that qualitative research can be made more rigorous by adhering to certain principles of research design.<sup>2</sup> The principles were: constructing falsifiable theories; building theories that are internally consistent; selecting dependent variables carefully, and maximising concreteness. We shall be concerned with the construction of falsifiable theories in this section; in particular, it is important to consider what supporting evidence might be adduced in favour of a Rational Choice explanation of motivations.

Following KKV, the argument in the last three chapters has attempted to present itself as being falsifiable. As KKV state, we must ask of our theory ‘What evidence would falsify it?’<sup>3</sup> Further, following Popper, the researcher must be aware that theories are not verifiable because we can never test all the implications of a theory (p252).<sup>4</sup> But if one hypothesis is wrong then we can strike it from the body of scientific knowledge. However, KKV correctly state that social science theories are rarely universal in their application.

The implication for the present work, then, is that the data do suggest that the above argument is valid, yet there are at least one datum in the interview data which supports a Rational Choice analysis of motivations. This does not contradict the argument in this work since the Trifocal Approach is set-up in such a way that one datum may support strongly a Rational Choice approach, another may support a cultural analysis, or we may combine elements of different explanations. The limited nature of Rational Choice in this work stems from its ability to explain some of the

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<sup>2</sup> King, G. Keohane, R. and Verba S. (1994), *Designing Social Inquiry* (Princeton University Press, New Jersey) (see pages 101-111). Hereafter referred to as KKV.

<sup>3</sup> King, G. Keohane, R. and Verba, S. (1994), *Designing Social Inquiry* (New Jersey, Princeton University Press). Page 100.

<sup>4</sup> Popper, Karl., *The Logic of Scientific Discovery* (1968) (New York: Harper and Row).

data. Yet the axioms of Rational Choice, in general, contradict the account of motivations supported by the interview data.

### **Types of Rationality and Preference Formation: Atomism and Human Agency. Max Weber; Charles Taylor; Jon Elster (10.3)**

There are important normative debates within political science relevant to the question of bureaucratic motivation: between those who favour structural explanations of behaviour and those who focus on the importance of individual agency; debates as to whether the individual should be conceived of as ontologically prior to her community of social networks. As Booth *et al* (1983, p2) explain ‘the quest for micro-foundations is a pervasive and omnipresent feature of science’ and Rational Choice begins from a micro perspective which rests on methodological individualism.<sup>5</sup>

Advocates of Rational Choice argue that it is not deterministic, nor does it depend on voluntarism. The interest in the individual is methodological but Rational Choice does not, according to Booth *et al* (p2) conceive of persons as atomised, self-sufficient monads. ‘Rather persons are thought of as embedded in networks, contexts and institutions...choice takes place within constraints’ (Booth, p2). This chapter will show that RCT does generate a de-contextualised individual, where behaviour is to be explained in terms of individual preferences. Such explanations are insufficient to explain those data collected at EPA.

By questioning how preference formation occurs, and examining the *atomism* thesis of Charles Taylor, it is possible to suggest that the data presented herein cannot be explained solely from the perspective of the individual. It is essential that rationality be unpacked; by so doing it is possible to show where Rational Choice has explanatory value, and where its use is very much limited. Booth *et al* admit that Rational Choice ‘does not explain everything, but only those situations where Rational Choice has explanatory power.’ This chapter shows that the use of Rational Choice is limited in the main to an explanation of means-ends rationality. There are instances of rational self-interested maximisation in EPA and in the Environment

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<sup>5</sup> Booth, W.J. *et al.* (1993), (eds.) *Politics and Rationality* (New York, Cambridge University Press).

Agency, but they do not undermine an argument which gives institutions and culture a position of explanatory primacy.

## Which Rationality?

The discussion of Weber in Chapter Two illustrates the difficulty of first defining, and then operationalising, the concept of rationality. Weber explores the many-sidedness of rationality.<sup>6</sup> Of the three major distinctions in Weber's work: 1) between rational and non-rational conduct; 2) between formal and substantial rationality-- that is, *zweckrationalitat* and *wertrationalitat*; 3) and between objective and subjective rationality; we consider only the second distinction here.

*Wertrationalitat* can be determined by a conscious belief in the intrinsic value of acting in a certain way, regardless of consequences. *Zweckrationalitat* consciously calculates the attempt to achieve a desired end with appropriate means. Weber was less interested in distinguishing different degrees of rationality than he is in specifying different kinds of rationality, that is, different ways in which action may be deliberately and consciously guided. *Wertrationalitat* is directed towards the realisation of some value inherent in a certain way of acting. *Zweckrationalitat* is directed towards the achievement of some end or ends that are expected to result from a certain way of acting. In short, the former is oriented to an act's intrinsic properties, the latter to its anticipated and intended consequences. Both forms are rational, but one invokes value postulates, the other, reasons that invoke anticipated consequences.

We can explain some elements of bureaucratic behaviour by invoking a notion of *wertrationalitat* insofar as many of the goals which officials wish to achieve are pursued rationally, in a logically rigorous manner; yet these actions are pursued because, at least sometimes, these actions have intrinsic value for an official. To the extent that officials are motivated by goals which have a value attached to them, rationality can go some way towards explaining motivations both in EPA and the Environment Agency.

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<sup>6</sup> Brubaker, R (1989), *The Limits of Rationality: An Essay on the Social and Moral Thought of Max Weber* (London, Allen and Unwin).p 349.

However, we must not accept Weber's distinctions without questioning how they relate to the interview data. In particular, we can demonstrate that officials in both agencies are often motivated by other-regarding concerns which are viewed by agents as having intrinsic value.

There is some evidence to support the Rational Choice argument that bureaucrats pursue a maximand based on self-interest. The data obtained in EPA's Region III Office (Chapter Six) do not support the thesis that officials are unconcerned with the costs of Programs. Further, if we examine preference-formation, it appears that Rational Choice has little role to play in accounting for preferences. A focus on institutions and culture provides a better explanation of where goals come from, and what bureaucrats are motivated by. It is worth examining how Rational Choice theories deal with the question of how preferences are formed.

## Preference Formation

(38) '...if the Agency can produce a product that is useful to people, I like that better than anything.'

Most Rational Choice models employ a notion of thin rationality which leaves unexamined the beliefs and desires that form the reasons for the action whose rationality we are assessing.<sup>7</sup> For Elster, consistency is what Rational Choice is all about, and the only stipulation of thin rationality is that actions are not logically inconsistent. The problem for Rational Choice then, is how to explain why the above official is so concerned for other people.

Rational Choice examines how individuals attempt to satisfy their preferences. Furthermore, many Rational Choice theorists assume that most preferences are based on calculations of self-interest. As the data in the preceding chapters have shown, much of the behaviour of officials, both in the US and the UK, is based on other-regarding, or expressive, motivations. Rational Choice is underpinned by methodological individualism. As Elster (1993) suggests, Rational Choice must

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<sup>7</sup> Elster, J. (1993), *Political Psychology* (New York, Cambridge University Press). Page 1.

answer guilty to the charge of being reductionist in its attempt to explain the complex by the simple. He says: *'like much reductionism, it can be applied prematurely and over enthusiastically given the scientific tools available.'* (p8) The difficulty faced by RCT in accounting for the origin of preferences is tied to its having roots in methodological individualism.

Rational Choice begins with the individual and builds an explanation from such a micro-foundation. In so doing, it gives insufficient weight to the importance of other-regarding motivations in an explanation of bureaucratic behaviour. In focusing on the question of what the maximand is, Rational Choice loses sight of the large question of: *'Does our explanation assume the answers to the interesting questions of a) Where do motivations come from, and b) Can we explain motivations not based primarily on some form of self-interested maximisation?'* The answers to these questions are: Yes and No respectively.

Rational Choice relies on certain axioms of human behaviour: reflexivity, transitivity and so on. Much of the interview data presented in this work suggest that motivations are often other-regarding. If it can be established that the data support the claim that other-regarding motivations are relevant to an explanation of bureaucratic motivations, then it is certainly reasonable to argue that officials in both agencies are motivated by much more than calculations of self-interested utility maximisation. Prior to examining this assertion it is necessary to refresh ourselves as to the definition of other-regarding motivations. A further requirement is that we clarify why other-regarding motives and expressive behaviour need not be logical equivalents.

Abelson defines expressive behaviour as referring to: *'spontaneous enjoyment or value-expressive action, performed for its own sake, with no apparent rational consideration of material consequences for the actor.'*<sup>8</sup> Abelson's discussion is useful and demonstrates that expressive action highlights the limited use of explanations based on instrumentalism in some guise. He says: *'The possibility that instrumental*

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<sup>8</sup> Abelson, R. P. (1996), in Friedman J., (ed.) (1996), *The Rational Choice Controversy* (New Haven, Yale University Press). Page 27.

orientations can be switched on or off limits the applicability of predictions based on self-interest.’<sup>9</sup>

Expressive behaviour, if it must be ‘performed for its own sake’, fails to capture an important element of the argument of this chapter. The motivations of EPA officials are often performed rationally, with a particular goal in mind, with the mechanism of goal attainment conforming to the criterion of thin rationality as defined herein. However, the goals themselves may be based on an intrinsic attachment to some value (*wertrationalitat*); further, the goals pursued may be pursued because of a desire to serve others, to contribute to the public good in some sense. Such behaviour is other-regarding: that is, the motivation for such behaviour is the result of a concern for others, for a larger community not necessarily contiguous with the material concerns of oneself. If one accepts that the data presented in this chapter allow for the possibility of other-regarding behaviour (which may, but need not, be expressive in Abelson’s sense) then we can proceed to the next step in the argument: Atomism.

