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My angle

I am delighted to introduce this special edition of Ashridge's flagship journal 360°.

From 1992-2007 I was a Permanent Secretary in the UK Civil Service in five posts. In two of these I worked in the centre doing very different things (public and Civil Service reform and latterly intelligence and security), and in three I was Permanent Head of some of the largest departments in central government – indeed of organisations of world scale.

Throughout my Civil Service career there has been a focus on how public services could be made more effective and efficient. Increasingly, the focus has been on how those public bodies that deliver services to the public can be made more responsive to the needs of individual citizens/customers. Along the way, every aspect of Government activity has been reviewed. Government’s essential roles have been redefined as strategy development, policymaking and purchasing, with delivery the responsibility of a variety of organisations in the public, private and third sectors.

Governments have sought to create organisations that combine the best of public service skills and values, with the responsiveness to customers, ability to manage programmes and projects, and drive to reduce costs of the best of the private sector. They want everyone to receive a high and uniform standard of service (no ‘postcode lotteries’) while at the same time extolling the virtues of choice and the value of innovation. Clarity of vision, shared goals, mutual understanding between all elements of the delivery system, and coherence between objectives and resources have sometimes proved elusive.

The challenge over the next period will be particularly demanding with the need to drive up service quality within increasingly constrained public expenditure provision. It will become even more important to have leaders who know how:

• To change the cultures of public service organisations to make them more outward-looking and responsive
• To design more effective organisations
• To develop and successfully introduce better processes
• And, above all, to lead staff to bring about sustainable change.

For 30 years the UK has been in the vanguard of public service change, with much to offer – as well as much to learn from – other countries. Equally, public services can learn a great deal from best practice in the private and third sectors. Given the emphasis on leadership and innovation, the best public service organisations increasingly recognise the value of developing their staff. Leading learning and development providers such as Ashridge have a key role to play in this.

For my part I am proud to be a Governor of Ashridge, which celebrates its 50th anniversary as a business school in 2009 and, less well known, its 80th year of working with the public sector. As far back as the 1930s, Ashridge ran conferences and summer schools for policy makers, with speakers such as Sir Winston Churchill, before it took on its more familiar guise today.

This public sector issue of 360° focuses on themes that have emerged from Ashridge’s work with the sector in executive education and consultancy, and from its research in the public and voluntary sectors. It shows some of the varied and insightful work that is in progress as we enter our anniversary year.
Jon Teckman and Andy Adcroft address the theme of performance management in a fresh way, suggesting that the public sector needs to import from the private sector an effective competitive orientation if it is to reinforce performance improvement. Organisations need to pay greater regard to their external environment and to outcomes, not just to processes.

Mark Pegg examines the leadership development needed to deliver the ‘Responsive State’: the future for leaders who deliver public services, accessible to all, tailored for each person, with greater choice. This raises huge issues for leadership development in terms of changes in behaviour, and Mark lays out the response from the leadership development community.

Marion Devine and Marcus Powell share some of Ashridge’s investigations into talent management, working in partnership with the Chartered Management Institute. They show how strategies to attract and retain the brightest and best can be adapted to embrace the distinctive culture and requirements of the public sector. They set out a number of the considerations that public sector talent management strategies need to address, including clarity over the leadership model of the organisation.

Stephen Bungay offers a thought-provoking piece that identifies the characteristics of two organisational types, in a range of dimensions from purpose through to definition of failure. The public sector can be caught in the middle between these two types in serving politicians upwards and customers downwards. A new organisational type is needed that marries together principles of equity with more business-like behaviour. His article includes some fascinating material on the Armed Forces.

Carina Paine Schofield assesses the key issues in public service leadership raised by the finalists in Ashridge’s prize essay competition in 2007. Carina shows how the people who actually deliver services in local communities are actively seeking a new type of leader who forges better working relationships and generates more trust, both with their employees and within the wider community.

David Laughrin, a former colleague of mine, concludes this series with his analysis of how the traditional framework for briefing Ministers has largely been maintained despite changes in practice in other sectors, and identifies some preliminary lessons for improvement, drawing on advice from non-executives from private sector backgrounds working in government.

I hope you will find these articles as thought provoking and valuable as I did.

Sir Richard Mottram GCB
Former Permanent Secretary, Intelligence, Security and Resilience, Cabinet Office
Whose standards are they anyway?
The need for competitive spirit in public sector management

Performance management in the public sector is too concerned with process at the expense of outcomes. By focusing inwardly on how performance is achieved, the public sector is failing to address external benchmarks or standards. Drawing on research in leadership and sports, Jon Teckman and Andy Adcroft outline how a competitive edge could be developed within the public sector to enhance the performance management process.
In the final quarter of the 20th century, attempts were made to boost the effectiveness of the public services by introducing new ways of managing and measuring performance. The immediate catalyst for this raft of initiatives, broadly defined as the New Public Management (NPM), was the economic and social upheaval attributable to the sudden inflation of the early seventies. Whereas, in the times of relative plenty, Government departments had been able to plan with reasonable certainty about both the actual level and real value of the resources voted to them by Parliament, as the seventies wore on it became clear that a different approach was required. Even before Margaret Thatcher’s arrival in 10 Downing Street in 1979, a more managerial approach was being adopted, intended to increase efficiency, focus on results, and extend the planning cycle beyond the traditional annualised budgeting round.

Mrs Thatcher’s Government sought to expose the public sector to a more private sector approach to managing its resources. Those parts that could not actually be sold off were bludgeoned with the twin cudgels of greater pressure on the 3Es – Effectiveness, Efficiency and Economy – and a stronger regulatory regime through the National Audit Office and Audit Commission. But while those aspects of the former public sector that were exposed to the market either sank or swam, there was often little change in behaviours in the rest. Indeed, Radnor and McGuire suggested that public sector “managers often ignore the output of PMSs (Performance Management Systems) regardless of the quality of the information they are providing.”

Tony Blair’s New Labour Government was also committed to public sector reform, replacing the 3Es with his 3Ds: Delivery, Delivery, Delivery. Under this Government, public sector organisations would be expected to deliver results and live within their means. Capital investment would be funded through complex public-private partnerships with a view to reducing the running costs associated with the upkeep of, in many cases, a Victorian infrastructure. The focus now was on results – resources would be committed to public services in return for guarantees of performance described in the form of policy outcomes.

There has, on average, been a new paper on performance measurement written every five hours of every working day since 1994. Despite this academic interest and the focus of Governments over the past thirty years, there is little evidence to suggest that they have produced the desired results. Moreover, they are widely distrusted by the people working in the organisations and the people they are supposed to serve (see, for example, Adab et al; Bosanquet and de Zoete). Adcroft and Willis suggested two reasons for this:

“Technical and managerial issues with standard public sector performance measurement systems which make them unfit for purpose; … [and] a series of difficulties in importing management practices from one context to another, in this case from the private sector into the public sector.”

This paper suggests that there is a third reason: the failure to import from the private sector an effective competitive orientation to reinforce and enhance the performance improvements. By this we do not mean the privatisation or commercialisation of anything that isn’t nailed down. What this paper endeavours to demonstrate is that the public sector needs to be more open to importing certain aspects of competitiveness from the private sector. It is this competitive underpinning that will allow enhanced service in line with customer expectations and fitness for purpose to be achieved.

