

EPG

EXECUTIVE POLITICS AND GOVERNANCE

THE BLIND SPOTS OF PUBLIC BUREAUCRACY AND THE POLITICS OF NON-COORDINATION

Edited by
TOBIAS BACH
and KAI WEGRICH



Executive Politics and Governance

The Executive Politics and Governance series focuses on central government, its organisation and its instruments. It is particularly concerned with how the changing conditions of contemporary governing affect perennial questions in political science and public administration. Executive Politics and Governance is therefore centrally interested in questions such as how politics interacts with bureaucracies, how issues rise and fall on political agendas, and how public organisations and services are designed and operated. This book series encourages a closer engagement with the role of politics in shaping executive structures, and how administration shapes politics and policy-making. In addition, this series also wishes to engage with the scholarship that focuses on the organisational aspects of politics, such as government formation and legislative institutions. The series welcomes high quality research-led monographs with comparative appeal. Edited volumes that provide in-depth analysis and critical insights into the field of Executive Politics and Governance are also encouraged. Editorial Board Philippe Bezes, CNRS-CERSA, Paris, France Jennifer N. Brass, Indiana University Bloomington, USA Sharon Gilad, Hebrew University Jerusalem, Israel Will Jennings, University of Southampton, UK David E. Lewis, Vanderbilt University, USA Jan-Hinrik Meyer-Sahling, University of Nottingham, UK Salvador Parrado, UNED, Madrid, Spain Nick Sitter, Central European University, Hungary Kutsal Yesilkagit, University of Utrecht, the Netherlands

More information about this series at
<http://www.palgrave.com/gp/series/14980>

Tobias Bach • Kai Wegrich
Editors

The Blind Spots of Public Bureaucracy and the Politics of Non-Coordination

palgrave
macmillan

Editors

Tobias Bach
Department of Political Science
University of Oslo
Oslo, Norway

Kai Wegrich
Hertie School of Governance
Berlin, Germany

Executive Politics and Governance

ISBN 978-3-319-76671-3

ISBN 978-3-319-76672-0 (eBook)

<https://doi.org/10.1007/978-3-319-76672-0>

Library of Congress Control Number: 2018940770

© The Editor(s) (if applicable) and The Author(s) 2019

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

Cover illustration: D. Trozzo / Alamy Stock Photo

Printed on acid-free paper

This Palgrave Macmillan imprint is published by the registered company Springer International Publishing AG part of Springer Nature.

The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

ACKNOWLEDGEMENTS

This idea for this book developed in the context of a research project addressing the ‘administrative factor’ in explaining the financial crisis at the beginning of the twenty-first century. In the process of developing its analytical framework, presenting and discussing draft chapters, and inviting contributors, it gradually developed a life of its own. It became a book about how day-to-day decision-making in public organizations is subject to different types of attention biases. Those biases may lead to major disasters, but they may also have less severe, though far from trivial, consequences, such as inducing organizations to avoid coordination with other organizations. The contributions to this book address those attention biases and their effects for various types of public organizations in different policy sectors and national contexts. We believe this diversity is extremely helpful in addressing questions of the ‘why didn’t they see it coming?’ type, which are typically raised after major disasters and government blunders. At the same time, the issues raised in this book also appeal to the broader agenda of providing a theoretically informed, but realistic, account of organizational life in a political context.

The book project started to take shape during a workshop entitled ‘The Blind Spots of Public Bureaucracies’ at the University of Oslo’s Department of Political Science in November 2016, where most contributors to the book presented first drafts of their chapters. Initial ideas for what has become the book’s introductory chapter were presented at the panel ‘The Administrative Dimension of Financial Market Regulation’ at the IPSA (International Political Science Association) World Congress in Poznań in July 2016, and we presented a more full-fledged version at the Executive

Politics and Governance group at the Political Studies Association's international conference in Glasgow in April 2017. We thank the participants of those events for their feedback, which helped us to sharpen our arguments. In particular, we would like to thank Tom Christensen, Martin Lodge, Paul 't Hart, and Jan-Hinrik Meyer-Sahling for their constructive feedback on different versions of the introductory chapter. Martin Lodge also commented on the book's final chapter.

