Following Rules or Refusing Making Decisions? An Analysis of Bureaucratic Discretion On VA

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Introduction

- VA=Veteran Agency
- Rules and discretion—regulation and flexibility
- The truth is that discretion always exists, only varies in degrees
- The question is: why sometimes bureaucrats will prefer not to use their discretion?

Literature Review

- External Control: legal and political
- Internal Control: managerial
  - Manager's requests/leadership
  - Efficiency
  - Performance

Research Questions

- If managers encourage to use narrow discretion, respondents will prefer applying narrow discretion.
- Respondents preferring to have narrow discretion will have more motivation to avoid mistakes.
- Respondents preferring to have narrow discretion will have less concern about overall performance.
- Respondents preferring to have narrow discretion will have more motivation to achieve efficiency.

Conceptual Model
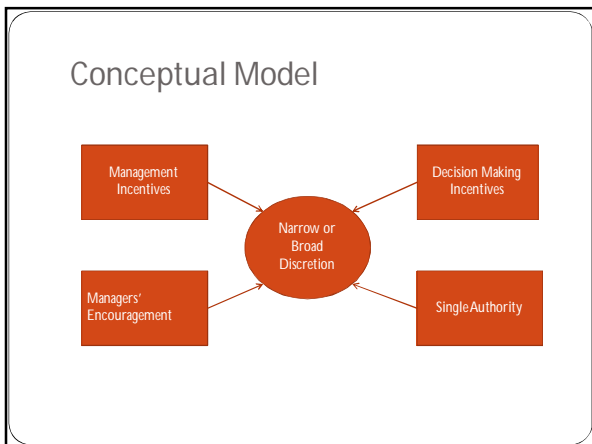
Data

- A survey investigation conducted by VA Office of the Inspector General (VAOIG) in 2005.
- The total sample size is 1329, with 1064 raters (called a Rating Veterans Service Representative, or RVSR), 246 Decision Review Officers (DRO), and 19 people in other positions.
- DRO people did not answer some of the questions, this study only uses RVSR people for the analysis.
- the total number of the used sample is 1064.

Methods

- Factor analysis: reducing and grouping variables and used the results in the following analysis
- Ordered probit regression
  - Dependent variable is answered in a 5 point Likert scale.
  - The scales are ordered in nature and the difference between 4 and 3 may be different from that between 3 and 2.
  - A linear regression will treated these different equally, and the multinomial probit/logit will fail to count the ordinal nature of the scales (Greene, 2003, p. 736)

Marginal Effect of RVSR

Dependent variable: applying narrow discretion	Strongly agree Y= .596	Somewhat agree Y= .227	Neither agree /disagree Y= .135	Somewhat disagree Y= .030	Strongly disagree Y=.011
Managers Encourage Narrow Discretion	-0.180*** (0.014)	0.060*** (0.007)	0.080*** (0.008)	0.027 *** (0.004)	0.014*** (0.003)
Rating object: Legal Control	0.029* (0.017)	-0.010* (0.006)	-0.013* (0.007)	-0.004* (0.003)	-0.002 (0.001)
Rating object: Efficiency consideration	-0.060*** (0.017)	0.020*** (0.006)	0.026*** (0.008)	0.009*** (0.003)	0.005*** (0.002)
Rating object: Performance consideration	0.048*** (0.012)	-0.016*** (0.004)	-0.021*** (0.006)	-0.007*** (0.002)	-0.004*** (0.001)
Manage object: Legal Control	-0.010 (0.019)	0.003 (0.006)	0.004 (0.009)	0.002 (0.003)	0.001 (0.002)
Manage object: Performance consideration	-0.039** (0.018)	0.013** (0.006)	0.017** (0.008)	0.006** (0.003)	0.003** (0.002)
Manage object: Efficiency consideration	0.033** (0.015)	-0.011** (0.005)	-0.014** (0.007)	-0.005** (0.002)	-0.003** (0.001)

Marginal Effect of RVSR with Single Authority

Dependent variable: applying narrow discretion	Strongly agree Y= .617	Somewhat agree Y= .211	Neither agree/disagree Y= .133	Somewhat disagree Y= .031	Strongly disagree Y=.008
Managers Encourage Narrow Discretion	-0.168*** (0.016)	0.056*** (0.008)	0.075*** (0.009)	0.027*** (0.005)	0.010*** (0.003)
Rating object: Legal control	0.033* (0.018)	-0.011* (0.006)	-0.015* (0.008)	-0.005* (0.003)	-0.002 (0.001)
Rating object: Efficiency consideration	-0.046** (0.018)	0.015** (0.006)	0.020** (0.008)	0.007** (0.003)	0.003** (0.001)
Rating object: Performance consideration	0.039*** (0.013)	-0.013*** (0.005)	-0.017*** (0.006)	-0.006*** (0.002)	-0.002** (0.001)
Manage object: Legal Control	-0.005 (0.021)	0.002 (0.007)	0.002 (0.010)	0.001 (0.003)	0.000 (0.001)
Manage object: Performance consideration	-0.045** (0.020)	0.015** (0.007)	0.020** (0.009)	0.007** (0.003)	0.003* (0.001)
Manage object: Efficiency consideration	0.029* (0.017)	-0.010* (0.006)	-0.013* (0.008)	-0.005* (0.003)	-0.002 (0.001)

Marginal Effect of RVSR without Single Authority

Dependent variable: applying narrow discretion	Strongly agree Y= .520	Somewhat agree Y= .292	Neither agree/disagree Y= .141	Somewhat disagree Y= .026	Strongly disagree Y=.020
Managers Encourage Narrow Discretion	-0.216*** (0.032)	0.070*** (0.019)	0.093*** (0.020)	0.026*** (0.010)	0.027*** (0.009)
Rating object: Legal control	-0.001 (0.041)	0.000 (0.013)	0.000 (0.018)	0.000 (0.005)	0.000 (0.005)
Rating object: Efficiency consideration	-0.126*** (0.046)	0.041** (0.018)	0.054*** (0.021)	0.015** (0.007)	0.016** (0.007)
Rating object: Performance consideration	0.124*** (0.036)	-0.040*** (0.015)	-0.053*** (0.017)	-0.015** (0.007)	-0.015** (0.007)
Manage object: Avoid mistake	-0.024*** (0.047)	0.008 (0.015)	0.010 (0.020)	0.003 (0.006)	0.003 (0.006)
Manage object: Performance consideration	-0.033 (0.041)	0.011 (0.014)	0.014 (0.018)	0.004 (0.005)	0.004 (0.005)
Manage object: Efficiency consideration	0.066* (0.035)	-0.021* (0.012)	-0.028* (0.016)	-0.008 (0.005)	-0.008 (0.005)

Conclusion

- The effect of legal control is not as high as we expect
- Internal factors are more significant in influencing bureaucrat's discretion preferences
- Bureaucrats with and without single authority may have different preference.

- Omitted variable problem: all of the demographic variables are excluded by the VA office. Therefore, the analysis may be biased.