Based on a review of relevant management literature, the paper offers a typology of
Performance oriented organisations tend to be internally-referenced and are more concerned about ensuring that appropriate processes are observed than about the results that they achieve. Achievement is measured primarily against targets derived from a review of their own performance in previous periods. They seek to optimise performance through the repetition, practice and rehearsal of these well-established processes, and avoid experimenting and innovating. While the actual performance measurement may be an outcome measure, the focus of activity is the process that achieves the outcome rather than the outcome per se. In contrast, competitive organisations focus on outcomes not processes. They seek to dominate competitors and win ‘contests’ however these might be defined. Covin and Covin describe this as a “general management disposition … to take on and desire to dominate competitors”. Gatignon and Xuereb suggest that whilst performance orientation is simply about improvements to performance, competitive orientation is about improvements to relative performance in order to secure a competitive advantage. In assessing how well they are doing, competitive organisations focus externally on the market place; they measure and reward successful outcomes not processes; and are more innovative as they look to create a competitive advantage.

Crucially, however, it is not just the measurement system that differs with orientation, or the objectives of what they are trying to achieve. A shift in orientation is deeper than that – it is about changing disposition and mindset. A performance oriented mindset will always play safe to protect itself: a competitively oriented mindset will take calculated risks to outshine the competition and be seen to be best. The focus of the orientation also differs. Performance orientation is internally focused, looking at what is happening in the organisation, and worrying about adherence to procedures. A competitive orientation is

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**Performance Orientation**

**Competitive Orientation**

<table>
<thead>
<tr>
<th>Mindset</th>
<th>Mindset</th>
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<tbody>
<tr>
<td>Pre-occupied with self</td>
<td>Emphasis on winning contests</td>
</tr>
<tr>
<td>Avoidance of challenging, new or risky situations</td>
<td>Achievement is recognised through competition</td>
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<td>Avoid situations where elaboration or innovation is needed</td>
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<th>Objectives</th>
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<td>Process not outcome based</td>
<td>Outcome not process based</td>
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<td>Focus on optimisation and continuous improvement</td>
<td>Absolute measures</td>
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<td></td>
<td>External and relative</td>
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<th>Focus</th>
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<tr>
<td>The exploitation of fixed abilities</td>
<td>Gaining knowledge of competitors</td>
</tr>
<tr>
<td>Reluctance to experiment or take risks</td>
<td>Creation of competitive advantage</td>
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<th>Style</th>
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<tr>
<td>Success or failure is determined by ability</td>
<td>Rapid responses to changes</td>
</tr>
<tr>
<td>Practising and executing pre-set plans and routines</td>
<td>Challenging and innovative</td>
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**Figure 1:**

Key characteristics of performance and competitive orientation
looking outwards at what is happening in the marketplace, believing the organisation’s procedures are there to help guide them without being restrictive. This leads us to a new model for looking at the interplay between performance and competitive-oriented approaches.

Performing and competing: A conceptual model
Lyle suggested that the performance and competitive orientations are part of a continuum along which organisations and individuals will pass. Performance orientation is about the development of potential for excellence while competitive orientation is about translating that potential into action. We believe that these two aspects of overall organisational performance are, in fact, the two axes of a more complex model: effective organisations are not either performance oriented or competitive. They are both, blending the two factors together in different combinations depending on their circumstances. By looking at how organisations combine these two factors, we can identify different organisational approaches and predict likely levels of performance. This is summarised in the model at Figure 2. The four quadrants provide examples of organisations operating in each of these ways.

Our model describes four combinations of performance and competitive orientation:

Ideal position
The first position is the ideal position where the organisation demonstrates a high level of both performance and competitiveness. From this position they can dominate their competitors by performing at a high level and innovating to ensure that they remain ahead of the rest of the field. At General Electric under Jack Welch the objective was for all business units to be either first or second in their markets. Strategy was developed primarily by focusing externally on what their competitors were doing. Managers were rewarded for their successes and penalised for failures to deliver tough targets set by analysing both the internal and external environment.

This would indeed be an ‘ideal position’ for public sector organisations to reach as it involves performing at a high level – to achieve targets set by Ministers and outcomes demanded by clients – but also adopting a competitive mindset enabling them to be more innovative, risk-taking etc. At a recent leadership conference, Culture Secretary Andy Burnham talked exactly in these terms, describing how the Government’s initial focus had been on improving performance, but that now they were looking to organisations to be more innovative, with a reduced focus on performance targets.

Figure 2:
Performance and competitive orientation matrix
Achieving the ideal blend
In Mavericks at Work, Taylor and LaBarre describe how software company TopCoder uses a highly creative method to compete with the larger firms in the industry. When developing new software, they invite programmers around the globe to submit their ideas in direct competition with each other with large cash prizes available to the winners. The “work is organised as a series of online matches ... in which TopCoder members battle deadlines and one another to design and write the most elegant components and impress a jury of their peers.” This competitive element is taken a stage further with live, on stage match-ups between competing programmers. But despite this overt competitiveness, the company is also built on collaboration and boosting individual performance. The competing programmers collaborate to develop new products but do it through the medium of contests. Most also spend a great deal of time in TopCoder’s practice rooms building their skill sets – external competition blended with internal performance.

Competitors
Competitors are organisations that set objectives in terms of beating the opposition and are innovative in establishing new ways of working, but may fail to deliver the required performance, creating a gap between their aims and objectives. Such organisations might be able to pull off occasional victories (think, for example, of giant-killing sports teams beating opponents from higher divisions through sheer determination not to lose despite the performance gap) but will not win in the longer term. At the extreme, such organisations might display signs of hyper-competitiveness where their desire to win exceeds their ability to perform and they resort to breaking the rules of the market: for example Enron – the drug cheats of the corporate world. To move out of this box, the emphasis should be on introducing greater consistency to performance and developing potential. This is the dangerous position an organisation can get into when it becomes so competitive that just because it could do something, it doesn’t stop to question whether it should do it. Given the general orientation and ethos of public servants, it is an unlikely place to find public sector organisations, although there may from time to time be pressures on them from their political leaders to “win at all costs”.

A competitive educational environment
Business schools operate in a highly competitive environment. There is a proliferation of different rankings each of which measures and values different aspects of overall performance. Peters states unequivocally that “rankings affect business”, leading to direct impacts on recruitment of students (both quantitatively and qualitatively) and top faculty: “95% of graduating MBAs said that school rankings had more influence on their decision-making process than any other media source”. While the schools with the lowest rankings tend to dismiss the process and criticise the ranking criteria, well ranked schools regard rankings as entirely valid and focus their energies on improving them. The achievement of a high or improved ranking position, therefore, becomes one of the utmost importance for business schools and helps to determine where they devote their attention and resources. They play the “rankings game” and focus on improving their position. The challenge for such schools is to make sure that they can perform at the level required to satisfy the raised expectations of their students.

Performers
Performers are organisations which focus on improving their performance by reference to their own past achievements and internal processes, rather than looking externally to see what is happening in the market. It is here that one might place much of the Civil Service and wider public sector. Lacking any direct competition, they have developed systems of performance measurement which seek incremental year on year improvements on arbitrarily determined targets with little reference to the outside world. The path out of this box is to improve competitiveness by seeking out contests, studying what other organisations are doing, and innovating to make stepped improvements in performance. Many of the reforms that have taken place in the public sector over the last 30 years have focused on introducing performance measures against which organisations can be measured. This has led to improvements in some aspects of performance but not necessarily to improved outcomes. The danger is that what can be most easily measured is what gets done – not what is actually most needed to deliver the required results. For example, many police forces could, undoubtedly, point to significant improvements in their crime statistics but their overall performance will be viewed in terms of the headline grabbing incidents such as the increase in youth violence and murder. (The Times of 31 May 2008 reported that several police forces are planning to “revolt” against the performance measurement culture in favour of what they term “commonsense policing”.)