### **Atomism- Charles Taylor**

In his *Philosophy and the Human Sciences* Charles Taylor presents a persuasive argument which is critical of the tendency of much of social science to model the study of man on the natural sciences.<sup>10</sup> He criticises what he calls ‘atomist’ theories (p2) in which the individual is ontologically prior to the ends she values (Sandel calls such individuals ‘antecedently individuated individuals’<sup>11</sup>). In adopting the methods of the natural sciences, the social sciences may ignore the relevance of the context in which individuals are embedded. Individuals *qua* individuals are socially atomised, separate from other individuals, to be explained in terms of individual preferences and rational calculations of self-interest. Atomist theories have no place for common meanings which are embedded in our institutions and practices; anything resembling political culture is viewed here as a question of the ‘orientations’ of individuals.

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<sup>9</sup> *Ibid.*, p29.

<sup>10</sup> Taylor, M. (1995), *Philosophy and the Human Sciences: Philosophical Papers 2* (New York, Cambridge University Press). pp13-15; 58; 134; 187).

<sup>11</sup> Sandel, M. (1982), *Liberalism and the Limits of Justice* (New York, Cambridge University Press).

For Taylor, a full human agent is partly constituted by some understanding of herself, and is partly constituted by these understandings. He argues (p8): *'[Atomism] hides from view the way in which an individual is constituted by the language and culture which can only be maintained and renewed in the communities he is part of.'*

To relate this discussion to the question of whether Rational Choice can explain bureaucratic motivations we can examine what Taylor says in relation to the discipline of economics, given that economics provides the basis of Rational Choice as applied to politics.

*'Economics can aspire to the status of a science, and sometimes appears to approach it, because there has developed a culture in which a certain form of rationality is a (if not the) dominant value.'* (p103)

Economic behaviour can be predictable because the goals sought and the criteria for their attainment are closely circumscribed in a given domain. But for that very reason, a theory of this kind could never help explain our motivated action in general.

The importance of Taylor's work to the present argument then, is that his criticism of atomist theories explains why it is that Rational Choice has only a limited application to the question of what motivates bureaucrats. More importantly, Taylor's work justifies the emphasis in this thesis on institutional structures and cultural context as important elements in an explanation of motivation. Analysis of the data in the preceding chapters supports the claim that bureaucrats are affected in their motivations and that motivations are sometimes determined by cultural and institutional factors. Much of the data presented in this work support the argument that bureaucrats are often motivated by other-regarding concerns; are embedded in persistent, patterned, perceptions of social reality (cultures) which affect motivations, and may determine them; and are affected by their being embedded in institutional structures. Such data should show why Rational Choice can play only a limited role in providing an answer to the question of what motivates bureaucrats.

## **Institutional Rational Choice--King and Dowding: A More Useful Approach to Bureaucratic Motivation? (10.4)**

King and Dowding's model is useful insofar as it examines where Rational Choice has use, and where its applications are limited. Its emphasis on institutions is enlightening in correctly noting that we must pay attention to structures when analysing behaviour. Further, the approach is correct to employ the term 'rationality' in the 'thin' sense used by Elster (1993). King and Dowding eschew first principles rational choice as being otiose. An interesting element of their approach is the idea that *'we may examine how preferences are generated by the institutions and social structure in which actors find themselves situated...institutions both constrain and 'structurally suggest individual interests.'*<sup>12</sup> Institutions constrain what is possible and therefore shape interests. Further, *'the interests of any given individual are given by her relationship to others, that is her position within the social structure.'* (p2)

The data are consistent with such a contention: Weber's notion of *beruf* (office/role) is helpful in explaining why it is that the location of an agent within an institutional structure can have noticeable causal effects on her motivations; further, the emphasis on cultural and, importantly, sub-cultural partitions within EPA (as discussed in Chapter Five) show that motivations are shaped by institutional location and cultural context. The previous two chapters have sought to demonstrate that the data from EPA do show that motivations must be explained with reference to these two explanatory variables.

To the extent that Institutional Rational Choice stresses the necessity of an understanding of contextual embeddedness it is a welcome improvement on more conventional individualising rational choice accounts. But the approach contains the fundamental flaws of most Rational Choice theorising insofar as it has at its root an epistemological underpinning which relies on a neo-Kantian conception of the self: atomised, ontologically prior to the ends one pursues and the values which one deems

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<sup>12</sup> See Dowding, K. (1991), *Rational Choice and Political Power* (Aldershot: Edward Elgar), for the idea of 'structural suggestion'.

important, prior in some sense to the structures and cultures in which one is embedded.

King and Dowding make a valuable contribution to the debate between Institutionalists and Rational Choice theorists, demonstrating the paucity of approaches which fail to accept the importance of structures to any account of behaviour.<sup>13</sup> However, the Structural Institutional approach fails to deal adequately with the question of preference-formation, failing to move away from the common thread in all rational choice approaches- taking preference as a given and not something to be researched. It is preference-formation which must form an important part of any explanation of motivations.

King and Dowding argue in relation to the question of preference formation:

*'It is a conventional criticism of rational choice theorists that they pay insufficient attention to the formation of actors' preferences. Thelen and Steinmo [argue that] 'the core difference between rational choice institutionalism and historical institutionalism lies in the question of preference formation, whether treated as exogenous (rational choice) or endogenous (historical institutionalists)...[the latter] argue that not just the strategies but also the goals actors pursue are shaped by the institutional context.' The charge...is misplaced however. Imputing rationality to individuals' behaviour is compatible with delineating a complex range of influences upon individuals in their preference formation. What rational choice may do is to assume that preferences are exogenous in one model and use another, complementary model to explain how the preferences were formed in the first place.'* (p5)

This quotation highlights the crux of the problem faced by advocates of an institutional rational choice approach. Whenever one is concerned with fundamental questions of preference formation, and of agents' motivations, it is not enough to rely on a Rational Choice account, even a 'thin' account. Imputing rationality to individuals' behaviour is useful if and only if we seek to explain questions such as how goals are pursued, or how institutions affect and constrain goal attainment. Dowding and King can be correct in what they say above only if institutional rational choice is a secondary, limited explanation which has nothing to say about what

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<sup>13</sup> By which I mean those theorists who favour approaches which are categorised as 'New Institutional' or 'Historical Institutional' accounts; for example, Thelen K., and Steinmo S., "Historical Institutionalism in

motivates agents, but only how agents act given the motivations that drive them and the preferences they hold. By assuming that preferences are exogenous, institutional rational choice avoids the epistemological criticisms made of conventional Rational Choice by side-stepping altogether the important (and in this thesis the fundamental) question of what shapes preferences. Bureaucratic motivations must be explained with reference to this basic question.

King and Dowding argue that their Institutional Rational Choice approach may need to be augmented by a 'complementary model to explain how preferences were formed in the first place'(p5). Two points should be noted here: the first is that King and Dowding are right to say that the use of complementary models must be espoused when building convincing and powerful explanations of behaviour. This point is in principle supported by a Trifocal Approach. The second point is that if King and Dowding are correct in their assertion that an Institutional Rational Choice approach is not vulnerable to the epistemological problems levelled at conventional Rational Choice approaches (see King and Dowding pp11-14) then it is unclear why their model cannot begin to explain where preferences come from.

It may be that King and Dowding would make no claim to be able to provide an account of what motivates bureaucrats, restricting their scope to a discussion of means-ends chains, leaving the question of motivations untouched. Yet if this is the case, then institutional rational choice has neither moved Rational Choice any nearer to providing an account of bureaucratic behaviour, nor to explaining those motivations which underpin this behaviour. Further, the epistemological problems which they claim have no relevance to their discussion must be a flawed assertion.

At issue here is that which motivates bureaucrats to behave in certain ways, pursuing some goals, eschewing others. King and Dowding can usefully explain the method of goal-attainment (means-ends chains) but cannot explain why some goals appear to conform to Weber's criterion of *wertrationalitat* (goals having intrinsic value to an agent), while others appear to be other-regarding and best explained in terms of sub-

cultural locations, or institutional effects on the shaping of preferences (hence something closer to a historical institutionalist, rather than rational choice institutionalist account, where preferences are endogenous and not exogenous).

King and Dowding usefully argue that ‘the self-interest assumption...is, in a fairly straightforward fashion, false.’ (p13) The emphasis they give to the importance of structures is helpful in furthering the understanding of political behaviour. However, in arguing that ‘*Formally speaking, self-interest is not required for rational choice; utility maximisation can suffice...The rational actor is self-centred, which means the world is viewed from the perspective of the individual decision maker rather than from an essentially social viewpoint...*’ King and Dowding expose the tautology hidden in the concept of utility whereby anything that is valued, any goal pursued, gives utility and can therefore be treated as though an agent were maximising self-interest in some capacity.<sup>14</sup>

The self-centred perspective does not give to institutions any real explanatory power; nor are cultural explanations of any real consequence to a perspective which assumes agents view the world through the lens of a self-centred individual. Further, *that ‘communitarians are unable to refrain from individual denotation [making] the truth in a Kantian self as the bearer of a proper name seem manifest’* (p14) must be a claim which Dowding and King would describe as ‘otiose’ (p7). The argument presented on page 14 relies on a misreading of the communitarian position, and does not rescue Rational Choice from its epistemological difficulties. That the language of communitarianism contains “I” is an unimportant criticism of communitarian arguments.