There are more people we would like to thank. We would not have engaged in editing this volume without our academic mentor Werner Jann, who introduced us to organization theory and the importance of bounded rationality for decision-making. He taught us that a good theory about public organizations also needs to help answer very practical questions and illustrate ways for improving decision-making. We hope that the approach put forward in this book fulfils both criteria. We also thank Jessica Leong Cohen for her invaluable assistance in preparing the final manuscript. This is a book about organizations, and we should not forget to thank the German Federal Ministry of Education and Research for funding the project State, Risk and Society (STARS) and the Department of Political Science at the University of Oslo for funding the author workshop. Kai Wegrich wishes to thank the Harvard Kennedy School's Ash Center for Democratic Governance and Innovation for hosting him during his sabbatical in Fall/Winter 2017/18 (during which time the manuscript was finalized).

Oslo, Berlin
April 2018

Tobias Bach
Kai Wegrich

CONTENTS

Part I	Conceptual Foundations	1
1	Blind Spots, Biased Attention, and the Politics of Non-coordination	3
	Tobias Bach and Kai Wegrich	
2	Accounting for Blind Spots	29
	Martin Lodge	
3	Blind Spots: Organizational and Institutional Biases in Intra- and Inter-organizational Contexts	49
	Tom Christensen	
Part II	Blind Spots and Attention Bias	69
4	Professional Integrity and Leadership in Public Administration	71
	Wolfgang Seibel	

5	The Alarms That Were Sent, but Never Received: Attention Bias in a Novel Setting	87
	Helge Renå	
Part III	Bureaucratic Politics: Reputation, Blame, and Turf	111
6	Why Cooperation Between Agencies is (Sometimes) Possible: Turf Protection as Enabler of Regulatory Cooperation in the European Union	113
	Eva Heims	
7	Blame, Reputation, and Organizational Responses to a Politicized Climate	133
	Markus Hinterleitner and Fritz Sager	
8	Passing the Buck? How Risk Behaviours Shape Collaborative Innovation	151
	Krista Timeus	
9	Media and Bureaucratic Reputation: Exploring Media Biases in the Coverage of Public Agencies	171
	Jan Boon, Heidi Houlberg Salomonsen, Koen Verhoest, and Mette Østergaard Pedersen	
Part IV	Achilles' Heels and Selective Perception	193
10	Central Banks and Banking Regulation: Historical Legacies and Institutional Challenges	195
	Jacint Jordana and Guillermo Rosas	

11 Why Do Bureaucrats Consider Public Consultation Statements (or Not)? Information Processing in Public Organizations	217
Simon Fink and Eva Ruffing	
Part V Implications	239
12 How to Deal with the Blind Spots of Public Bureaucracies	241
Tobias Bach and Kai Wegrich	
Index	263

NOTES ON CONTRIBUTORS

Tobias Bach is Associate Professor of Public Policy and Administration at the University of Oslo, Norway, and fellow at the Hertie School of Governance, Germany. His research focuses on the structure and organization of government and executive politics in a comparative perspective.

Jan Boon is a postdoctoral researcher affiliated with Aarhus University, Denmark, and the research group Public Management & Administration at the University of Antwerp, Belgium. His research focuses on reputation management in the public sector.

Tom Christensen is Professor of Public Policy and Administration at the University of Oslo, Norway. He has published extensively on public sector reform and institutional change from a comparative perspective.

Simon Fink is Professor of the Political System of Germany at the University of Göttingen, Germany. His research interests are policy diffusion, research and technology policy, and Europeanization.

Eva Heims is Lecturer in Public Policy at the University of York and Research Associate of the Centre for Analysis of Risk and Regulation (LSE). Her main research interests are the executive politics of regulation and comparative public policy and administration.

Markus Hinterleitner is a postdoctoral researcher at the KPM Center for Public Management at the University of Bern, Switzerland. His research concentrates on the drivers of elite and organizational decision-making and the effects of decision-making on policy.

Jacint Jordana is Director of the Institut Barcelona d'Estudis Internacionals and Professor of Political Science and Public Administration at Pompeu Fabra University, Spain. His recent publications examine the diffusion of regulatory institutions, the comparative development of domestic public policies, and policymaking in policy networks.

Martin Lodge is Professor of Political Science and Public Policy at the Department of Government and Director of the Centre for Analysis of Risk and Regulation (CARR) at the London School of Economics and Political Science, UK. His key research interests are in the areas of executive politics and regulation.