Keeping your eye on the ball
In 2007, New Zealand arrived at the Rugby World Cup finals in France as hot favourites. Beaten just twice in their previous 30 matches, they were the number one ranked team in the world. Having breezed through their qualifying group, however, they lost their quarter
final by two points, despite outperforming France in almost every aspect of the game. Compare this with the England team that won the competition in 2003. England also started as favourites and lived up to that billing by focusing on the contests they would face, rather than just looking at their own performance. In the build up to that World Cup, England toured the Southern Hemisphere where they won tough games against Australia and New Zealand. In contrast, before the 2007 competition, New Zealand's players were taken out of the highly competitive Super 14 club competition for a prolonged period of squad preparation. They arrived in France superbly drilled and honed to perfection – but couldn’t compete when called upon to do so. In all six Rugby World Cups to date, the team with the best blend of performance and competition has won the tournament – not the team with the best performance 17.

Worst position

Organisations in the worst position have neither the performance level nor the competitive instincts to win a contest. Typical behaviour here will be to set easily achievable targets without any reference to the external environment – and then fail to achieve them. To escape from this predicament, organisations need either to improve their performance or competitiveness or, ideally, both. A change of leadership in the organisation may well be required to catalyse the improvement. As already mentioned, the New Labour Government initially focused on improving the performance of the large number of organisations they considered to be in this worst position when they took office, in order to lift them off the floor and make them better able to face the challenges of the 21st century.

Moving away from under-performing

The National Health Service – once considered the greatest achievement of the Welfare State – has, for many years, been considered the benchmark of successive Governments failed attempts to improve standards of public delivery. Waiting lists were long, conditions in hospitals were poor and inequalities between different regions and demographics were large and growing. The New Labour Government sought to address this issue through a massive increase in resources into the NHS (which have almost doubled in real terms between 1997 and today) but while there were some improvements, they have not been commensurate with the additional resources injected 18. A focus on performance has delivered results with waiting times for operations and attention in Accident and Emergency both down significantly across the country. But it hasn’t delivered outcomes – overall levels of public health are still poor and vast inequalities in provision of service still exist. The next stage of reforms – built around the delivery of greater patient choice (for example through the establishment of Foundation Hospital Trusts) – is intended to bring greater competitiveness into the NHS which should help to move the service towards the ideal position and drive better, more equitable, service outcomes.

Conclusions

Stacey 19 has suggested that while a managerial approach might be appropriate in a context which is stable and with a high level of agreement about solutions (for example the Civil Service from the age of Northcote-Trevelyan to the early 1970s), it does not work when the environment is more uncertain and there is less agreement about what needs to be done. Since the
late seventies, public sector organisations have often continued to apply the bureaucratic practices with which they are comfortable to situations that have demanded a different approach. Successive Governments have attempted to address this by imposing the performance culture of the private sector but without importing the other key element that drives private sector results: competition. It is competition, in the form of trying to win a defined contest, which drives innovation and results – not performance measurement or management – and it is arguably the lack of any contest within much of the public sector that hinders the reform process.

The Performance/Competitiveness Matrix (Figure 2) suggests a framework through which organisations can evaluate their effectiveness. If they are failing to achieve their desired results it is because they are focusing too much on performance or too much on competitiveness? Tony Blair could have been describing a move up and then across our model when he said in 2005: “Since 1997, there have been two stages of [public sector] reform. In the first we corrected the under investment and drove change from the centre. This was necessary. For all the difficulty, without targets for waiting times in A and E, or for school results, we would not have got the real and genuine improvements in performance. … In the second stage, essentially begun in 2001, we added another dimension. We started to open the system up to new influences and introduced the beginnings of choice and contestability” (quoted in Haldenby and Rainbow20). In order to make the move towards the ideal position of our model, organisations have to pay a greater regard to their external environment, to outcomes not processes, and innovate to respond more rapidly to change. There are some signs that this approach is starting to work in health, education and other areas of public service. The challenge now is to roll this approach out across the entire public sector.

References


12 www.ashridge.org.uk/360
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Developing new leaders for the Responsive State

The concept of ‘The Responsive State’ requires a shift in service provision from customers receiving a standard offering, to service providers adapting their offering to customers’ needs. In this article, Mark Pegg outlines the challenges such a change in focus of provision poses for leaders in the public sector, and how providers of executive education can help them prepare better for this role.

The agenda for the Responsive State

To meet the ever increasing demands of the ‘public’, a new vision has been set by the UK state for public service provision – The Responsive State. As responsible citizens we want public services delivered to meet society’s needs. As taxpayers we want them to be efficient and effective. As consumers we expect high standards of service. The big idea of the Responsive State is for public services to act as enablers not just providers, offering greater tailoring and personalisation of services, delivering them where, when and in the form they are required.

To meet this challenge, the UK Government aims to be at the cutting edge of new thinking about public services globally and to create a new generation of flexible and adaptive public sector leaders who can deliver their vision at every level of public service.

“Education available to all – not one size fits all but responding to individual needs. This is the future for our public services. Accessible to all, personal to you. Not just a basic standard but the best quality tailored to your needs.” Gordon Brown, September 2007.
This article examines the concept of ‘the responsive state’, what this requires from the next generation of leaders in this new world for public services and the response we should expect from leadership developers like Ashridge.

As people take less and less personal responsibility for their lives, their expectations of government are rising. Inevitably contradictions arise: people demand more and more from the state, but are unwilling to pay the taxes needed for the state to do it. The immediate political response is to set performance measures and targets to squeeze out greater efficiency and do more with less. The concept of the responsive state recognises that this strategy has clear limits and far more innovative solutions will be needed to meet needs in the future.

In a recent opinion poll, 76% of those polled felt that parents were to blame for childhood obesity and 12% blamed the state; but when asked who was responsible for dealing with it, 69% said it was the Government, and only 31% said the parents. Statistics show hospital waiting lists are actually shortening, crime is falling, more criminals are being sent to prison and more children are being educated to a higher standard than ever before – but opinion polls show overall public perception, portrayed readily in the British media, is that things are getting worse and the UK Government has much to do. This in turn has led to the Government launching more and more change initiatives, to set more targets and to measure services in more and more detail.

This inevitably has led to change fatigue with the public and public servants alike and to conflicts in service delivery, between short term goals and performance measures and longer term expectations which may in fact be impossible to satisfy. To address this conflict thus far, Ministers are pushing more responsibility for service provision to others; back down to leaders at local level, inviting them to find new forms of more responsive service delivery. This includes more locally defined ways of operating, more choice, and the opening up of each service to a plurality of service providers.

New leaders in public services will have to be responsive to intelligent customers, understanding the services they are expected to provide and retaining expertise to assure the provision of those services, but not actually delivering the services themselves. Rather services will be provided through contracting and then holding the providers of the services to account. New leaders need to know enough about the services to specify their requirement and they need to know how to decide on those best able to provide it – either directly by public servants or contracted to the private and voluntary sectors – and they also need to know how to monitor the level of performance once the contract has been awarded. The penalty for failing to achieve the targets set is for the provider to lose the contract. The role of new leaders is to offer services for re-tender, with competition between providers to offer innovation, efficiency and effectiveness – to offer best value for money, to do more with less.

