

COMMENTARY

Ending federal waste

By J. Ronald Carey

During the past several years of consulting work, I have observed the misuse of federal funds by various government agencies. These actions were not illegal, and no one gained personally. They were simply judgmental errors by people who should know better.

It is interesting to note the consistency of the actions of the supervisors in these cases. Whenever their attention was drawn to the misuse, these supervisors always reacted the same way. There seems to be a pattern and sequence to the actions of government managers when waste is pointed out within their area of responsibility.

The first response is denial. The managers will listen to the initial evidence, but as it continues they will close it off and say that what has been presented is not conclusive. The managers assume that the person spending the money knows more about what is right than anyone else. They think that if that person thinks it should be spent, then the expenditure must be justified.

The second response is personal attack. All issues are thrown aside. The manager challenges why someone would question these expenditures. The questioner is insulted or accused. The assumption is that everyone is supposed to be a team player and the non-player is thought to have a character deficiency because he questions the expenditure. If there is someone doing wrong in an organization, it is the member of the organization who broadcasts the problem.

The third response is organizational arrogance. The feeling is that when a manager makes a decision all should follow. It is the responsibility of others to follow, not to question. Right or wrong, the decision has been made by designated authority and that should stifle discussion. Continued pressure



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would be mutiny, and that is worse than the misuse. Other members of the organization join in the pressure placed on the questioner.

Why is it that government managers are so hesitant to stop the misuse of money? It would be reasonable if this were a typical human trait at work, but it is not. My experience in consulting with industry is that corporate executives want to hear about the misuse of money so they can stop it. They not only accept this information, they seek it. Why, then, is there such a difference between government and industry managers when they are told about waste in their organizations?

The answer may be in understanding the value of money. People in industry have to earn the money which is used to pay them, and the people in government do not. In industry, customers must be pleased daily. Any decline in satisfaction in the marketplace is felt quickly, and the resources to continue are stopped.

But in government, managers fight for their money for just a few weeks a year during budget submission time. And this fight is just to get a percentage of what they know the government will have. It is not to bring money into government.

The tough job is done by the Internal Revenue Service. Government managers don't have to earn their resources, they just have to fight to get their share of what is already there.

Having to prove yourself every day puts a different value on money. The tougher it is to get, the more it is appreciated.

Money, to some government managers, is a commodity; it does not seem real. They had no part in earning it, and they don't know how hard it is to earn, so it does not pain them to misuse it.

Bringing managers from industry into government for a few years does not seem to solve the problem. These people become corrupted quickly. The appointee is paid by the employing agency, is a part of its budget and will be judged by progress made by that department while he or she is a member of it. The best way to be sure of continuing employment is to keep money flowing. And the best way to achieve a reputation is by having new or expanded programs which made an impact. These take money. Therefore, the incentive is for everyone in a managerial position to spend more. The temptation to spend increases the likelihood of misuse.

There should be more taxpayer influence in the government. People should be brought in for just a year or two to look at proposed expenditures and rule on them. They would then leave and be replaced before they, too, were corrupted into the system.

Waste can be stopped, but not by those with a vested interest in continuing it. Spread a few *real* taxpayers around government and watch what happens to spending. ●

J. Ronald Carey is an associate professor of marketing at Loyola College's Sellinger School of Business and Management.