King and Dowding’s argument is most useful in that it weakens the claims usually made on behalf of Rational Choice. They state that: *Rational Choice should not be seen as a method which is rival to all other methods. It is not the be-all and end-all of social science. Rational choice methods may be used in conjunction with more descriptive methods and the strict assumptions of the simplest models may be relaxed.*’ (p15)

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<sup>14</sup> King and Dowding *ibid.* page 14.

This discussion has shown why it is that even an institutional rational choice account has only secondary, limited explanatory power when used to answer the question of what motivates bureaucrats.

### **The Utility of Rationality: Niskanen; Downs, and Dunleavy (10.5)**

'Normative motivation, expressive motivation, intrinsic motivation, social identification...Rational Choice ignores them all. Its excuse may be that we cannot have a theory without simplification; beside, we do not have a clear understanding of how these other motivations interact with instrumental rationality and with each other. This is true, but it is not a good excuse...We can tell a different story [to RCT] about the role of community (*etc.*) in collective action: *a community provides the conditions in which normative motivation, social identification, and in some cases intrinsic motivation are mobilised.*'<sup>15</sup>

A simplification of political reality may be a necessity of research yet one must always strive to provide the best, the most realistic, explanation of one's subject of study. When examining motivations it is simply unacceptable to ignore expressive motivations and other-regarding behaviour. The data presented in this work admit of an analysis of motivations which focuses on institutional structures and cultural identifications, and these macro-social elements of an explanation form an important part of the account of motivations presented herein. This is not to say that Rational Choice explanations have no explanatory power but, at least in the context of the present enquiry, their value is very much limited.

This section examines briefly three models of bureaucratic motivation which utilise Rational Choice approaches. The purpose of this section is to assess what kind of data would be needed to support the three models examined below; in effect this is to examine the null hypothesis discussed at the beginning of this chapter. The data from EPA and the Environment Agency are examined in order to assess how well these models can explain the interview data. Each model is portrayed here as a general proposition which highlights the maximand of bureaucrats in each model.

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<sup>15</sup> Taylor, M. (1996), 'When Rationality Fails' in Friedman, J. *The Rational Choice Controversy* (1996), (New Haven, Yale University Press).

Consider these responses

(57) 'My goals have to do with service. I believe in the Agency, in making things better for our people. Anything to make the process more efficient is a worthy goal.'

(38) 'I came to EPA because I believed in its mission. When we get something right, when we make a difference...that is really special.'

[109] 'I really cared about the effect I had on the surrounding environment. I could see the river on the way into work, and now that I have been relocated I feel distanced from my work.'

The first two responses were taken from EPA officials, the third from an Area Office person in the Environment Agency. Each response suggests a commitment to the goals of the organisation, or to one element of the organisation's goals (for example, commitment to goals directly related to one's functional specialism). Of course one could argue that these data support an account based on maximising behaviour, but what is important is that an explanation can delineate what motivates bureaucrats, what de-motivates them, and what affects motivations. It is useful to consider three models which purport to do so.

### **Proposition One: William Niskanen<sup>16</sup>**

*'...there is nothing inherent in the nature of bureaux and our political institutions that leads officials to know, seek out, or act in the public interest.'*

*Bureaucrats maximise their utility based on considerations underpinned by self-interest. The maximand of each official is a larger budget, in fact the largest possible budget. The reason that this is the desired maximand is that larger budgets translate into benefits for individual officials; in short, an increase in individual utility. Public goods are oversupplied as a result of this desire to maximise budgets; the result is that bureaucracies are, by their very nature, wasteful.*

If we compare this condensed account of the main tenets of Niskanen's account with some of the data discussed in this chapter we see that it is not easy to unite the data with the above account. Niskanen's account, beginning as it does with the *assumption* of self-interest, answers the question of what motivates bureaucrats without having to

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<sup>16</sup> Niskanen, W. (1971), *Bureaucracy and Representative Government* (Chicago, Aldine Atherton).

leave the comfort of a questionable theoretical assumption. That motivations might reflect a desire to serve the public, to serve others, to increase efficiency, is not adequately explained by Niskanen. He is right to assert that budget processes do generate a tendency to fight for resources; one EPA senior budget official described the process as ‘like a bad family reunion.’ (5) Yet, as the data show, there are officials who choose to move to a department where the budget is only 3% of their previous Program (official (10) who left Superfund, a Program with a budget of \$1.6 billion); there are officials who value efficiency. Some staff in the Environment Agency complain of NRA taking budget resources, leaving little for anything else. Others complain of budgets that are “ring-fenced” in such a way that money [301] ‘...still travels down functional chimneys...we have no flexibility to make planning decisions which move resources around, and we need to do this out here in the Areas.’

Further, as the Chapter on Reinvention in EPA (Chapter Six) demonstrates, institutional changes have mitigated against the yearly fight for resources, and the compulsion to spend any remaining budget, primarily via the introduction of two-year budget cycles for EPA Programs. Yet we cannot assume from these data that bureaucrats are motivated by self-interest and that all budget maximising behaviour is motivated by self-interest.

An important point to make is that even when officials do try to spend all of their resources, we need not assume that their maximand is one underpinned by material self-interest. In much of the interview data, officials explain that there are always more worthwhile programs than there is money available, or FTE’s (man-power) which can be used in the execution of a policy. Using the budget allocation need not reflect waste or inefficiency.<sup>17</sup> In EPA’s case at least, we can only answer the question of whether budgets are utilised inefficiently by studying the question directly. We should not assume Niskanen is correct, nor should we ignore other-regarding motivations to action as unimportant.

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<sup>17</sup> FTE: Full Time Equivalent, a measure of staffing levels so that, for example, a department might be given an increase in the budget for wages equivalent to 750 FTE’s.

Niskanen makes the questionable assumption that, in conjunction with his assumption that we can treat bureaucracies in the aggregate and examine relations between rather than within, agencies, we can assume agencies are controlled by a monocratically powerful official at the top of an agency. Immediately we can refer back to the discussion and evidence presented in Chapter Four (on Institutions), and Chapter Five (on Culture) to show that it is simply false to assume the monocratic control of EPA or of the Environment Agency to lie in the hands of (presumably) Administrator Browner (EPA), or Chief Executive Ed Gallagher (Environment Agency).

In Niskanen's model of bureaucracy we have an emphasis on the utility functions of individual officials underlying any aggregate agency behaviour. These utility functions are defined in terms of what Dunleavy refers to as 'hard-edged...clearly self-regarding' assumptions (Dunleavy 1991: 154). Of Niskanen's formulation of utility functions Dunleavy says: *'If officials' utilities include other-regarding elements from the outset, then a superficially more comprehensive but in practice completely vacuous account of bureaucratic behaviour will result.'*<sup>18</sup> He is correct to assert that Niskanen cannot incorporate other-regarding motivations into his model. The EPA data show that other-regarding motivations are an important element in an account of bureaucratic motivation. That Niskanen ignores the possibility of other-regarding motivations highlights the paucity of his approach.

The interview data drawn from EPA and the Environment Agency fail to support Niskanen's thesis. His account focuses on the aggregate behaviour of bureaux yet he has almost nothing to say about the nature of variation both across, and within, organisations. As Dunleavy correctly notes (page 168), later Niskanen (1975) allows for agencies that could vary in how they divert budgets away from public policy outputs towards direct perquisites for bureaucrats.

To assess whether either scholar is correct requires empirical examination. The purpose of this section is to show that the interview data do not support a thesis which *assumes* some form of self-interest to be the most powerful means of explaining

bureaucratic behaviour. Most of the data presented in this thesis have shown the danger of assuming that motivations and preference-formation can be delineated in the abstract, with research proceeding from such assumptions.

## **Proposition Two: Anthony Downs<sup>19</sup>**

*'[bureaucrats are] significantly, though not solely, motivated by their own interests. Bureaucrats attain their goals rationally. Their goals are complex and include power, income, prestige, security, convenience, loyalty (to an idea, institution, the nation), pride in excellent work, and a desire to serve the public interest.'*<sup>20</sup>

*2) Bureaucrats pursue goals in common with other workers but need not give equal weight to common, as opposed to personal, goals. Every bureaucrat pursues goals congruent with, and driven by, self-interest (though the substantive content of an agent's utility function is "complex" in Downs's words. (Downs 1967)). Downs allows that agents can have both private and social motivations derived from private maximands and formal organisational constraints. The two sets are never coincident in the Downsian view. Where agents serve the public interest they do so as a result of 'the correct social institutions' (Downs: 1967). We have something approaching Dowding's institutional constraints on individual behaviour which 'structurally suggest' the course of action which agents pursue, or even the motivations of agents.*

*There are five types of bureaucrats: zealots; advocates; climbers; conservers, and statesmen. There is scope in the Downsian model for a plurality of motivations, four of which allow for the possibility of altruistic behaviour.*

The Downsian approach is more sophisticated than the New Right model of Niskanen (Downs's model is the earlier of the two). Downs allows for a plurality of motivations and can include in his model factors such as: 'mission-commitment', which was discussed by many officials at EPA; commitment to particular policies, officials both in EPA and the Environment Agency demonstrated commitment to functional specialisms and particular areas of policy, to give a two examples.

The data suggest that a Downsian model could offer some insights into the findings presented in the present study. However, as Dunleavy explains (1991: 154), 'agency

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<sup>19</sup> Downs, A. (1967). *Inside Bureaucracy* (Boston, Little Brown).

<sup>20</sup> Downs A. *ibid.* page 296.

behaviour is determined most commonly by the actions of multiple officials defending their self-interest, and by a dialectic of supervision and evasion endemic to hierarchical organisations.'