In the rush to offer more personalisation and more choice of services, public services are moving to a model more akin to shopping lists and supermarkets. The old model dictated the store you could go to, defined the shopping list you could buy from (to ensure a healthy and nutritious diet) and rationed it at the point of sale by making you wait in a queue. Alternatively you opted out and shopped privately on the basis of what you could afford. Now the plan is to offer a choice of the supermarket you can go to, a choice of the products and brands you want to meet your list of needs, and availability where you as the consumer decide you want it without having to wait in line.

“We need to get away from the ‘letter box’ model where you wait to have it done to you and be engaging more, involving more … to offer more personal choice so that people can choose the life they want to lead.”


If we move from an agenda where the state does things to you, to one where people have choices, this inevitably creates challenges and contradictions in the provision of public services and demands very different forms of leadership. The old model which dominated public services was largely supply driven, centrally planned, with specialists and experts determining what was needed, setting policy, legislating, setting rules and regulations and deciding on resource allocation, pre-determined and one size fits all.

The political consensus now is to move more towards demand driven public services. New leaders must behave flexibly to respond to demand, where consumers personalise the service they want, decide on the direction they want to go, choosing the best providers and opting out of schools and hospitals that don’t perform so that they are closed or converted to new models such as city academies or polyclinics.

To meet this new and challenging model for public services, a new breed of public service leader is needed. They must be masters of change management, able to motivate their teams to shift from delivering what they think should be offered, to a world shaped by customer requirements, with a focus on innovation and delivery by those best able to satisfy them.

They have to be able to work together across government rather than in their silos, to influence change and listen to consumers rather than to legislate and tell people what they can have. This requires a move away from the age of leaders who can enact an endless round of restructuring, reorganisation, mergers, name changes...
and initiatives, towards a new generation of leaders who can instead achieve real and enduring change in the behaviours of their teams.

**The prospectus for responsive leadership**

This new vision for the UK state is developing at a time of intense economic and social pressures for Western economies alongside transformational changes in the demographics of the public to whom government delivers services – more migration, more diversity, more devolution, more equality, more obesity, more carbon emissions and ever rising expectations. To meet this, the trend is to move away from the centralising tendencies of the Thatcher and Blair Governments towards more devolution of decision making and tailoring of services. Most important of these longer term changes is the demographic time bomb ticking away. The UK population is getting older and the demand for pensions, health and social services is certain to grow massively. Something has to give and new leaders in public services have to deal with it.

Cabinet Secretary Sir Gus O’Donnell has described the agenda for UK Government where the demands on the state are ever rising and will outstrip the ability to deliver them. His 2020 vision for the future of the UK state embraces:

**Greater personalisation** (Sir Gus offers a prize for anyone who can come up with a better word) – where people can choose the best service for their needs and have more choices available to them

**More responsive** – greater access to public services at the time they are needed and in the form required as needs change – shorter waiting lists, more choice of school, services delivered more efficiently such as vehicle licensing and passports

**A more engaged workforce** – that focuses on what can be done not what cannot and where the centre goes out from Whitehall to listen to the ideas from the frontline

**Better accountability** – more transparency on financial and operational performance but also more freedom for staff to take decisions without gaining permission

**More innovative and creative** – there are limits to ability to meeting the rising demand for services within a realistic level of taxation, such that more productive and more creative forms of delivery are required.

How these leadership values are seen in action is epitomised by the current series of Capability Reviews launched in 2006 to assess how well each Department is positioned to deliver services. A very visible common feature in the Capability Reviews completed is the need for major improvements in leadership: ‘influential, confident and visible leaders who can work effectively across organisational and boundaries’ as a means to improve departmental delivery.

Particular focus has been devoted to high profile media issues which are viewed as ‘mission critical’, such as general obesity, child poverty, school meals and child obesity, social exclusion, migration, the Olympics in 2012 and counter-terrorism, all of which demand more joined up thinking to transcend departmental boundaries. Cross-sector and inter-departmental working are key management skills for public servants in the new agenda. This takes the focus somewhat off the immediate job, and shifts it to establishing cross-boundary teams, communication and community contexts. It calls for the end of the so called ‘one hundred, zero, zero’ mindset – 100% focus on the job, 0% on
the wider departmental needs and 0% on joined-up government.

Sir Gus O’Donnell’s now well known ‘4 Ps’ for public service set his prospectus for the successful public servant of the future⁶. ‘Pride’ and ‘Passion’ are the behaviours he wants to see, and are generally already very well represented in the public sector through the social motivation that lead people to employment in this sector in the first instance. ‘Pace’ and ‘Professionalism’ need more attention. They address the way public servants actually perform and are concerned with efficiency and quality standards. ‘Personal’, the fifth P that links the other four together, requires leaders to be inspirational role models.

Together the ‘4 Ps’ set the requirement for personal leadership development to deliver the key goals of the responsive state.

Developing new leadership for public services
How can leadership development providers meet the new demands for more capable leaders who can deliver this vision? The consequences for leadership development of the more responsive state and more joined-up government is a greater focus on strategic thinking, often at the political/official interface. This is not just getting more involved in strategy formation or semantics about what is strategy and what is policy; but rather the genuine ability to understand the strategy and to articulate it; to communicate its meaning and interpret its impact on operations; and to be able to resolve or find a way of living with the inherent conflicts that arise within the short term target culture.

“...we need to spread our money more widely to raise the leadership skills of staff at every level, but there still remains a significant need to develop the strategic leadership skills of the senior civil servants”.
Sir Richard Mottram, August 2007.⁶

Developing strategic capability
The UK Government slowly seems to be accepting that measuring performance in too much detail, creating a new law to overcome every problem, and changing the organisation as a way of achieving real change, have their limits. Successful public service leaders need to know how to change culture and behaviours. New leaders need to be empowered to set desired outcomes for their communities and by ‘influencing without authority’ engage people and resources over whom they have no direct control.

This shift in thinking is easier to define than to do. It needs opportunities to think through the change in mindset, to test the limits of these new freedoms, and to develop the skills that underpin multi-professional working. Public servants are both realistic and sceptical about this change in leadership but need the incentive and motivation to take on the challenge. They need reassurance and encouragement to assess the risks and move towards greater skills in influencing stakeholders, and they need opportunities to practise new behaviours and new styles in a realistic but fear free environment.

Some organisations achieve this through the use of secondments and placements both within their own organisations and with other partner organisations (be they customers or suppliers). Sir Gus famously encourages public servants to take secondments seriously: he throws down the challenge ‘if you want to get on, get out’. If these work-based opportunities are not available, other options include facilitated workshops and events, often within the framework of modular or short residential programmes where live simulations can be used.

More personal leadership development
Often leadership development within large public sector programmes is driven by regularly updated competency frameworks linked to training needs analyses derived from set learning priorities. This may help develop desirable behaviour but it is unlikely to develop more fundamental changes in leadership behaviours. For the responsive state more is needed from providers to help leaders develop the skills to underpin the constantly changing behaviour for responsiveness in public service.