Mette Østergaard Pedersen is a PhD fellow at the Department of Management, University of Aarhus, Denmark. Her research interests are motivation, values, leadership, and reputation management in the public sector.

Helge Renå is a PhD candidate at the Department of Administration and Organization Theory at the University of Bergen, Norway. His research interests are organizational sense- and decision-making in unsettled settings, and assessment standards in evaluations and investigations of crisis responses.

Guillermo Rosas is Associate Professor of Political Science and a research fellow at the Weidenbaum Center on the Economy, Government, and Public Policy at Washington University in St. Louis, USA. His research focuses on the economic consequences of political regimes and effects of political institutions on political elite behaviour.

Eva Ruffing is a senior researcher at the University of Hannover, Germany. Her research topics are the interplay between European and national administrations, focusing on agency autonomy, policy influence, and structural adaptation, and public participation in administrative decision-making.

Fritz Sager is Professor of Political Science at the KPM Center for Public Management at the University of Bern, Switzerland. He is specialized in administrative studies and theory, policy research and evaluation, organizational analysis, and Swiss politics.

Heidi Houlberg Salomonsen is an associate professor at the Department of Management, Aarhus University, Denmark. Her main research is on

strategic communication in public sector organizations, top civil servants and ministerial advisers in central government organizations, and public leadership.

Wolfgang Seibel is Professor of Political and Administrative Sciences at the University of Konstanz and Adjunct Professor of Public Administration at the Hertie School of Governance, Germany. He has held guest professorships at the University of California at Berkeley and Stanford University, USA, and at the Central European University, Hungary.

Krista Timeus is a postdoctoral researcher affiliated with the Institute of Governance at ESADE Business and Law School, Barcelona, Spain. Her work focuses on public sector innovation and urban governance.

Koen Verhoest is a research professor at the research group Public Management & Administration at the University of Antwerp, Belgium. His research interests are the governance, autonomy, and coordination of public sector organizations.

Kai Wegrich is Professor of Public Administration and Public Policy at the Hertie School of Governance, Germany. He is a political scientist with research interests in executive politics, regulation, public sector reform, and innovations in policymaking.

LIST OF FIGURES

Fig. 6.1	Four cooperation outcomes of the politics of (non-) cooperation	118
Fig. 7.1	The causal mechanism between elite polarization and public service delivery	135
Fig. 9.1	Predicted probability of multiple threats as function of negative reputational history, based on model 1 (multiple threats (1) vs. no threats (0))	184
Fig. 9.2	Predicted probability of multiple threats as function of negative reputational history (only articles with threats), based on model 2 (multiple threats (1) vs. single threats (0))	185
Fig. 9.3	Predicted probability of response as function of article length (only articles with threats)	186
Fig. 10.1	Institutional separation between central banks, regulatory agencies, and ministries	201
Fig. 10.2	Banking agencies: regional evolution (1920–2015)	202
Fig. 10.3	Banking agencies: central banks versus regulatory agencies	203
Fig. 10.4	Banking agencies: creation and autonomy year (1920–2015)	205
Fig. 10.5	Financial regulation Fragmentation Index (1971–2015)	209
Fig. 11.1	Grid demand planning procedure in Germany (simplified overview, scenario framework consultation not shown)	222

LIST OF TABLES

Table 1.1	Four biases in organizational attention	11
Table 2.1	Blind spots and unintended consequences	35
Table 2.2	Worldviews, Achilles' heels, and blind spots	40
Table 3.1	Blind spots and organization theory perspectives: arguments and examples	63
Table 4.1	Institutional requirements and logics of action	76
Table 5.1	Distribution of output and activity indicators in annual performance contracts, 2004–11	95
Table 8.1	Codes and categories from interview data	161
Table 9.1	Reputational dimensions	183
Table 9.2	Logistic regressions models	184
Table 9.3	Relationship between article characteristics and response likelihood	186
Table 11.1	Participants in the consultations	224
Table 11.2	Influence of submissions by actor type	225
Table 11.3	Determinants of FNA decision	226
Table 12.1	Mechanisms, antidotes, and limitations of de-biasing organizations	247