One can assess the usefulness of the Niskanen and Downsian models by highlighting four basic failings of both (Dunleavy: page 162):

- 1) They assimilate all agencies into a restrictive line bureaucracy paradigm.
- 2) They adopt overly broad definitions of the components of bureaucrats' utility functions.
- 3) They offer essentially homogeneous accounts of all bureaucratic behaviour, and thus cannot legitimately explain variations in agencies' goals and strategies.
- 4) They analyse systems of bureaux as simply scaled-up analogues of single bureau

The first three points are not useful in explaining the findings presented in earlier chapters. The first point is mistaken in the case of EPA, with Chapters Four and Nine highlighting why and how the complex, stovepiped structure of EPA does not conform to a classical Weberian line bureaucracy. The Environment Agency has a complex matrix structure which again causes problems when one assumes the above four points to be somehow realistic.

Chapters Five and Ten showed that cross-cutting subcultural groupings within EPA and within the Environment Agency undermined not only an assumption that each agency is a line-bureaucracy, and that cultural considerations could not explained solely in terms of individual utility functions.

Despite the benefits of his Pluralistic approach and its ability to include altruistic behaviour, Downs nonetheless cannot incorporate other-regarding elements into his account of motivation whilst maintaining a coherent model. The point is again made most eloquently by Dunleavy (1991:165) when he says that:

*'The desire to serve the public interest...personal loyalty to the work group, bureau, or nation...is described in a form which makes it essentially a non-rational motivation in public choice terms. The desire to serve the public interest seems exactly on a par with 'civic duty' as a component of rational voters' utilities. It is hard to see how it would be feasible to discover action which is even formally non-rational (i.e. not directed to the satisfaction of bureaucrats' personal preferences) if such factors can be mixed with instrumental motives in individuals' preferences.'*

Two of the motives discussed by Downs, pride in one's work, and commitment to specific programmes, are present in the interview data, yet a public choice model of bureaucracy would hold that since that such behaviour is incompatible with rational maximisation of self-interest, it will be absent, rather than the Downsian model in which such motivations are incorporated into the model's assumptions.

Of these two Downsian traits, encountered both in EPA and the Environment Agency data, Niskanen says (page 195) that:

*'These are behavioural traits which a public choice model of bureaucracy should be aiming to predict as unlikely to occur, rather than directly incorporating them into the model assumptions.'*

What the Downsian model does is to incorporate those aspects of bureaucratic behaviour which would be problematic for a Rational Choice approach. Its typology of bureaucrats has explanatory power then, due to the vagueness with which he defines bureaucrats' utility functions. We cannot say whether all five Downsian bureaucrats are self-regarding, or a mixture of self-regarding and other regarding motivations. His model appears to move from self-interested 'climbers' at one end of his spectrum of motivations, to the more altruistic concerns of 'statesmen' at the other end. As such his model has explanatory power precisely in those areas where Downs can be accused of having deviated from a pure public choice account.

A more convincing approach, in the context of the present work at least, is to acknowledge the possibility of other-regarding preferences, to examine the usefulness of institutional and cultural theories in explaining how preferences are formed and reinforced. To generate a typology of bureaucrats based in large part on assumptions of maximising utility functions is unnecessarily restrictive. As Dunleavy observes (p167-8):

*'If [Downs's five types of bureaucrat are all variants of utility-maximising bureaucrats then] the vagueness of Downs's self-interest axioms is obvious. Alternatively, Downs sometimes presents the personalities as indicating a continuum of motivations from self-interested rational bureaucrats...to pure altruism. If so, he is clearly not putting forward an economic model of bureaucracy at all, but simply some mixed public choice/sociological account.'*

The last model to examine here is the “Bureau-Shaping” approach proposed by Dunleavy as a means of rescuing Rational Choice explanations from the flaws that Dunleavy identifies in other approaches to the study of bureaucracy.

### **Proposition Three: Patrick Dunleavy<sup>21</sup>**

*3) Rational bureaucrats have few incentives to pursue budget-maximising strategies. What bureaucrats maximise is self-regarding and hard-edged utilities in making official decisions. Rational officials are more likely to pursue work-related rather than pecuniary utilities...in which case collective strategies of reshaping their bureaux into different agency types can best advance senior officials' interests.*

*To define an alternative model of what bureaucrats want entails uncovering a more plausible set of official objectives.*

*Bureau-shaping: welfare-maximising officials in policy-making ranks are primarily concerned to improve their welfare by providing themselves with congenial work and a valued environment. Rational officials want to work in small, elite, collegial bureaux close to power centres. A staff rather than a line bureaucracy is what is desired.*

The last three chapters have put forward arguments to suggest that the focus on the institutional structure and cultural composition of each agency, combined with those data which support the contention that much of bureaucratic motivations involve an important other-regarding element, suggest that rational choice approaches are of limited explanatory power. Dunleavy very usefully addresses the failings of the Rational Choice models of Niskanen and Downs, yet insists on keeping the hard-edged, self-regarding basis of bureaucratic motivations. The data presented in the previous chapters show that we cannot proceed solely from such assumptions about motivations and yet claim to put forward a convincing explanation of these motivations.

Bureau-shaping may have a part to play in explaining what it is that motivates bureaucrats. However, as long as the assumptions of Rational Choice form the basis of our model we will be restricted to a model incapable of explaining the plurality of

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<sup>21</sup> Dunleavy, P. (1991), *Democracy, Bureaucracy and Public Choice* (London, Harvester Wheatsheaf).

bureaucratic motivations and the many factors which purport to explain the preference-formation of EPA officials. Dunleavy asserts that the maximand of bureaucrats is underpinned by considerations of self-regarding, hard-edged utilities. Bureau-shaping defines the maximand for officials because more personal utility is gained through work-related, rather than pecuniary, utilities. We must note, however, that bureau-shaping is ultimately self-serving.

The first criticism of Dunleavy requires that we challenge his assumptions that self-interest is a realistic basis for bureaucratic motivation. One need not accept the Rational Choice premise that individuals are self-interested when explaining the data examined in this thesis. Dunleavy may have identified a maximand which is superior to the budget-maximisation of Niskanen; yet, the data in the last six chapters show that self-interest is not the most convincing explanation of behaviour. Further, the shape a bureau takes will be contingent on how the bureau was created; the source of the motive force for change and who has the power to alter bureau structure. Chapter Four discussed the institutional structure of EPA, and the discussion has suggested that some elements of the Agency are collegial, others remain *stovepiped* (as in the Weberian line bureaucracy).

The data in this work suggest that there are structural (institutional) reasons which suggest that officials may not pursue bureau-shaping strategies. Dunleavy is correct to state that officials value a 'congenial work environment'. In fact, some data support this contention. Yet this is not incompatible with the claim that other-regarding motivations are of primary explanatory power when looking both at EPA and the Environment Agency.

One should remember that many officials complain that their Agency is stovepiped, or is divided by functional chimneys; other staff complain of headquarters acting as an obstruction, or people in headquarters complain of resistance to directives emanating from Regions and Areas.

These could be interpreted as support for Dunleavy, that officials wish to change the shape of their Agency. However, a better reading of these data could focus on the institutional obstacles to the pursuit of “mission”, or the cultural importance of success in one’s work. That officials seek to eradicate institutional obstacles and foster structures supportive of their cultural identifications is not evidence of hard-edged utility maximisation in the form of bureau-shaping.

Officials do seem to care about the shape of their bureaux, and such considerations should not be excluded from an account of motivations. However, the primary motivation in terms of institutional structure is in some cases negative: for example, how institutional structure can obstruct the pursuit of Agency or Program goals; or institutions can play the more positive role of shaping the preferences of officials, as officials may become committed to solving a particular problem (for example, successfully improving the Chesapeake Bay area).

A final point to note here is that one official, person (5), complains that empowerment and team-working (see Chapters Six and Nine) may lead to ‘**inappropriate behaviour**’ as the Agency moves away from a line-bureaucratic structure. Senior officials might, accordingly, not welcome a move away from a line bureaucracy. Dunleavy is wrong to assume that motivations underpinned by self-interest underpin bureaucratic motivations. Further, that these motivations generate a bureau-shaping maximand is a claim unsupported by the data employed in the present work.

The second criticism to make of the bureau-shaping model is that it ignores any form of explanation based on cultural considerations. Chapters Five and Nine demonstrated that many officials both at EPA and the Environment Agency cite pre-existing values as reasons for joining EPA or those organisations which were merged when the Environment Agency was created ; others claim to be committed to the mission of their Agency, or at least their function; some want to serve the ‘public interest’ in some sense. Present in these data were persistent, patterned perceptions of social reality which generated discernible motivations. Such perceptions are defined in this work as Culture.

Dunleavy's model leaves little scope for motivations underpinned by a commitment to cultural values. Indeed, it is hard to imagine such values being compatible with a model in which 'self-interested, [and] hard-edged utilities' explain bureaucratic motivations. Without reproducing the arguments of earlier chapters, we should note here that, although Dunleavy's model does explain some data, it nonetheless relies on the same questionable Rational Choice assumptions which have been criticised throughout this chapter.

### **Bureau-Shaping as the Most Useful Rational Choice Explanation of Data in Two Agencies (10.6)**

Rational Choice explanations offer a means of explaining some of the data obtained in interviews at EPA and the Environment Agency. Consider the following responses:

**(6) 'I still find EPA to be bureaucratic, though I am told it is more collegial than most agencies. I favour getting rid of layers of management, have teams of 50-60 people.'**

This response could be interpreted in terms of a Bureau-Shaping approach. Indeed, this person does have in mind a particular favoured design for the Agency (EPA). Further, she complained of other parts of the Agency obstructing her in her work. It may seem reasonable to argue that her maximand is a particular agency structure. Yet even here it would be useful to ascertain how far a particular preferred structure is congruent with a cultural grouping, be it a functional specialism, a small, collegial, Field Office, or a grouping oriented around a particular approach to regulation.