By learning to be a more reflective and adaptive leader, a new leader can develop responsiveness in themselves and their team to meet the demands of customers for public services. Public servants will develop a better understanding of themselves, through an understanding of why they behave the way they do, how they impact on others, and how they might want to change their behaviour and change behaviours in those around them. This allows them to form a better understanding of their organisational context and acquire the capability to develop and articulate a personal vision as a leader. In turn, this helps to drive the public service behaviours needed to take on the new agenda for the responsive state.

Best practice in public sector programmes already reflects this form of delivery with core programmes designed around personal data gathering, peer feedback, personal development profiles, personal development projects and action plans supported by skilled facilitation, action learning and one-to-one executive coaching. The challenge is to roll out this best practice more widely.

Implementing change in the workplace
Participants often leave leadership development programmes on an emotional high, energised and uplifted with very high evaluation scores, but real change in service delivery is harder to achieve back in the workplace – participants lose momentum, their boss and other managers resist
Change and the reality of the urgent day to
day business becomes the thief of the
strategically important.

To overcome this, programme designs may
have content, processes and often modular
structures to make them more relevant to
delivery that exposes managers to
operational challenges – live cases,
simulations with a focus on outcomes, role
plays, working with actors, experiential
learning, team projects to develop skills in
real life complex strategic processes and
projects as an internal consultancy
assignment.

In the future more of this design will be
supported by virtual learning and learning
network sites to share progress on
assignments and ideas that work in
practice. If nothing else, engagement in
virtual follow-up requires that the participants
continue with the process of reflective
practice. Providers must find still more
creative ways to design and develop more
effective learning linked to the complex
reality of the individual’s workplace
experience.

The use of virtual learning to support transfer
of learning back into the workplace is an
essential part of the learning development
for these new leaders. By 2020 the next
leadership generation will be the key operational
leaders with their use of technology for
communication, information seeking, social
networking and the service delivery of many
public services – NHS Direct, benefit
entitlement and even voting – and it must
be seen as a major part of the way the
responsive state will work. This is the
generation who check their text messages
first when they wake up in the morning.
The Prime Minister already has a page on
YouTube.

For some the future is already here and
many providers are overcoming scepticism
about loss of contact time to offer effective
web based seminars, classes and
workshops at the leading edge of learning
design – a global cyber classroom at the
touch of a button that helps leaders stay in
touch with the learning and make it
happen.

Conclusions: Developing new
leaders for the responsive state
in practice

“The countries which are going to succeed in
the future are those countries which find a
way of bringing out the talent, the creativity
and the potential, and all the educational
abilities of all the people.”
Gordon Brown, April 2008.7

The vision of the responsive state is based
on a radically different philosophy for the
delivery of public services in the 21st
century. Public scepticism that this can be
achieved is probably universal, as is the
doubt in the capability of public servants to
deliver against this vision. Even Ministers
accept there are considerable challenges in
moving towards this innovative form of
service delivery and recognise clear
contradictions inherent in the idea of the
responsive state. How the relationship is
shaped between this innovative delivery of
public services and the rapidly growing
pension and social care needs of an aging
population, for example, will also be of
interest to other European economies.

The direction of travel has been set and
governments around the world will be
watching with interest to see how this
strategy develops in the UK and how public
servants will adapt to the new leadership
competencies and behaviours that will be
required.

The best providers of learning and
development are planning for this brave
new world. The table below illustrates a
new outline of how leadership developers
might begin to address the challenge of
developing these new leaders.

Successful providers will:

- create imaginative and energising new
learning processes that move away
from the traditional programme
designs and involve the rapidly
changing nature of real life public
service challenges in the workplace
- look to critical incidents, political
interventions and sudden changes in
the global environment – migration,
energy, counter-terrorism
- connect personal change and
development with more enduring
organisational change and
development in government
- link residential reflection with personal
learning projects
- complement teaching with coaching
and action learning
- offer virtual learning with facilitated
peer support and challenge
- continue to support leadership
development with projects and
applications in the workplace to
embed the learning.

By meeting this agenda, learning and
development providers might just give new
public service leaders in the responsive
state a fighting chance.
### NEW LEADER DEVELOPMENT FOR THE RESPONSIVE STATE: AN OUTLINE GUIDE

<table>
<thead>
<tr>
<th>Need</th>
<th>Leadership</th>
<th>Added value executive education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personalised – shaped to suit personal needs, one size does not fit all</td>
<td>Leading teams that see users of public services as customers and consumers rather than patients or claimants</td>
<td>• Understanding users as customers&lt;br&gt; • Marketing and business development tools and techniques&lt;br&gt; • Customer service, benchmarks with industry&lt;br&gt; • Listening and influencing skills</td>
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<tr>
<td>Responsive – delivery in the form and time required, by those best able to offer it</td>
<td>Leaders who aim to simplify complex processes, developing new and faster methods of delivery, and as commissioners and performance managers of services delivered by others</td>
<td>• Delivery skills – making things work, setting objectives&lt;br&gt; • Operations management&lt;br&gt; • Performance management&lt;br&gt; • Programme management&lt;br&gt; • Business process improvement tools and techniques</td>
</tr>
<tr>
<td>Engaged – involving all staff in new thinking, service improvement and quality of consumer service delivery</td>
<td>Leaders who create leaders at every level as enablers rather than directors with more freedom for staff to take decisions without gaining permission</td>
<td>• Developing personal leadership – finding the right styles for each leader,&lt;br&gt; • Leadership at every level&lt;br&gt; • Building greater personal impact and motivation skills&lt;br&gt; • Coaching and mentoring skills</td>
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<tr>
<td>Accountable – more transparency on financial and operational performance with more freedom for staff to take decisions without gaining permission</td>
<td>Strategic leaders who can make decisions and are comfortable with sophisticated information and communications systems to give greater accountability to elected leaders and the public</td>
<td>• Strategic leadership – setting the vision and enabling others&lt;br&gt; • Working at the political/official interface&lt;br&gt; • Delegation and empowerment&lt;br&gt; • The leader as coach&lt;br&gt; • Communicating and accessing data</td>
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<tr>
<td>Innovative – creative solutions for the rising demand for public services. Cross-Government working to deliver ‘mission critical’ projects like obesity</td>
<td>Leaders who can deal with complexity, can build a more creative environment for thinkers with vision and skills to work across Government boundaries to more joined up thinking to transcend departmental boundaries. Leaders who can master information systems and relate to the net-generation</td>
<td>• Collaborative leadership – interprofessional working&lt;br&gt; • Creative leadership&lt;br&gt; • Change management&lt;br&gt; • Stakeholder management&lt;br&gt; • Simulations, experiential learning, live cases – deep dives into real life consultancy projects</td>
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Talent management in the public sector

Talent management is the hot topic for HR managers in organisations, both in the private and public sectors. Drawing on two years of research into the area by Ashridge, Marion Devine and Marcus Powell discuss the issues around identifying and developing talent in public sector organisations, suggesting ways in which the public sector can better retain and deploy talent in the future.

Public sector organisations have experienced an unprecedented rate of change in recent years, causing many to debate what constitutes effective leadership in their context. There are signs that this debate has widened to include talent management. Faced with a gamut of new challenges, many public sector organisations have serious doubts about their ongoing leadership capability. Health, central and local government organisations in particular are considering whether talent management can help them recruit, nurture and develop the next generation of public leaders.