PART I

Conceptual Foundations



CHAPTER 1

Blind Spots, Biased Attention, and the Politics of Non-coordination

Tobias Bach and Kai Wegrich

INTRODUCTION: ORGANIZATIONAL LIFE IN A POLITICAL CONTEXT

The laundry list of contemporary bureaucratic malaises is as long as it is predictable, with common complaints ranging from cost inefficiencies and inflexibility to presumed aversions to entrepreneurship and ‘customer’ orientation. When buried among these items, coordination problems—whether despite or due to their pervasiveness—might be easy to overlook. The individual citizen lost in a bureaucratic maze, shuffled from one office to another, seemingly without end, epitomizes one such problem of (poor) coordination in the public sector. But while this kind of coordination problem is certainly embarrassing and has spurred an entire folklore

T. Bach (✉)

Department of Political Science, University of Oslo, Oslo, Norway
e-mail: tobias.bach@stv.uio.no

K. Wegrich

Hertie School of Governance, Berlin, Germany
e-mail: wegrich@hertie-school.org

© The Author(s) 2019

T. Bach, K. Wegrich (eds.), *The Blind Spots of Public Bureaucracy and the Politics of Non-Coordination*, Executive Politics and Governance, https://doi.org/10.1007/978-3-319-76672-0_1

about the insufficiencies of bureaucratic organizations (Goodsell, 1985), coordination problems within and between bureaucracies hardly stop here.

Although the lion's share of coordination problems do not end in large-scale disaster, more than a handful of major blunders on the part of public organizations can be related to problems of inter-organizational coordination. Those blunders—and the chain reactions some ignited in their wake—have cost numerous lives, as in the case of the US intelligence agencies' failure to piece together information that might have prevented 9/11 (National Commission on Terrorist Attacks upon the United States, 2004; Parker & Stern, 2002). An example on a smaller scale, though with no less of a tragic end, is the German police authorities' protracted failure to link serial killings of mostly immigrant citizens in different parts of the country to an underground right-wing terrorist group (Seibel, 2014; this volume). And even the 2007–08 financial crisis can be partially explained by certain facets of organizational behaviour, including a lack of coordination between regulators due to 'policy groupthink and shared blind spots' (Gieve & Provost, 2012, pp. 62–63) and regulators' one-sided attention towards specific tasks (Gilad, 2015).

Although diverse, these examples illustrate three points. First, they identify organizational factors as the main causes of coordination problems and biased attention and hence speak to established literatures on pathologies of information processing in formal organizations (Parker & Stern, 2002; Pidgeon & O'Leary, 2000; Wilensky, 1967). Second, they both highlight blunders and failures and reveal coordination problems in day-to-day decision-making in organizational life. Indeed, the idea of a clear analytical distinction between success and failure in public policy seem rather elusive, as success and failure are subjective and contested categorizations (Bovens & 't Hart, 2016). Third, whereas solutions seem to be available for some of those problems (such as one-stop shops to ease citizens' encounters with administrative specialization), finding straightforward answers to other questions, such as how to reorganize intelligence services (Hammond, 2007) or how to draw lessons from government blunders (Bovens & 't Hart, 2016), are more challenging tasks. Any attempt at addressing the source(s) of failure is likely to entail new challenges. In other words, we are facing administrative dilemmas that are inherent to organizational life (Hood, 1974; Wilensky, 1967). These themes lie at the core of this book, which puts a spotlight on the organizational foundations of biased attention and coordination problems in the public sector.

The study of coordination within and between public organizations and problems related to achieving coordination occupies a prominent place within the scholarship on organizational dysfunction, especially since coordination appears to be normatively desirable but inherently difficult to realize in practice (Bouckaert, Peters, & Verhoest, 2010; Metcalfe, 1994; Scharpf, 1994; Wegrich & Štimac, 2014). The need for coordination within and between organizations is a consequence of specialization ‘through which the organization reduces a situation involving a complex set of interrelated problems and conflicting goals to a number of simple problems’ (Cyert & March, 1963, p. 118). At the same time, specialization leads to a multiplication of organizational goals through the development of local rationalities or the well-known ‘tendency for the individual subunits to deal with a limited set of problems and a limited set of goals’ (Cyert & March, 1963, p. 117). The above-mentioned examples are illustrations of different types of biased attention and coordination problems, sometimes causing inefficiencies and annoyance, sometimes leading to drastic failures.