Turning to an example drawn from the Environment Agency:

**[103] 'HMIP was an ideal shape and size. We worked very well with industry and had the respect of all of our client groups. The changes made to our organisation threatened to dismantle the best elements of HMIP. I think that was a mistake.'**

The testimony of HMIP staff represents the most convincing support for a Bureau-Shaping explanation of motivations. *If* one assumes that the maximand of HMIP is a particular organisational design *then* the response above would support the assumption. It *is* reasonable to view the motivations of HMIP staff as having a Bureau-Shaping component. It would be naïve to dismiss all explanations which

attribute any kind of self-interest to the motivations of public sector bureaucrats. However, it is very difficult to show that there is not a more important force which could explain the desire to see a particular organisational structure adopted (or maintained). One could account for the above datum by looking to culture as a means of explaining this response. The maximand of a “bureau-shaping” bureaucrat might actually be driven, first and foremost, by a cultural identification that an agent wants to maintain, and perhaps foster.

More compelling evidence for a Rational Choice explanation of some of the data are:

(92) **‘I worked in the Oil industry for thirty years and came here [to EPA] five years ago. There are a lot of committed environmental types here, but some of them could learn a lot from the business world. This is a great job for me now. I have a good pension coming, and have a secondary business interest that I can turn to properly in a few years when I retire from here.’**

[78] **‘No. I was never really worried about the environment. I’m really about “security”: premises, people, everything. I don’t really think it would matter if I did this job somewhere else. I get paid quite well and the hours are good, so I don’t need to go anywhere else now. I am at that time where I do not have to be too choosy, not like the younger people have to.’**

The first person works for the US EPA, the second for the Environment Agency. Both responses fail to support the view that all motivations are to be explained with reference to “public service” or “commitment to mission” These data support the view that the maximand of bureaucrats is tied to self-interest and the attempt to maximise one’s utility function. Both of these people are motivated by the benefits that accrue to them in their work (pensions, working hours); neither raised the mission of their organisation, or discussed a commitment to a functional specialism, or to public service. It is reasonable to couch these responses in the terms of rational self-interested maximisation of utility.

## The Limited Explanatory Power of Rational Choice Explanations

(57) 'I am already in the SCS [senior civil service], I get paid really well [\$123,000 per annum], at this point my goals have very little to do with more money or a higher ranking job; I want to do something that takes energy and creativity and brains. Once I got to GS14 [the top end of the pay scale] I decided I would not make much more money and would take a job only if it was interesting, if I could make a difference.'

The former agent shows a commitment to goals not based primarily on a motivation to maximise personal gain. For this official, there are values to which she has an intrinsic attachment (*wertrationalitat*); as this official explained in her interview, a real concern for public health dating back to her childhood (when she wanted to run a rat control program in a big city).<sup>22</sup> has motivated her through two decades in federal government. In this instance, cultural explanations have more explanatory power than Rational Choice explanations that assume she is maximising some form of self-interest. She may be maximising utility, but such a claim adds little to the explanation of what motivates bureaucrats. To reduce all explanation to the search for utility functions is to make utility a circular concept: that which motivates bureaucrats is utility. Utility is defined as that which we are motivated to pursue. Utility underpinned by self-interest. Such an account is not satisfactory.

It is useful to assess how far Niskanen's budget-maximising thesis is supported by the data. Consider these responses:

(10) 'I do not see larger budgets as giving me anymore benefits, powerwise or otherwise; prior to this job...I had the biggest budget in EPA, now I have a budget of \$5 million; my last budget was \$1.2 billion. Budgets have no obvious reward system for me.'

(5) 'Budget changes have huge effects on the workload of my staff, on what we have to do. Set that aside and it affects my ability to hire, to have people on board. Offices compete for budgets, it is like a bad family reunion. Most bureaucrats want to be able to do their work and they usually believe this requires an increase in order to do that. The reality is that this agency gets spoiled: it did well under Bush, and has done pretty well under Clinton.'

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<sup>22</sup> It is interesting to note that during the era of President Lyndon B. Johnson's Great Society the Administration sought to address the growing problem of rats in inner cities. A large number of black children were killed each year as a result of infestation. The Program was opposed by many Southern segregationists who saw it as a "civil rats bill."

We must question the assumption that the maximand of all bureaucrats is a bigger budget and, importantly, why they would want a bigger budget. It is necessary to distinguish between what Elster refers to as 'thin rationality' (Elster; 1996, p2), and a more substantive notion of rationality underpinned by 'methodological individualism' (Elster: 1993, p7).<sup>23</sup> Thin rationality leaves unexamined the beliefs and desires that form the reasons for the action whose rationality we are assessing, with the exception that they are stipulated not to be logically inconsistent.

The above quotations are consistent with rationality in the thin sense. Hence rationality has a limited use in explaining so-called means-ends chains; in effect, how agents react to structural factors, and how motivations may be affected by such structures, may be illuminated through an examination of whether agents are rational in their means-ends reasoning (the discussion of King and Dowding examines this process). Yet the important question remains '*what motivates bureaucrats?*' and not '*is the process by which goals are pursued rational?*' To answer the former question requires an understanding of why some goals are valued by agents (*wertrationalitat* rather than *zweckrationalitat*) and viewed as having intrinsic value. Only by understanding that motivations may be underpinned by an intrinsic attachment to certain goals, and allowing that such goals need not be based on self-interested maximisation (though maximisation *per se* can be consistent with other-regarding, or expressive, behaviour<sup>24</sup>).

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<sup>23</sup> *Ibid.*, Elster (1993).

<sup>24</sup> Abelson, R. P. (1996), in Friedman J., (ed.) (1996), *The Rational Choice Controversy* (New Haven, Yale University Press). Page 23.

## **Preliminary Conclusions (10.7)**

There are some data which admit of a Rational Choice explanation. Dunleavy's Bureau-Shaping approach provides the most useful Rational Choice explanation of the data. However, we can also explain Bureau Shaping in terms of cultural and institutional explanations. It is not simply that one may incorrectly identify a bureaucrat's maximand; it is likely that the individualist focus on rational maximising is, in itself, a restrictive focus which fails to allow for the deeply-held commitments and values which motivate many of the staff interviewed both in the US EPA and in the Environment Agency.

The most useful way of analysing what it is that motivates bureaucrats in two agencies is to focus on the interplay between cultural identities (values, attitudes, beliefs which are patterned and persistent over time) and institutional structures. In understanding how these two interrelate one can begin to unpack how and why particular institutional structures can work well, or work badly. Yet neither institutions taken in isolation, nor culture analysed on its own, can fully explain what motivates bureaucrats. The role of Rational Choice in these explanations remains very limited. In large part the limited use of Rational Choice is underpinned by methodological problems, and questionable assumptions, that have not been convincing in accounting for the observations highlighted through the interviewing of staff in two organisations.

# Chapter Eleven

## Conclusions

The examination of bureaucratic motivation in the US EPA and the Environment Agency for England and Wales reveals a complex interaction between the preferences of individual bureaucrats, the institutional structures within which they work, and the cultural identifications that constitute important groupings within each organisation.<sup>1</sup> The study of each agency has been dynamic insofar as motivations have been examined during periods of organisational upheaval. The US EPA having experienced far-reaching reform as a result of Reinvention, and the creation of the Environment Agency having generated significant effects on the motivations of its staff.

In order to bring together the central argument in this thesis, this chapter will focus on three areas. The first, and most important task is to highlight the main lessons to be learnt from the research in this work, and then to explain how existing scholarly understandings of bureaucracies and bureaucratic motivations must be amended in the light of new research. The last part of this chapter will take us back to a discussion of how some approaches to the study of bureaucratic motivations, and in particular how Rational Choice must pay greater attention both to the importance of institutional structures and cultural identities, and to the testimonies of those people working in bureaucracies, when examining motivations.

Although an examination of the data is the primary goal of this work, to detach the theory from the substantive, empirical element of this thesis would be to ignore an important theme-- namely, that qualitative research can and should be rigorous and scientific, and that dogmatic adherence to one paradigm or another will obstruct the

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<sup>1</sup> In much of the scholarly literature only one approach to the study of bureaucracy is employed. For example, Downs and Niskanen employ a Rational Choice approach, while Dunleavy uses an amended form of Rational Choice explanation (by varying the maximand of bureaucrats from those presented by Downs and by Niskanen). Most scholars will employ only one type of approach at a time, for example Peter Hall in his study of the state in France and Britain employs an institutional approach only. This thesis has used a combination of Institutional, Cultural and Rational Choice approaches in analysing bureaucratic motivations. See Downs, A. (1967), *Inside Bureaucracy* (Little Brown, Boston). Dunleavy, P. (1991), *Democracy, Bureaucracy and Public Choice* (London, Harvester Wheatsheaf). Hall P., *Governing the Economy* Polity Press Cambridge 1986. Niskanen, W. (1971), *Bureaucracy and Representative government* (Chicago, Aldine Atherton).

execution of useful and comprehensive research into the motivations of complex organisations populated by diverse human agents.<sup>2</sup>

## **The Main Lessons to be Learnt From this Work**

When examining the main lessons learnt from this work it will be useful to consider the counterfactual situation for, so permitting an assessment of whether each could obtain in more than one situation. In particular, it will be useful to consider whether any of the arguments applied to one agency could equally well apply to the other.