Talent management is a relatively new area for both public and private sector organisations. Interest in talent management has sharpened into a strategic imperative as many organisations have begun to experience the so-called ‘war for talent’. There is a dwindling supply of young workers and, more seriously for public sector organisations, an ageing workforce. In local government for example, 31% of employees are over 50, leading to the strong likelihood of a loss of vital skills and experiences as this generation retires over the next decade. Since 2000, the number of young people reaching working age has fallen by 60,000 each year. This trend has resulted in a prediction by the National UK Skills Task Force of a net shortfall of two million employees by 2010.
Public sector organisations that rely on recruiting school leavers and graduates (such as the Police Service and the NHS) are already battling against private companies for the brightest youngsters. Indeed, the Metropolitan Police Service’s recent review of its talent management strategy was promoted by a concern about the need to compete for young talent. Equally concerning is the fact that many senior officers with the ability to lead command teams and who have invaluable public order experience will be eligible for retirement just when the 2012 Olympic Games come to London.

Public and private sector organisations are also beginning to experience skills shortages caused by a complex interplay of factors such as changing demographics; international competition; the changing composition of the workforce, especially the shift away from white males to more women and people from ethnic minorities; and the serious ‘brain drain’ affecting the UK. Reportedly the worst among 220 countries, the UK brain drain represents a serious loss of experienced professionals. Over 20% of UK nationals with a university degree live in another OECD country, and overall, the UK has lost one in ten of its most skilled workers. Most seriously for the public sector, 27% of these emigrants have health or educational qualifications.

The reality of these trends is that many public sector organisations are experiencing difficulties in recruitment and retaining employees, particularly where they compete with local firms for skilled workers. For example, local government organisations have reported serious skills shortages. In 2006, 87% of all authorities encountered difficulties in recruiting people with professional skills. Specifically, 72% of councils reported skills gaps in organisational development and change management; 61% in business process improvement and 60% in performance management, all of which are skills areas that are increasingly vital for the Government’s ongoing modernisation agenda.

Concern about the quality and quantity of current and future public leaders has led to calls for better talent management. A report by the Office of the Deputy Prime Minister urged local government to:

- recruit from the widest possible pool of talent
- better manage the careers of high flyers
- recruit more graduates
- facilitate more movement of talent staff across the public sector
- participate in joint leadership development with other public sector organisations.

More recently, the IDEAs five strategic priorities repeatedly mention talent and the need to “identify, develop and motivate talent”. A report about talent management by PSPMA also concludes that local government needs to become better at talent management for all employees, not just an elite group. Organisations need to take a more systematic and coordinated approach to talent management.

Talent management, says PSPMA, “is about developing pools of skills, giving employees the opportunity to widen the scope of their expertise and experience while at the same time providing organisations with the talent they need to grow and evolve”.

Mapping the talent management terrain
Faced with these challenges, private and public sector organisations are recognising that they need to work in different ways to ensure a reliable pipeline of talented people with specialist, general manager or leadership skills. However, there is a paucity of research into talent management, and
indeed, the term itself is often used loosely – for example, some managers might equate talent management purely with succession planning, others with recruitment, while some would see talent management and leadership development as interchangeable.

Unsurprisingly, the definition of ‘talent’ varies across organisations (and often even within an organisation). The focus of talent management can also vary, with many companies concentrating on managers while some include both generalists and specialists. Talent is often defined in both terms of high performance and high potential, but organisations assign their own priorities to these two dimensions – for example some talent management schemes place greater emphasis on spotting individuals with potential, while other talent management approaches are concerned with identifying, tracking and retaining their best performers.

In the last two years, Ashridge has conducted considerable research into talent management in order to help map this new terrain7,8. A more useful definition of talent management is “the additional management processes and opportunities that are made available to people in the organisation that are considered as ‘talent’”. Such processes can be formal and informal, deliberative and unintentional, explicit or implicit. Whatever the combination, these processes constitute an organisation’s talent management system. Using this definition, every organisation has a talent management system whether it recognises it or not.

Ashridge’s research, culminating in a report produced jointly between Ashridge Consulting and the Chartered Management Institute9, attempts to push forward the debate around talent management. The research set out to provide the following:

- a broad definition of talent management
- a framework to help understand the different strategic perspectives through which organisations deploy talent management
- validating and refining a range of 18 ‘dimensions’ that affect the operational impact of talent management.

Through establishing a common framework for defining and understanding talent management, the research explored areas of best practice. It also explored the range of issues that organisations struggle with as they introduce, change or refine their talent management approaches. The research methods included a literature review, over 20 case studies of both private and public sector organisations (to appear in a forthcoming book10) and a large national survey conducted among the Chartered Management Institute’s membership which elicited over 1,500 responses.

Our public sector case studies included three anonymous case studies of central and local government organisations, together with the Metropolitan Police Service and the National Probation Service. The Met is currently honing a new integrated and long term talent management strategy that will build on internal training and development, leadership development and positive action programmes and ultimately feed into succession planning. Such a pipeline will help realise the Met Commissioner’s stated goal of enabling its best talent to reach superintendent rank within eight to nine years of service. The National Probation Service has developed a talent management programme to support minority groups within the service and help build a more diverse and representative workforce.

The following sections highlight some of the findings and explore their relevance to public sector organisations.

**Strategic perspectives that shape talent management**

On the face of it, talent management comes in many shapes and sizes, making comparative research difficult. One of the most useful findings from the research is that the varied ‘habitat’ of the talent management terrain can be codified and mapped once the strategic priority and perspective underlying a talent management approach is recognised (and for some companies, such a perspective can be implicit and difficult to articulate). An organisation’s strategic perspective shapes the way in which a talent management system is owned, viewed and implemented. This perspective needs to be understood and supported by those who implement the system, otherwise talent management processes can be distorted or neutralised by individuals with quite different motives and agendas. The role of the line manager can make or break the system.

Six strategic perspectives were identified that appear to shape an organisation’s approach to talent management as follows:

**The competitive perspective:** This is underpinned by the belief that talent management should identify talented people and give them what they want, otherwise they will be poached by competitors. This is often a default position in organisations with no formal talent management process – talent management effectively operates as a retention strategy. The research suggests that professional services firms and those in highly competitive sectors such as banking and finance hold this perspective.

**The process perspective:** This focuses on processes that optimise people’s performance and stems around the belief that future success is based on having the
right talent. Managing and nurturing talent is part of the everyday process of organisational life.

The HR planning perspective: This is similar to the process perspective but reflects a HR orientation to matching the right people to the right jobs at the right time and doing the right things. The HR team often ‘owns’ and monitors talent management processes. This perspective is often held by companies which are experiencing rapid growth.

The developmental perspective: The focus is on developing high potentials or talents more quickly than others, hence talent management often revolves around accelerated development paths.

The cultural perspective: This entails viewing talent management as a mindset and the strong belief that talent is critical to an organisation’s success.

The change management perspective: Talent management is seen as a driver of change and can be part of a wider strategic HR initiative for organisational change, perhaps due to a change of ownership or a new series of governmental reforms. Talent management can help change the organisation’s culture, leadership styles and specialist/management capabilities.

These perspectives help align formal processes that support talent management, spanning how organisations recruit, retain, develop, performance manage, reward and promote their talented people.

The perspectives also apply to organisations with few formal talent management processes and where a thriving ‘internal labour market’ operates instead. In this ‘competitive model’, individuals are largely responsible for advertising and ‘selling’ their talent to the highest bidders within their organisations (whether this is in terms of remuneration, promotion, prestige or value of the work experience). Assignments or promotions are typically allocated according to how well the individual performed on their last assignment. Overall, the competitive model operates through open market principles of supply and demand and an individual’s ‘worth’ is dependent on the marketability of their skills and experiences as well as their personal reputation. In terms of the competitive perspective, individuals often bear total responsibility for their career succession and may receive little help from their colleagues who are effectively their competitors. In the cultural perspective, talent may well be seen as a collective resource and priority. Individuals may therefore receive more encouragement and support to develop their talents.