This book addresses various phenomena that tend to be considered irrational or pathological behaviours of public bureaucracies. The ‘blind spots’ that figure prominently in this book are a distinct type within a larger universe of biases in organizational decision-making leading to potentially dysfunctional effects, or to accepted negative effects in the case of administrative trade-offs and dilemmas (Hood, 1974). As we argue in more detail below, those biases emerge from intentionally rational behaviour of bureaucratic organizations operating in political contexts. We study these biases with respect to their implications on coordination within and between organizations and in particular the absence or rejection of coordination, as illustrated by previous examples and which we clumsily call ‘non-coordination’. The aim of the book is to provide theoretical tools and empirical insights that address the conditions for effective coordination and problem-solving by public bureaucracies using an organizational perspective. And while one might argue that blunders have received undue attention compared to success stories in the coordination of public sector organizations, we consider a grounded understanding of the inevitable biases in organizational behaviour in a political context as critical for understanding not only what goes wrong but also how things could work out positively.

The book’s distinct contribution is looking beyond cases commonly considered to be major policy failures and government blunders by

focusing on everyday decision-making and coordination within and between public organizations. That said, several contributions take disasters as their starting point, yet they provide theoretical insights that are relevant for a better understanding of how public organizations work on a day-to-day basis (see the chapters by Seibel and Renå). We seek to advance this purpose by developing a typology of four distinct biases in organizational attention and decision-making that engender coordination problems or the outright absence of coordination (non-coordination): selective perception, inherent weaknesses, bureaucratic politics, and blind spots. These four biases reflect recent advances in public administration scholarship such as bureaucratic reputation theory (Carpenter & Krause, 2012; Maor, 2015) and blame avoidance (Hinterleitner & Sager, 2016; Hood, 2011) as well as established theorizing on the drivers of organizational behaviour, especially approaches emphasizing the boundedly rational nature of organizational decision-making (Jones, 2017; Simon, 1947) and an institutional perspective on organizations (Selznick, 1957; Wilson, 1989). Those theoretical contributions have already been somewhat influential in and of themselves, but public administration scholarship has yet to consolidate these perspectives and develop a broader agenda that tackles the permanent challenge of supposedly rational organizational behaviour exerting centrifugal forces on individual organizations and organizational units. We think this is a more than appropriate agenda at a time when the reality of power dispersion often meets unrealistic expectations regarding the potential—and logic—of collaboration and coordination.

Selective perception, inherent weaknesses, bureaucratic politics, and blind spots have three aspects in common. First, they are instances of *organizational behaviour* rather than individual misconduct or exploitation such as corruption and patronage. While it is ultimately individuals who make decisions, we are interested in how organizational roles and contexts shape decision-making, guide attention, and create blind spots. Second, the different biases are a result of *intentionally rational behaviour* leading to biases, imbalances, and other unintended effects, rather than the result of deviations from role expectations, norms of appropriate behaviour, and formal rules. Whereas deviant behaviour and organizational failure are important issues, we are primarily interested in how ‘normal’ behaviour leads to unintended and potentially disastrous effects (Pidgeon & O’Leary, 2000). Third, we maintain that the *political context* of bureaucratic organizations has important repercussions on organizational behaviour. The

political element in particular implies the existence of plural, competing rationalities (Cyert & March, 1963); ambiguities of organizational objectives and performance (Allison, 1997); competing evaluations of organizational performance by various stakeholders (Bovens & 't Hart, 2016); and a concern with organizational maintenance in light of multiple and often conflicting demands for accountability (Wilson, 1989).

This introduction first places these phenomena into a broader theoretical context, which revolves around the notions of bounded rationality, institutionalized organizations, and unintended and paradoxical effects of collective action. After that, we flesh out key characteristics of the above-mentioned biases in organizational attention and discuss relevant scholarship to illustrate their analytical purchase. We focus on two biases in particular—bureaucratic politics and blind spots—as those have the greatest potential for providing novel insights into the politics of non-coordination. Throughout this introductory chapter, we highlight the subsequent chapters' contributions to an improved theoretical and empirical understanding of coordination and decision-making in the public sector.