*1) The most important lesson to be learnt from this work is the importance of nesting our discussion within a political and historical context.*

This point is both substantive and theoretical, but the theoretical implications are discussed later. In order to understand what motivates officials it is necessary to appreciate how an organisation was created, the arguments which took place, in essence who got what when and how (to paraphrase Harold Lasswell). Furthermore, the values which permeate an organisation will be shaped, in part, by those who first populated the organisation. Again, an understanding of these values is fostered by an appreciation of political and historical context.

Consider EPA, created at a time when environmental issues were high on the political agenda. Earth Day, Love Canal, Rachel Carson's *Silent Spring*, all had important effects on the attitude of the Federal Government towards environmental regulation. It was the considerable pressure placed upon the Nixon administration by environmental groups, and by Presidential candidate, Senator Ed Muskie (D-Maine), who was Chair of the Senate Environment Committee, that contributed to the decision of the President to create EPA in Executive Re-organisation Act no.3 of December 1970.

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<sup>2</sup> Much of the literature on bureaucratic motivations, and in particular on bureaucratic reform focuses almost totally on how institutional structures can help to create, for example, "government that works better and costs less" Yet many of the tools of reform attempt to "paint the culture on afterwards" (Roffey Park report). The research presented in this thesis shows that we cannot assume that institutional changes will lead to the desired changes in organisational cultures favoured by management. This thesis has treated both institutional and cultural explanations as separate explanatory variables, rather than subsuming one form of explanation within the other. See the *Accompanying Report of the National Performance Review: Mission-Driven, Results-Oriented Budgeting* Washington DC September 1993 page5 on "government that works better and costs less" and Devine M., and Hirsch W. *Mergers and Acquisitions: Getting the People Bit Right* Roffey Park Management Institute 1998, page124 on "painting the culture on afterwards"

Yet President Nixon exhibited no substantive political commitment to environmental issues (as the quotations at the front of this work suggest).

The fledgling Agency was populated by staff who exhibited a deep commitment to the environment. Indeed, as shown in Chapter Five, the first staff at EPA (many of whom are now in the senior level of the career civil service (Senior Executive Service)) were led to work for EPA for a variety of reasons with the common theme for many being the desire to improve the environment. Staff interviewed discuss “making a difference”, having been in the Peace Corps, or having a background that led staff to have a commitment to (their perception of) EPA’s mission.

It can reasonably be argued that a degree of “cloning” took place in terms of recruitment to EPA in its early years, although the interview data suggest that this process has continued over the three decades of EPA’s history. Cloning refers here to a process of recruitment in which management recruit those staff who are most in keeping with the values and beliefs that managers are motivated by. The Charter members of EPA (those at the Agency from inception) have been shown to exhibit, in the majority of the data, a commitment to environmental concerns that pre-dated, and in part explained, their arrival at the Agency.

Without seeking to repeat the discussion of the creation of EPA given in Chapter Three, what must be noted here is that EPA was created in a specific political and historical context. To show that this context is important in our explanation of motivations we can consider whether staff in the Environment Agency for England and Wales exhibit striking similarities to EPA staff in terms of their motivations, despite the very different context in which the Environment Agency was created.

The answer is that no obvious similarities are present. Mission-commitment in EPA was considerable, and was an important element in the explanation of motivations presented in Chapters Three, Four and Five. The Environment Agency interviews suggested little in the way of mission-commitment.<sup>3</sup> EPA staff expressed their

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<sup>3</sup> James Q. Wilson correctly emphasises the importance of how and why an organisation was created to an explanation of what an organisation does and why it does it. Importantly, Wilson highlights the importance of organisational cultures, indeed many institutional analyses ignore the impact of cultures on an organisation. In Willson’s formulation, organisational culture is akin to personality. In the present thesis more than one culture was

motivations and their commitment to their work (where present) in terms of deeply-held values. We could view many staff as Downsian zealots, but a better characterisation is to view senior managers in EPA as motivated in large part by a congruence between their values and beliefs and the values pursued by the Agency, or by that part of the Agency in which a person works (so, marine biologists with a commitment to lakes-- consider the quote "God damn it! We'll clean up those lakes!" -- might be committed to the goals of the Water Program).

The low morale present in the Environment Agency in the first two years of its life owe much to the context in which it was created. The Environment Agency lacks any sense of mission. Staff exhibited no commitment to agency goals comparable to that present in EPA. Many staff were committed environmentalists, but it was this commitment that led to low morale. Consider how the Environment Agency was created:

- created in order to enhance administrative efficiency, the primary goal of the government was not an over-riding concern with the state of the environment. Indeed, Carter and Lowe (see page 208) note that the Environment Agency was not created to enhance sustainability and was not really an agency for the environment, lacking as it did authority to tackle problems of the total environment. Save above specific industrial sites, the Environment Agency even lacks powers to regulate air quality.<sup>4</sup>

The regulatory style in Britain explains how the Environment Agency came to have the structure and the cultures that it did. This regulatory style of bureaucratic accommodationism, coupled with the lack of a political will to create an effective environmental regulator, helps to explain why the Environment Agency is not a genuine Environment Agency, being more of a river-basin manager. Bureaucratic accommodationism (see page 198) has been the dominant regulatory style in Britain

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present in each agency, but culture was nonetheless significant in both agencies. Most institutional analyses would benefit from a more serious consideration of culture. See Wilson J.Q. *Bureaucracy: What Government Agencies Do and Why They Do It* Basic Books, New York 1989, page 94. See also Frost P.J., *Reframing Organisational Culture* Sage Publications Inc. Newbury Park, CA 1991 for a discussion of the relevance of culture to organisational analyses.

<sup>4</sup> Carter, N and Lowe P., (1996) "The Establishment of a Cross-Sector Environment Agency" *Environmental Politics* Vol 4, 2 Spring 1996.

accommodationism (see page 198) has been the dominant regulatory style in Britain since the Victorian era.<sup>5</sup> Voluntarism has been the dominant approach to ensuring compliance with environmental statutes. Unlike the US EPA, the Environment Agency has no stick and few carrots. The remit of the Agency remains dominated by river-basin management. As a result, the creation of an over-arching sense of agency mission to act as a motivating and unifying force for staff within the organisation was conspicuously absent.

The interview data suggest an agency that is slowly growing accustomed to new roles in a new structure. Yet morale remains low, and none of the staff interviewed considered their jobs to be viewed as prestigious by others. Many staff believed that the public had little or no idea of what the Agency does, knowing only of the perceived failure of the Environment Agency to deal with the Easter floods of 1997. Staff in EPA felt that the public were generally in favour of what EPA does, and many staff were not upset by the way that industry often objects to the role played by EPA.

In terms of counterfactuals then, if EPA staff were moved into the Environment Agency they would, if we are given the liberty to extrapolate from what we already know, find the Environment Agency to be lacking a coherent mission. EPA staff are motivated in large part by the feeling of belonging to an organisation driven by a commitment to values compatible with the desire to improve the environment. Further, EPA staff have as their superiors political appointees who can fight for resources (which are considerable), and who head media programmes within which specialists can thrive, working with other like-minded colleagues. This leads to the second point that we should note.

## *2) Cultures matter, and so does mission-commitment*

Many EPA staff complain about stovepipes (discussed below) yet staff also welcome the opportunity to work with others who share a similar professional background and outlook.<sup>6</sup> In translating EPA staff to the Environment Agency, these cultures would be eradicated because the Environment Agency lacks any structure for allowing these

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<sup>5</sup> Richardson, J. (ed.) (1982), *Policy Styles In Western Europe* (Boston, Allen and Unwin).

<sup>6</sup> Some very good examples of the application of cultural approaches to the study of politics are: Almond, G. A. (1990), *A discipline Divided: Schools and Sects in Political Science* (Newbury Park CA: Sage). Almond G. and

cultural groupings to continue. Furthermore, as one EPA official explained in Chapter Three, the “culture of the Agency is drawn by the people who work here”.

The benefit of adopting a cultural approach to motivations is that it allows us to examine deeply held beliefs, values and attitudes. The rejection of Rational Choice approaches in this work, or rather their relegation to a position of secondary importance, is based on interview data that suggest a commitment to particular values: for example, a concern with the environment, or a desire to help others. Both in EPA and in the Environment Agency distinct sub-cultural groupings were identified. These groups were defined as having a clearly defined group boundary, with members who shared basic assumptions: in short, there existed a patterned, persistent perception of social reality.<sup>7</sup>

The most important lessons to be learnt from the focus on culture in Chapters Five and Nine is two-fold. The first lesson to be learnt is that it is very difficult to explain motivations convincingly in the absence of any study of culture. For example, the cultural divisions within EPA: between career officials and political appointees, between professional groupings, between staff in different stovepipes, all have important effects on motivations. Within the Environment Agency cultural divisions between Area Offices and other elements of the Agency, as well as between HMIP staff and other staff within the organisation, all highlight how and why organisational divisions that affect motivations cannot easily be explained solely with reference to institutional accounts.<sup>8</sup>

To ignore the immense difficulties involved in creating a new organisational form which largely ignores any pre-existing cultural identifications is foolish. Theoretically it is myopic to ignore cultural explanations when creating or reforming organisations, and some Rational Choice scholars are indeed guilty of this myopia.<sup>9</sup> In substantive terms, this thesis has identified the important cultural groupings that exist both within

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Verba S. *The Civic Culture Revisited* Sage, Newbury Park, CA 1989 and Wilson's study of bureaucracy using a cultural perspective (Wilson *ibid.*)

<sup>7</sup> See Chapter Two, page 34.