Our research into public sector organisations suggests that the developmental perspective prevails within a competitive model of an internal labour market. Although more research needs to be done, it would appear that few organisations have many formal talent management processes (several of our case studies were moving away from this model and were examined for this reason). Those that exist tend to be either a graduate recruitment/training programme or some form of accelerated development programme for more experienced managers.

For example, public sector organisations are trying to attract and retain top graduates though such recently introduced initiatives as the NHS Graduate Management Scheme and the National Graduate Development Programme, and the newly created ‘Local Government Talent’ website for local government. The Civil Service operates its ‘Fast Stream’ programme for central government. Development programmes for more experienced managers are proliferating but tend to be organisation specific. However, the burgeoning number of leadership development centres (such as the NHS Leadership Centre; the National College for School Leadership; Defence Leadership Centre; the National Policing Improvement Agency; National School of Government and the Leadership Centre for Local Government) represents a shift towards collectively developing leadership capacity across specific areas of the public sector.

In the public sector competitive model, people opt into talent management by choosing to ‘play the game’ by advertising their talents and getting themselves noticed by more senior staff in their organisation or by Government Ministers and key public sector leaders. Transactions between ‘buyers’ and ‘sellers’ may appear haphazard but in reality, everyone knows the ‘rules of the game’ and choose to participate in a calculated game of politics and networking. External networking was identified as significantly more important for public sector employees than those in the private sector in the CMI survey.

Individuals tend to take responsibility for their own advancement and judge personal networking as more important than organisational processes such as performance reviews. Indeed, public sector organisations on the whole offer individuals very little in the way of career planning. The IDeA acknowledges that careers are ‘haphazard’ and career routes traditionally ‘ill-defined’ in most parts of the sector. There is little succession planning in public sector organisations – the LGPW survey reveals that only 20% of authorities have any formal succession planning. This is likely to change, as the IDeA reports that many councils have recently identified succession planning as an essential component of their workforce development strategies and are likely to introduce the process in the near future.

**Operational dimensions**

The research identified and validated 18 operational dimensions which are common to all the case study organisations, but have
differing emphases placed upon them. These dimensions provide a useful ‘language’ to describe how talent management works in reality in organisations and could prove useful as a tool for further comparative research. The dimensions have been grouped into three areas:

- **Defining talent**: Outlining the size of talent pool, entry criteria, decision processes, permanency of definition, recruitment as a source of talent, and transparency

- **Developing talent**: Looking at development paths, development focus, support, influence on career, connected conversations about talent, organisational values, and risk

- **Structures and systems**: Describing performance management, talent management processes, the use of technology, systems flexibility and ownership of talent.

Although it is not possible to outline all the findings on public sector organisations, distinctive features include the following:

**Defining talent in public sector organisations.** It is not easy to be considered as ‘talent’ in this model. Although there is a growing tendency to assess potential talent in development centres, there is often a lack of clarity about how organisations define and understand ‘talent’ and ‘potential’. The open market system makes it easy to enter into the ‘talent game’, but gaining the label of talent is difficult as the market emphasises different attributes at different times, and the market is also controlled by those at the top of the organisation. Talent management is therefore not transparent. Individuals do not know how their organisations perceive and value them as talent, nor whether there are special plans in place for their development or promotion.

**Developing talent.** Public service organisations tend to favour similar but accelerated development paths for talented individuals. The focus tends to be on addressing weakness or gaps in competency rather than building on strengths, which ultimately leads to a certain uniformity of talent (mavericks do not fare well!). Individuals take responsibility for making the most of any opportunities coming their way. Their organisations will give them more stretching assignments but will tend to leave them to either sink or swim.

**Structures and systems underpinning talent management.** These tend to be largely implicit and implied within the organisation (the Met has worked hard to make its system more explicit so that police officers understand how to get on the High Potential Development Scheme and what they need to do to progress to the national system). People move between projects and teams as managers bid for them and add to their value. This makes the workplace highly political and networking for the purpose of power games is commonplace. Junior talent tends to be owned by the business unit or project team but more senior talent tends to be seen as a shared commodity across the organisation.

**Future challenges and choices**

The competitive model for talent management remains prevalent for much of the public sector. It is questionable whether this model will be robust enough in the face of the ever intensifying struggle for talent. Organisations wishing to develop their talent management approaches might do well to consider adopting other perspectives that are based on a more structured approach to spotting and developing talent. *(This issue is discussed further in the Ashridge Learning Guide on talent management).*

Our research also indicates that public sector talent management strategies need to take into account the following considerations:
• Talent management approaches need to be built around a clear, coherent model of leadership. The research reveals that public sector organisations often adhere to several, sometimes conflicting, leadership models. Talent management will work only when managers have a shared understanding about what it means to be an effective and talented leader.

• Ensure talent profiles and skills sets keep pace with sector change and reform. Each organisation must decide for itself the right blend of experiences and skills in such areas as political and managerial leadership, community leadership; partnership working; managing shared services and outsourcing.

• Align talent management with diversity management so that the organisation can ensure that talented people from minority groups are spotted and nurtured. This entails ensuring that positive action programmes feed into talent management programmes. This may require the organisation to take more risks by letting “atypical” individuals try out different management and leadership approaches.

• Align talent management processes with audit processes such as Capability Reviews and Comprehensive Performance Assessments so that talented staff demonstrate the required qualities and skills.

• Clarify the links between internal talent management processes and national talent management programmes, and provide support so that talented staff can advance to sector wide and cross sector talent management initiatives.

• Extend the range of development opportunities to talented staff by embarking on joint talent management programmes with other public sector and private sector partners.

• Better link talent management processes with career planning and succession planning – an area much under-developed in public sector organisations.

Perhaps most importantly, public sector organisations need to develop talent management strategies that reflect their values around inclusivity and public service. This may require a robust debate – should talent management focus on a handful of high fliers or does the organisation have enough energy and resources to include large numbers of employees? No doubt private sector organisations would be intensely interested in the answer to such a conundrum.

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The public sector in an age of convergence

Organisations fail if they are not fit for purpose. In this article, Stephen Bungay argues that some public sector organisations are caught between two typologies, and suggests ways in which the conflict arising from this positioning can be resolved so that chameleon organisations can replace hybrids.

Over time, organisations have been created for a wide variety of collective purposes. The achievement of the collective purpose that they exist to fulfil drives a need for them to be effective in their operations, or ‘fit for purpose’. Given their variety, it is impossible to decide what makes them ‘fit for purpose’ without some way of characterising what those purposes are and the principles according to which the organisation functions. This can be best achieved through the development of a typology.