THEORETICAL FOUNDATIONS: BOUNDED RATIONALITY AND INSTITUTIONALIZED ORGANIZATIONS

In this chapter, we follow a tradition in public administration, public policy, and organization research that rests on a theoretical foundation of *bounded rationality* and is interested in organizational, and governmental, decision-making (Egeberg, 2012; Jones, 2017; Simon, 1947). Bounded rationality is often discussed as a corrective concept to the assumptions of classic rational choice theory and is invariably connected to the work of Herbert Simon, who assumed that while decision makers are intentionally rational and thus set clear objectives, they have limited information-processing capacity. Hence, decision makers do not maximize their preferences but reduce their ambition and 'satisfice'; that is, they stop searching for an optimal solution when an acceptable one presents itself (see Jones, 2017, for a succinct summary).

While attention and cognitive biases are certainly relevant for understanding decision-making at the individual level, we are interested neither in individual bureaucrats' decisions nor in deviations from an objectively rational form of decision-making. Simon (1947) developed the

concept of bounded rationality from the limited capacities of individuals to process information, yet he applies the concept to *organizational decision-making* ('administrative behaviour'). The main interest of the earlier debate on bounded rationality was in the ways that organizational context shapes decision-making. Simon considers formal organizations to be rationality enhancing devices, since they allow the parallel processing of issues and problems through division of labour and specialization, and their organizational integration through procedures and hierarchy. The key lesson from behavioural organization theory is that recurrent features of organizations have to be understood in connection to humans' limited attention capacities (Jones, 2017). Therefore, understanding organizational behaviour means understanding how organizations process information and what limitations they face in doing so.

For many scholars, *formal organizational structure* such as horizontal and vertical specialization is key to understanding those processes and limitations (Egeberg, 2012; Wilensky, 1967). According to this literature, formal structure channels the attention of decision makers in organizations (thereby directing attention away from other facets of a given problem or policy). A key foundational contribution to this literature is Luther Gulick's (1937) work on administrative organization, which argues that each fundamental method of departmentalization (purpose, process, location, clientele) will involve unavoidable trade-offs, especially if only one principle prevails (Hammond, 2007). Although Gulick's (1937) ideas were largely discredited after Simon's (1947) devastating critique of what he famously called 'proverbs of administration' that allegedly lacked empirical substance, recent scholarship provides a more optimistic view of Gulick's writings (Hammond, 1990; Meier, 2010). The bottom line of this literature is that organizational attention is a function of formal organizational structure, with different structures eliciting distinct behavioural effects.

However, as anyone who has ever been part of a formal organization knows, formal structures are only one aspect of organizational life, which is driven at least as much by informal values and norms. According to another intellectual tradition, *informal values and norms* are important drivers of organizational behaviour, and formal organizations gradually turn into institutions with distinct identities recognized by employees and stakeholders alike (see also Christensen, this volume). This tradition explicitly questions the importance of formal organizational structure for decision-making. In his seminal work on administrative leadership,

Selznick (1957) famously argues that organizations develop into institutions by acquiring a distinct identity or a ‘distinctive competence’.

That said, an institutional perspective on (public) organizations also emphasizes that a unique identity goes hand-in-hand with a ‘distinctive inadequacy’: the same organization cannot be equally good at everything (Selznick, 1957). An example used by Selznick is the NAACP (National Association for the Advancement of Colored People), which had a distinct competence as a political organization able to lobby for its cause but also a distinctive inadequacy in mobilizing large numbers of street-level protesters. Likewise, in his well-known analysis of bureaucratic dysfunctions, Merton (1940) shows that goal displacement and bureaucrats’ identification with impersonal rules are virtually inevitable consequences of bureaucratic organizations. The flip side of bureaucratic virtues such as precision and effectiveness is the inflexibility of bureaucracies to adapt to complex and changing realities.

In general terms, Merton (1940) suggests that any action or decision ‘can be considered in terms of what it attains or what it fails to attain’ (p. 562). Thus, by focusing on one aspect of a given problem, other aspects of that problem as well as altogether other problems are neglected. This neglect may take the form of a simple administrative dilemma in which pursuing one objective negatively affects another (Hood, 1974). A typical dilemma is ‘multi-organizational sub-optimization’ (Hood, 1974, pp. 450–452), which includes both simple ignorance of what other organizations are doing and the pursuit of conflicting objectives by different public bodies. This may not be a bad thing as such; the representation of different legitimate interests in policymaking by ministerial departments is a case in point. At the same time, division of labour within the public sector may also lead to counter-productive developments such as ‘switching yards’ between national and local welfare systems (Lodge & Wegrich, 2014).