<sup>8</sup> Indeed the Roffey Park report (Devine M., and Hirsch W. *Mergers and Acquisitions: Getting the People Bit Right* Roffey Park Management Institute 1998) acknowledges, albeit very briefly, the difficulty involved in trying to superimpose a culture atop a new institutional structure.

<sup>9</sup> See Elster on this point in Elster, J. (1979), *Ulysses and the Sirens: Studies in Rationality and Irrationality* (New York, Cambridge University Press). Elster J. (1983b), *Sour Grapes: Studies in the Subversion of Rationality* (New York, Cambridge University Press).

EPA and the Environment Agency. Furthermore, in both agencies these groupings are partly constitutive of an agent's identity (a point discussed in Chapter Ten and returned to below) and were shown to have important effects on motivations. The implications of failing to analyse cultural groupings are particularly acute when organisations are undergoing reform (see next point).

In the case of EPA, "mission-commitment" constituted an important element in many of the interviews. Wilson states that mission confers a sense of worth on workers, as well as providing a basis for recruiting and socialising new members (see page 74).<sup>10</sup> The mission-commitment highlighted in EPA might be explained in terms of the "cloning" discussed earlier, whereby the Charter members of EPA selected staff whose values and beliefs were largely in keeping with their own views of EPA's mission. Despite differences in the way that staff in different parts of the Agency viewed their mission, the importance of mission to many EPA staff suggests an explanatory role for cultural approaches, particularly since neither institutional nor Rational Choice explanations could explain the relevance of mission to motivations.

The Environment Agency serves as something of a counterfactual here, at least insofar as mission was not of great importance to motivations within the Agency. Yet the historical and political context in which the Environment Agency was created suggests why it was that no sense of mission was conferred on staff moving into the new organisation. The creation of the Environment Agency merged three distinct structures, but the merger failed to give a clear sense of direction to the Agency. Furthermore, the majority of senior management interviewed expressed far less value-commitment to the stated mission of the Environment Agency. There are dedicated environmentalists within the Environment Agency of course, but the creation of the Agency was not borne out of a state of desperation with the degradation of the environment. The Environment Agency had no Earth Day that prompted its creation, and was borne out of concerns for administrative efficiency with a very limited responsibility for the total environment. EPA was borne out of the concern with environment (Earth Day encapsulating this concern) at a time when many activists were motivated to join the Federal Government, and EPA in particular.

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<sup>10</sup> Wilson *ibid.*, page 95.

If Wilson is right to suggest that mission acts as a recruiting and socialising force, and the testimonies presented in Chapter Five suggest that he is, then the failure of mission to register in the testimonies of Environment Agency staff can be attributed to the fact that the organisation is still in its infancy. However, we should also highlight the failure of the Agency's creators to consider the way that pre-existing cultural groupings would co-exist in a new structure. We might also note that many Environment Agency staff, despite the holistic, all-encompassing, nature of the Agency's mission statement, view their agency as primarily a river-basin manager with some limited responsibility for other aspects of the environment. The DoE and other agencies have responsibility for many aspects of the environment, as Carter has explained the Environment Agency is not an agency for the total environment.<sup>11</sup>

*3) A Trifocal approach will illuminate how to manage organisational reform. The main lesson to learn from reform is that we cannot assume that new institutional structures lead, as a matter of course, to the desired organisational culture. The causation should not be assumed.*

Chapter Three explained why it was that this thesis relied on a Trifocal approach. Having examined interview data from two agencies it has been possible to show that treating explanatory approaches as "rival champions in some rival nomothetic tournament" denies us the explanatory power gained from using different approaches in combination.<sup>12</sup> In addition to using a Trifocal approach we should attempt to compare the findings from one case-study with those from another. In undertaking comparative work we are able to use one agency as the testing ground for those hypotheses developed when studying another. In the case of EPA, it was Reinvention of government that represented one of the Agency's biggest upheavals since its creation.<sup>13</sup> Reinvention represented the opportunity to examine an organisation undergoing widespread change. The reform effort also highlighted the failures of the reform effort to consider the interaction between changing the structure of EPA and moving towards a new organisational culture.

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<sup>11</sup> Carter, N and Lowe P., (1996), "The Establishment of a Cross-Sector Environment Agency" *Environmental Politics* Vol 4, 2 Spring 1996.

<sup>12</sup> Hood C. and Peters B.G. (1994), (eds) *Rewards at the Top: a comparative study of high public office* (Sage, London). Chapter Nine, page 216.

<sup>13</sup> *Accompanying Report of the National Performance Review: Mission-Driven, Results-Oriented Budgeting* Washington DC September 1993 page5.

The discussion of the reform effort in EPA, discussed in Chapter Six, has shown that Reinvention had negative impacts on the motivations of many staff in EPA. Particularly in the Regional Offices, where staff work in close proximity to those localities affected by EPA actions, staff felt the reforms paid little attention to the tasks carried-out in the Regional Offices and the way that staff in these offices worked together. Even senior staff in Washington complained that Reinvention lacked any organisation-specific content, seeking instead to apply general theories across all of Federal government. In the words of one senior EPA official “DoD [Department of Defense] and EPA are not the same, the reforms ignore this fact.”<sup>14</sup>

Similarly, in the Environment Agency the creation of a new organisation generated considerable negative impact on the motivations of staff. Many of the reasons why motivations were adversely affected were discussed in Chapter Eight, but the lesson to be learnt from the creation of the Agency (and indeed from the reforms in EPA) is that it is short-sighted for reformers to *assume* that the correct set of institutional structures and procedural rules will, in and of themselves, lead to the desired new organisational culture conceived of by senior management and politicians. Although it is a hypothetical counterfactual, it is reasonable to suggest that, had the creators of the Environment Agency reached a consensus on how to manage the merger of three distinct organisations in a way that did not attack the cultural identifications of many Agency staff, the huge impact on morale in the new organisation would have been lessened. Importantly, had the creators of the Agency considered an interplay between institutional and cultural variables then the management of reform, both in EPA and the Environment Agency, would have avoided at least some of the adverse effects on motivations observed in both agencies. Most important of all, had staff within each organisation had more input into the decision process the outcome of the process would have had a greater chance of success. The backlash to reform in EPA Region III (see Chapter Six) suggests at least that some of this backlash could have been avoided had the Reinvention effort been less heavy-handed and less all-encompassing in its push for uniform reforms applied across all of the Federal bureaucracy.

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<sup>14</sup> Interview conducted August 11<sup>th</sup> 1997 in EPA Headquarters, Washington DC.

*5) The comparison of EPA and the Environment Agency highlights some convergence in regulatory style, but the explanation of motivations in each organisation, despite important similarities, must remain context specific.<sup>15</sup>*

EPA has, with the advent of Reinvention, moved much more towards voluntary compliance and partnerships with industries. Project XL is a good example of this more voluntarist approach to environmental regulation. Yet EPA still has its considerable statutory power, its “gorilla in the closet”, to ensure compliance with regulations. The Environment Agency has greater powers than previous regulatory bodies. Yet the passage of the Environment Bill created neither a “gorilla in the closet” nor an organisation with powers to regulate the entire environment in an holistic, integrated, manner.

There has been some convergence of regulatory style between the two nations. The Environment Agency did use EPA as a blueprint for effective regulation, and legislators in Britain moved towards an Agency that would have increased powers to ensure compliance with environmental regulations. The intention may have been to move away from voluntarism and bureaucratic accommodationism. Nevertheless, the Environment Agency remains primarily a river-basin manager which lacks any overarching sense of mission. Staff at EPA exhibit strong mission-commitment, although views about what the mission is vary, as do views of how best to pursue it. As EPA has moved towards voluntarism, the Environment Agency has increased its formal regulatory powers. Whether each Agency will find a middle ground between voluntarism and formal regulation remains an empirical question.

In both agencies, institutional structures have constrained and fostered the motivations of bureaucrats. Cultural groupings in each agency have played an important part in explaining what motivates bureaucrats. Where institutional structures and cultural groupings are not congruent, motivations have been adversely affected. From the day of its creation, the Environment Agency, exhibited such a lack of congruence. As a

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<sup>15</sup> If we accept that explanations of bureaucratic motivations are, at least in some cases, context specific then we need to assess each case-study rather than postulated in the abstract a theory that purports to explain all motivations in all organisations. Such a modification of much of the existing literature on bureaucracy would bring into the question the validity of those Rational Choice studies that do not attempt to examine whether motivations can be underpinned by preferences that do not conform neatly to four of five universal axioms of human behaviour. This point is returned to in point six (below).

result of Reinvention, EPA, particularly in the Regional Offices, suffered adverse effects on motivations that resulted from the imposition of a new institutional structure atop existing cultural identifications. In both EPA and the Environment Agency it was the attempt to impose a new culture onto an organisation that led to adverse effects on the motivations of bureaucrats.

The political system in which each Agency must operate shapes how both institutional and cultural factors affect motivations. Furthermore, the regulatory style of each nation will determine how each agency operates and with whom each agency will interact. EPA must answer to Legislature and Executive, must interact with numerous lobbying groups, and must follow the direction established by the political appointees. The Environment Agency has only one master, the Government, and is much more insulated from interest group pressures than is the EPA case in the US. But neither in the Environment Agency nor the EPA should we assume that motivations are determined wholly by macro-social structures. Cultural identifications can be examined from a macro-social perspective, but these identifications also represent how individual perceive their role within an organisation and how they define the goals that they are motivated to pursue. In some instances (see Chapter Ten), Rational Choice approaches help us to examine motivations that are best explained using a formal micro-social approach.

