Reinvention is a long, hard slog. It requires leadership, skill, dedication, and perseverance. But even more, it requires everyone—politicians, managers, employees, and citizens—to change their behavior.

Perhaps the toughest challenge is that of letting go. To implement the core strategy, for example, elected officials must relinquish direct control over management. They must be content to steer, and let others row—as the ministers in Great Britain did when they set up an arm’s length, contractual relationship with their agencies. Legislators need to think of themselves as the board of directors of the enterprise, not as the management. This can be very difficult when things go wrong—as the British discovered when the executive agency that ran the prisons experienced a rash of jailbreaks.

This does not mean that elected officials should let managers do whatever they please. Steering is serious business. It means setting a direction, defining the purpose, goals, and performance standards of organizations, and holding them accountable for meeting those objectives. Politicians will never loosen the reins of accountability. But if they want high performance, they will need to shift from accountability for following rules and spending according to instructions to accountability for delivering results to customers.

This means politicians must learn to live with managers taking actions
they do not like, as long as the managers are acting ethically and are producing the desired results. But it does not mean politicians must give up control. It means they must trade control over inputs for control over outputs. Alan Fiander, at the National Audit Office in the U.K., observes that Next Steps has given elected officials much more real control than they had previously. “In the past, politicians had direct relationships only with the permanent secretary [the top civil servant in a department] and his coterie of senior people. They found it difficult to see what was actually going on in an operating sense within their ministries, because there weren’t the reporting functions and the separation that now exists.” Today, each agency has clear performance measures, and chief executives report to ministers, so ministers can hold them directly accountable. But ministers cannot micromanage the agencies. They can fire the chief executive, as the home secretary did after the series of jailbreaks in 1995. But they cannot manage for him.

To implement the customer strategy, politicians and managers must let some of the accountability shift to the customers. They must make the overall objectives of the organization clear, but within those bounds, they must let the customers define what quality service means. The good news for elected officials is that customers who have choices are much tougher on provider organizations than politicians can ever be. When politicians define the overall policy goals, empower customers, and then get out of the way, accountability for performance is enormously strengthened.

The customer strategy requires managers and employees to shift their focus from pleasing their superiors up the chain of command to pleasing their customers. This can be difficult when customers want something the managers and employees don’t value. When parents want schools that integrate computers fully into the learning system, many teachers will feel they cannot make the adjustment. Elected school board members may be unwilling to shift funds from paying teachers to buying computers. But in a competitive, customer-driven system, all providers must learn to listen to their customers and respond—or the customers will abandon them for their competitors.

The consequences strategy requires something far more difficult. It requires elected officials to let public organizations shrink and die. When a government embraces competitive bidding, for instance, some existing public organizations must inevitably be closed down. Long before that happens, their members and their unions begin visiting the newspapers and elected officials to plead for protection—just as the auto companies did when the Japanese took away market share. In their view, the new contracting system is not there to help taxpayers and customers, it is there to hurt public employ-
ees. Politicians should soften the blow, as we argue in chapter 8, by helping those whose jobs disappear find other jobs. But they should not give in, because government is there to serve the citizens, not the service providers.

The consequences strategy also requires that we reward our public employees and organizations for work well done and penalize them for work that is inferior. It requires rewards that elected officials have traditionally been uncomfortable offering their “public servants”: bonuses and higher salaries for excellent performers. It also requires consequences that those public servants have traditionally been uncomfortable accepting: the chance that if their organization cannot perform, it might lose its place to a competitor, for example. These are not easy realities to impose in a political environment. But there is no industry in which we consistently get high performance without incentives that reward it.

The control strategy requires that we break the one-size-fits-all mold and control-from-the-center model we have embraced for 100 years. It requires that we let public agencies be managed not according to the central rule book, but according to what it takes to fulfill their missions. It requires that we let our centralized budget and personnel systems go the way of history.

When governments embrace community empowerment—the third control-strategy approach—the challenge is even greater. Elected officials must cede power over the use of resources to their constituents. They can usually handle this—until the constituents begin using the money in ways that undermine their political base. At that point, war often breaks out. For their part, public servants must learn to simply get out of the way. In our experience, this is the most unnatural thing one can ask public managers to do. They have spent their adult lives in a system that assumes that the central role of government is to provide services or to enforce compliance. They think of these roles as the be-all and end-all of government. Even when they embrace reinvention, it never occurs to them that the best solution might at times be to get government out of the service business. Yet this is often what community empowerment requires.

Finally, the culture strategy may demand the toughest change, for it is a change that only the public can make. It is difficult—not impossible, but difficult—to create an entrepreneurial, customer-focused, results-oriented culture in a society that looks down on public employees as lazy, selfish bureaucrats. If we want such organizations, we must begin to treat our public employees with respect. This will require enormous changes on the part of our politicians, our media, and our citizens. But there was a time when public service was seen as an honorable profession, and there is no reason it cannot be seen that way again. The truth is that most public employees are hard-
working, dedicated individuals. As we have said many times before, most of
them are good people trapped in bad systems. If we can change those sys-
tems and prove that government can produce excellence, perhaps even the
media will be willing to give up their favorite scapegoats and honor quality
when they see it.

We say all this here, rather than waiting for the chapters that follow, to
communicate a fundamental truth about the five strategies: they require key
interests to let go of things they hold very dear. Reinvention requires more
than knowledge and technique. It requires courage. The mayor and his
employees in Uphill Battle, USA, needed help finding the strategies and
tools that would work for them, but more important, they needed the
courage to use them. If “politics ain’t beanbag” and “the revolution is not a
tea party,” reinvention is not simply a matter of sweet reason.

Sometimes, people let go because they have no choice. In Great Britain,
the Conservative Party imposed its will on civil servants, local governments,
and school systems. But it is hard to get enough power to consistently impose
one’s will—particularly in the American political system. A second option is
to offer people something of equal or greater value in return, when asking
them to give up something important. People will not let go of power simply
because it is the right thing to do. Self-interest does not disappear because
we are talking about making government work better for its citizens.

At the heart of reinvention, in other words, lie a series of “deals.”
Politicians accept less control over day-to-day affairs in return for some
degree of control over results. They give up some of their power to direct
resources in return for more satisfied constituents. Employees accept the
loss of guaranteed jobs in return for the opportunity to earn more through
gainsharing and the opportunity to control their work environments, enrich
their work lives, and upgrade their skills. Managers accept the loss of their
responsibilities for managing service delivery in return for other, equally
challenging roles: helping to steer, leading change, measuring performance,
or coaching employees or communities. And perhaps the public and its elect-
ed representatives will let go of their favorite whipping boy—the bureauca-
cy—in return for public institutions that work better and cost less.

In sum, reinvention is the art of the deal. This is our third rule for rein-
ventors: When you want people to let go, give them something in return.
All quotations that are not attributed in the text or in these endnotes are from interviews with the authors or their associates. Only in cases where there might be some confusion about the source of a quotation have we indicated in a note that it came from an interview.

Chapter Three