These instances of coordination challenges are obviously rooted in the intellectual tradition of Herbert Simon and Luther Gulick stressing how formal structure guides organizational attention. However, neglect or disinterest in specific aspects of the organizational environment may also take the form of a blind spot or ‘not seeing the not seeing’ (Lodge, this volume). Those blind spots are the result of the institutional nature of organizations entailing ‘interpretative frames that individuals use to generate meaning’ (Barnett & Finnemore, 1999, p. 719). It is precisely those interpretative frames that result in biased processing of information as a distinct

weakness of institutionalized organizations. We now turn to a more exact definition of blind spots and other biases in organizational attention in public bureaucracies.

FOUR BIASES IN ORGANIZATIONAL ATTENTION

Following from the above discussion, we focus on two distinct ways of understanding organizational behaviour. A structural perspective following the tradition of bounded rationality emphasizes how organizational design predictably channels decision-making behaviour. In contrast, an institutional perspective focuses on the gradual process of organizational ‘emancipation’ from the original intentions of institutional design, which results in unique norms and values that guide decision-making behaviour. These approaches use distinct analytical perspectives on organizations, emphasizing formal structure and goals (‘instrument’), on the one hand, and institutional identity and uniqueness (‘institution’), on the other. The purpose of this distinction is certainly not to provide an exhaustive analytical toolbox (for a more comprehensive perspective, see Christensen, this volume). For instance, alternative perspectives could address how the dynamics of decision-making in small (leadership) groups affect organizational attention (Janis, 1989) or might consider multiple explanations beyond organizational factors in the study of attention biases (Parker & Stern, 2002). That said, we believe that both formal structures and informal norms and values are essential elements of any analytical framework for understanding attention biases in organizational life.

Moreover, one can distinguish between intended and unintended aspects of organizational behaviour. This requires further elaboration, as different analytical perspectives come with different notions of (un)intentional behaviour. As mentioned above, our understanding of attention biases or blind spots in a broad, metaphorical sense is based on the assumption of intentionally rational behaviour. That said, any kind of intentional behaviour may also have unintended consequences (Lodge, this volume). A structural perspective on organizations emphasizes the intentions of those in charge of designing formal structures. For public organizations, this will usually be elected politicians using institutional design as a means to achieve policy objectives.

In contrast, an institutional perspective almost by definition assumes that the process of institutionalization has a distinct flavour of ‘agency drift’ away from the intentions of those initially designing an organization

Table 1.1 Four biases in organizational attention

<i>Organizational behaviour</i>	<i>Analytical perspective on organization</i>	
	<i>Instrument, focus on structure</i>	<i>Institution, focus on identity</i>
Intended	Selective perception	Bureaucratic politics
Unintended	Achilles' heels	Blind spots

(i.e. the intentions of legislatures or governments). This is, however, not the kind of unintentional behaviour we have in mind. We simply acknowledge that decision-making in institutionalized organizations may also have instrumental features, which involve the deliberate protection of organizational identity through 'administrative leadership' (Boin & Christensen, 2008; Selznick, 1957). Table 1.1 combines these two analytical dimensions into a simple matrix containing four distinct biases in organizational attention. Those biases may lead to problematic outcomes in terms of coordination and problem-solving, yet they are not organizational pathologies or policy failures per se. As the next section shows, establishing an objective standard for what constitutes a failure is inherently difficult (Bovens & 't Hart, 2016; Lodge, this volume).

Selective Perception

The notion of selective perception refers to the channelling of attention as a function of the division of labour within and between organizations (Dearborn & Simon, 1958). As Simon (1964) argued in his discussion on the concept of organizational goals, individuals in organizations are constrained by the demands and expectations associated with their role in the organization. Importantly, except for those at the highest level, organizational roles are defined by attention to subsets of the proclaimed 'official' organizational goal (such as improving transport infrastructure or public health). Any organizational subunit will be in charge of a specific aspect of the organization's overall goals, yet this does not necessarily ensure goal achievement (Cyert & March, 1963). In many ways, this is perhaps the archetypal form of organizational attention bias. Public bureaucracies usually have a clearly defined sphere of authority that guides their attention and priority setting. This is not problematic as such but is in fact necessary to ensure sufficient levels of expertise.