*6) Why this thesis has concentrated primarily on two of the three lenses in the Trifocal Approach: the limited use of Rational Choice approaches in this work*

The most important justification for the theoretical-framework used in this work is that it appears to work: it allows a reasonable interpretation of the data to be presented. The Trifocal Model is in some sense all-encapsulating and, for that reason, might be viewed by some scholars as unsatisfactory. However, much of the work that examines the motivations of actors within bureaucracies is underpinned by a significant theoretical flaw. In generating theories and establishing hypotheses, many studies do not consider more than one theoretical perspective when analysing data.<sup>16</sup>

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<sup>16</sup> For a useful debate see Friedman, J. (1996), *The Rational Choice Controversy* (New Haven, Yale University).

Rational Choice theorists have, at least since the early 1960's, laid claim to being the only science in political science.<sup>17</sup> Work based on interview data, and qualitative work more generally, has been viewed by many political scientists as unscientific.<sup>18</sup> Donald Moon saw such work as "interpretative" or "hermeneutic" historical or comparative enquiries.<sup>19</sup> Defenders of Rational Choice objected to "New Institutionalism" accounts that focused on historical explanation as hermeneutic explanations lacking in scientific rigour.<sup>20</sup>

This thesis has attempted to show that a so-called "humanistic" and interpretative approach to analysing human agency can be scientific, without having to view politics and political decisions in terms of exogenous, impersonal factors.<sup>21</sup> To explain motivations in two agencies, it has been necessary to analyse the structures which affect individual motivations, namely institutional structures and cultural groupings. Furthermore, in analysing cultural groupings it has been necessary to acknowledge how the values and beliefs of each and every agent will shape such cultural groupings within an organisation. Yet these cultural identifications will over time mould how agents view their social reality.<sup>22</sup> Where rationality, construed as self-interested maximisation, appears best to explain motivations, Rational Choice accounts have been used in explanation.

We cannot proceed from the narrow instrumental view of human action adopted by Rational Choice theorists. As Abelson (see Chapter Ten) has suggested, and as the data support, expressive behaviour based upon normative judgements play an important part in the understanding and explanation of motivations. Rogers Smith captures what this thesis has tried to do when he says that 'we should certainly try to identify all causes we can. But we should subsume these inquiries into a larger

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<sup>17</sup> Riker W. *The Theory of Political Coalitions* New Haven, Yale University Press, 1962 p. viii

<sup>18</sup> Green, D. and Shapiro, I. (1994), *Pathologies of Rational Choice: A Critique of Applications in Political Science* (New Haven, Yale University Press).

<sup>19</sup> Moon, J. "The Logic Of Political Inquiry: A Synthesis of Opposed Perspectives" in *Handbook of Political Handbook* by Greenstein, F. and Polsby, N. (1975), Vol. I. pp130-206, (Reading, Mass., Addison-Wesley).Page 176.

<sup>20</sup> Steinmo, S. Thelen R. and Longstreth, F. (1992), (eds.) *Structuring Politics: Historical Institutionalism in Comparative Analysis* (New York, Cambridge University Press).

<sup>21</sup> Taylor, M. (1995), *Philosophy and the Human Sciences: Philosophical Papers 2* (New York, Cambridge University Press).

<sup>22</sup> Frost, P.J. *et al.* (1991), (eds.) *Reframing Organisational Culture* (Sage Publications, Newbury Park, CA).

enterprise: exploring the constitution of political actors and the systems and strategic situations in which they operate.’<sup>23</sup>

*7) The problems not adequately addressed this work*

The most difficult theoretical question in this work is one of causality: are institutional structures generating particular cultural values, or rather is it cultural values leading to a particular institutional structure? The most honest answer, but one that is less intellectually satisfying than some scholars might like, is that there is insufficient information to decide whether one variable is prior to the other. Yet in practical terms we can proceed to make sense of the data, and can begin to suggest what motivates bureaucrats, by analysing how cultural and institutional factors work together, or against one another, to affect bureaucratic motivations.

A second theoretical problem stems from the data themselves. How can we know that what bureaucrats report is of any use? After all, our qualitative data may admit of an interpretivist analysis. We may analyse the data in terms of an hermeneutic tradition. But we will lack the rigour, the statistical sophistication of many quantitative techniques. All we can say is that ‘person A’ said this, and ‘person B’ said that. But such a stance is short-sighted.<sup>24</sup>

The most important theoretical aspect of this thesis has been to show that bureaucratic motivations can be explained using a combination of approaches in different weightings. Furthermore, the approach used has been scientific in that the analysis presented in this work could be refuted: it is falsifiable. The data used are reported in the thesis, thus allowing other researchers to draw other conclusions from them. The concepts used are made concrete, and they are operationalised in such a way that others are able to use them differently, allowing the inferring of alternative conclusions.

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<sup>23</sup> Smith, R. (1992) “If Politics Matters: Implications for a “New Institutionalism”” in *Studies in American Development* Spring 1992, 6, 1, pages 3-4.

<sup>24</sup> For a discussion of qualitative studies see Almond, G. A. (1990), *A discipline Divided: Schools and Sects in Political Science* (Newbury Park CA, Sage).

The final theoretical point to note is that human agents are not examined from a micro-social perspective underpinned by (often limiting) axioms of human behaviour that apply across all political and historical contexts, irrespective of institutional details and cultural groupings. Nor does this work show that micro-social perspectives can never be of use. The researcher should examine political and historical context, gather some data, then and only then proceed to examine which perspectives shed most light on the question at hand. To decide upon the ideal theoretical perspective prior to any examination of the data is unscientific. Theories will be postulated, but hypotheses must be re-examined in light of the data. It is the dogmatic obsession of some scholars to find the Holy Grail of political science: the all-encompassing scientific approach that will eradicate all other forms of now redundant analysis that obstructs progress in providing comprehensive answers to important questions. If one needed evidence of this search for the Holy Grail then there is a great deal of the scholarly literature dedicated to disputes over the Grail.<sup>25</sup>

The larger theoretical question here concerns how scholars within the political science discipline view human agency. The 'tension between those who view political decisions as architectonic "first causes"' and those who try to 'scientifically explain their causes' remains problematic but usually receives no discussion.<sup>26</sup> This tension may be unresolvable, but scholars should not dismiss this tension out of hand. (Some scholars in the Rational Choice school do not consider interpretative work to be capable of scientific rigour<sup>27</sup>). The data in this thesis suggest that individual agents are shaped by macro-social forces, notably institutional structures and cultural groupings. Yet both, and cultural groupings in particular, are the aggregate of individual perceptions and preferences. The best that one might hope to achieve is to pay attention to the details of institutional and cultural factors, attempting to understand the political and historical context in which they are created and shaped.

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<sup>25</sup> For example, see: Smith, R. (1992) "If Politics Matters: Implications for a "New Institutionalism"" in *Studies in American Development* Spring 1992, 6, 1, pages 3-4.

Also: Riker, W. (1962), *The Theory of Political Coalitions* (New Haven, Yale University Press), p viii.

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<sup>26</sup> Smith *ibid.* page 4.

<sup>27</sup> Riker W. *ibid.* considers interpretative work as merely "useful" rather than scientific. For a discussion of the point see Smith R. *ibid.* page 1.

This thesis has not shown how cultural identifications are developed, nor has it shown the exact development of institutional structures. But in acknowledging how the context of creation helps to explain motivations within an organisation, and by admitting that one paradigmatic approach may prove inadequate in explaining even one organisation, this work has demonstrated that rigorous, scientific, qualitative research is possible. Furthermore, this work has shown that the eschewing of any research that resembles hermeneutic and interpretative work is short-sighted and driven by an obsession with the formal modelling of political behaviour, despite the fact that we have yet to resolve the question of how best political scientists to explain human agency.

This thesis does not offer any grand theory of bureaucratic motivation, but argues that we should not attempt to explain the behaviour of complex agents without asking questions of them. Such data, when combined with a rigorous research method, can at the very least yield new insights into bureaucratic motivations, but also into the equally important questions relating to the design of new organisations.

The last generalisable point to note stems from the adoption of the comparative approach. Through comparison of two agencies with broadly similar institutional goals, we can examine how differences in political and historical context shaped motivations. EPA developed a sense of mission, akin to an organisational personality in Wilson's terms. This mission is cross-cut by institutional separations and cultural divisions. In the Environment Agency, no sense of mission exists, but institutional divisions are evident.

Legislators should learn some lessons from the examination of EPA and the Environment Agency. In both organisations, the creation of each agency was rushed, serving political ends at least as much as serving the environment itself. In each agency, the cultural values, beliefs and perceptions of those agents who would populate each agency were largely, if not totally, ignored. Legislators focus on institutional design, on organisational charts, on abstract theories that will tell us what the optimal organisational structure will look like. When designing new organisations, we should think about what the organisation mission will be, how staff will view this

mission, and how we can work towards an *Integrationist* culture that will allow staff throughout the organisation to work together.

Concepts like *teams*, *de-layering* and *empowerment* may all help to motivate bureaucrats, but management buzzwords alone are not what is required. If scholars talk to those experts working each day within an organisation, then we may learn more about which aspects of an institutional design work well and which do not work at all. Furthermore, when we seek to reform or reinvent an organisation, we would do well to examine in detail the existing cultural groupings within the organisation. This thesis has tried to go some small way towards achieving such an examination.

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