However, as outlined above, organizational specialization and selective perception have important implications for intra- and inter-organizational coordination (Cyert & March, 1963). In the context of public organizations (and beyond), specialization leads to pervasive coordination problems (Wilensky, 1967, pp. 48–57). For instance, different units in ministerial departments will approach the same issue from different (and similarly selective) perspectives (Scharpf, 1994). The standard research perspective related to coordination deals with deliberate attempts to achieve some level of coordination, that is, alignment and integration, between different interdependent organizational units (Metcalfe, 1994). In analytical terms, the question is whether the solutions produced by subunits within organizations or by different organizations will contribute to solving overarching problems (Cyert & March, 1963). While the literature on coordination has been continuously interested in the *difficulties* of achieving (effective) coordination, the often implicit starting point is the existence of some degree of motivation to achieve more than just independent decision-making by interdependent organizations or organizational units. The key problem around which a rich body of scholarship has developed is the problem of finding agreement in a context where coordination can only be achieved by some level of voluntary engagement of (more or less) autonomous actors (Scharpf, 1994).

In contrast, little attention has been paid to the other side of coordination, namely the issues and topics that are not even put on the agenda in inter-organizational arenas, that fall between the cracks of organizational attention, or that are even deliberately avoided or shifted around between organizations because they are associated with little credit and much (potential) blame or high costs (see the section on ‘bureaucratic politics’ later in the chapter). Those coordination problems may lead to issues of coordination ‘underlap’, as opposed to ‘overlap’, between different units’ spheres of responsibility. While the latter is characterized by the desire of various parties to be involved in an issue when it falls within their organization’s competence, the former is defined as the absence of responsibility by any one organization for the issue in question (Koop & Lodge, 2014). In policy implementation, a typical underlap problem would be a single case that does not fit into any specific category leading public authorities to take action, such as offenders that are under the age of criminal liability. In policy formulation, cross-cutting policies such as demographic change or de-bureaucratization represent issues that all departments are supposed to consider but that in fact fall between the cracks of departmental boundaries (Wegrich & Štimac, 2014).

Most current research implicitly assumes, rather than empirically tests, the effects of selective perception on organizational behaviour and coordination within and between organizations. In many ways, the other attention biases discussed below build upon the notion of selective perception. That said, recent studies on the European Commission's administration highlight how selective perception drives decision-making behaviour in the policymaking process by narrowing down different units' attention to specific aspects of policy problems and solutions (Hartlapp, Metz, & Rauh, 2013; Vestlund, 2015).¹ At the national level, in a meticulous analysis of a series of killings of mostly immigrant shop owners in Germany, Seibel (2014; this volume) shows how selective perception resulted in a protracted lack of coordination between police authorities investigating murders that had been committed in different states but with the same gun. The contribution by Fink and Ruffing (this volume) illustrates how selective perception drives the processing of information received through public consultation by a regulatory agency on the location of large energy grids. Their analysis shows that while the feedback from citizens and organizations touched upon multiple implications of a given alternative, the regulator disregarded all consultation statements while privileging an expert report on technical aspects in its assessment of various alternatives. This kind of selective attention to information can plausibly be related to the regulator's formal jurisdiction of considering technical aspects of grid planning.

Achilles' Heels

The second type of bias in organizational attention encompasses unintended effects of formal organizational structure. We define these as inherent and potentially known weaknesses, or Achilles' heels, of different ways of organizing (see also Lodge, this volume). The basic idea is very simple: any organizational form comes with particular strengths and weaknesses.² Hood (1998) draws on cultural theory as a way to classify organizational styles—hierarchical, egalitarian, individualist, and fatalist—and discusses how each organizational style comes with particular types of organizational failure and breakdown. Also, each style comes with its own particular logics of responding to blunders and failures, namely aiming at 'purification' of organizational styles (i.e. failure in implementing rules will call for more and more detailed rules and methods of control). The more any of the four distinct models of organization is used, the more