Organisational typology

The typology below identifies a number of dimensions in terms of which any organisation can be characterised, fitting in somewhere between the extremes marked by the end-points of each dimension. They are not the only possible dimensions, but equally they are not arbitrary. They have been chosen because throughout history actual organisations tend to cluster into two groups around the ends of the dimensions. The end points of each dimension are consistent with and reinforce each other, defining an organisational logic. Neither group is good or bad, so they are simply labelled ‘Type A’ and ‘Type B’. Both have been vital to the development of civilisation. Chronologically, Type As have tended to pre-date Type Bs because they are needed to create the conditions in which Type Bs can flourish.
Type As used to be the most common form of organisation. They include political bureaucracies and churches. Two of the most successful organisations in history, the Imperial Civil Service of China (221BC – 1904AD) and the Catholic Church, have been thoroughgoing Type As. Type Bs are now far more numerous because they include the business corporations which dominate market economies. They seek to maximise stakeholder benefits by creating value in a market, and may indeed sell themselves to another if the price is right.

Public sector organisations are basically Type A. They seek to execute policy by controlling reality and will do so perpetually unless the policymakers – governments – decide otherwise.

In Type B organisations, processes and structure are enablers, facilitating the achievement of externally-directed goals. However they can revert to Type A unless their leadership is energetic in reinforcing the external orientation. In a Type A, processes and structure are dominant, and the goals of the organisation are internal.

Businesses tend to demonstrate Type A characteristics as they lose their sense of purpose. They then come to be dominated by structure and processes. This is more common if they become very large, but not all large organisations are Type A. The disposition of the leaders, therefore, is paramount to a Type B organisation if it is to remain within the Type B category. The constant embracement of change, seeking new and better ways of doing things, and responding to uncertainty need to be evident, with the requisite skill sets and capability to support them. Type A organisations, on the other hand, require managers who ensure that processes and procedures are followed, and keep the workforce satisfied in their role of public service but compliant to the demands of the organisation itself. They need a disposition that is satisfied by a highly structured environment, and need to be skilled at motivating people whilst keeping them within their boundaries.

**Chameleon organisations**

Military organisations are particularly interesting. In peacetime they exhibit the characteristics of Type A. In war, their effectiveness, and hence their survival, depends on the speed at which they can change into Type B. Some have been very good at this, others less so. Today, the armed services signal the change by being very clear about when they are and are not ‘on operations’. A corollary of this is that when faced by a serious problem, emergency or threat to itself, organisations which have drifted towards the left can temporarily act like a Type B. In a crisis, external needs become so pressing that behaviour tends to move towards Type B.
until the crisis has passed. The absence of any sense of crisis resulting from sustained success is dangerous for Type Bs and they often need to experience a disaster (for example, a collapse in share price, a hostile bid, or a humiliating battlefield defeat) in order to regenerate. Wise leaders of Type B organisations create internal crises by challenging the organisation before a real crisis hits them.

In crisis, even Type As can exhibit Type B characteristics. Armies do this regularly because war is a state of continual crisis. In a state of war, even a Type A like the MOD can follow suit. As a Type A, it has to create a process for this, and so has a category of need called ‘Urgent Operational Requirements’ so that it can perform its role of supplying equipment to the armed forces when they are at war. Note that whilst the armed services adopt Type B behaviour on all operations, including operations other than war (such as peacekeeping or security), it takes a war to change the behaviour of the MOD and then it only does so selectively, without affecting its basic status as a Type A. It is possible to deal with an external crisis without changing mode. Hence the MOD needs to mix the disposition of those who are settled in a routine existence with the capability to behave as Type B when the need arises.

To make this point clear, consider the case of one Type A, the NHS, which routinely deals with crises, most obviously in the A&E departments of its hospitals. It treats them as a Type A would, by embodying them into its own processes which are designed to control the external reality it confronts. The crises are crises in the reality external to it, not crises for the organisation itself. It can deal with them because their existence is predictable, and processes for dealing with them can be planned. A crisis for the organisation itself would be something like a lawsuit alleging malpractice or corruption (an attack on its processes), or the sudden loss of funding (a threat to its existence).

Then the organisation would need to behave as a Type B.

**The difficulty of hybrids**

Importantly, the principles of Types A and B are not just different, but opposed. Hence it is particularly difficult for a hybrid to be effective. The armed services are not hybrids because they do not try to maintain both states of being simultaneously. They just switch from one state to the other depending on whether they are at peace or on operations. The most effective examples of each type are those which are most consistent and avoid drift towards the other model. The public sector has traditionally been Type A. The privatised services that were hived off from the public sector tend towards Type B.

Today, in countries with market economies, the logic of Type Bs tends to dominate what the public expect organisations to be like. We have started to think of ourselves as customers rather than citizens of the state. Politicians have started to put pressure on the organs of the state to behave more like businesses, and to apply mechanisms to them to produce the performance we routinely expect from organisations subject to the disciplines of the market. The language of business now permeates public service and some of its practices have been adopted. The result is that along many of the dimensions above, Type A organisations like the MOD, the NHS, or the Home Office, are under pressure to move towards the right, and parts of them are doing so. The worlds of public service and private enterprise are converging, and public sector organisations are becoming hybrids.

This is not working very well. Working inside a hybrid is confusing, and morale is often a problem. There is an imbalance between the disposition of the managers who have been hired to maintain Type A behaviour, and the disposition needed to embrace change. Equally the capabilities required for each job role differ.
Being on the receiving end of services provided by a hybrid is equally confusing. The reason for this is that a hybrid is trying to unite opposites. They are trying to provide a consistent and constant service where everyone is treated equally, while also personalising the service so that everyone is treated individually. It is not clear that creating a true hybrid is possible or sustainable.

Fitness for purpose

Private sector businesses have specific purposes which are many and various, but all of them exist to create value for their stakeholders. These include customers, employees and owners. How the value they create is distributed between them is a matter of policy decided by each business for itself, but in general the best measure we have found for their success is the value they create for shareholders. In fact company directors have a duty to protect the interests of shareholders and sometimes choose to abolish the organisation – typically by selling it – if that is in shareholders’ best interests. The organisation itself is just a means to an end.

To achieve that end, a business must create products or services of value to customers. It must adapt itself to the reality of their needs and perceptions and to the activities of competitors, law makers, regulators and other players on the economic scene. It creates value by acting upon the environment so as to change it, either by offering something of value which others do not, or by offering something similar at a lower price. It may make promises, it may cultivate its image, but in the end it has to offer something real and keep on doing so, or its customers, who are under no obligation to patronise it, will desert it, and it will cease to be. In business, the bottom line is reality.

Public sector organisations have a different purpose. Whilst some of them deliver services to the public, all of them are organs of the state and ultimately report to politicians, who themselves are accountable to the public. The object of politics is to gain, exercise and retain power, which means winning elections. Winning elections means winning votes and voters judge the alternatives on offer as a bundle of past performance, policy, promises, ideology and personalities, any of which may be decisive depending on their own judgements of the situation at the time of an election. Whilst this mechanism inspires in politicians the desire to please the public, their ultimate purpose is to govern. Governing is an end in itself. Governing involves imposing the will of the governors on reality and perpetuating it, so creating stability, even though new governors will tend to change or modify some of what past governors have wrought.

In a democracy, the public periodically cast a vote on their overall preference as to who should govern them. They will judge the incumbent governors in part on their view of the current reality, but the current reality is so complex that the incumbent’s responsibility for it is obscure. If they feel good about the current state of affairs, they will tend to want it to continue and so be more inclined to vote for those who currently hold power, whether or not the things they have done have actually created the state of affairs. In considering those challenging the incumbent power holder, there is less reality to go on. An opposition party will usually have exercised power itself at some point, and so can in part be judged on its record at that time. However, its record will be at least five years old and the current situation will be different. So even more weight must be given to policies, promises, personalities and general ideology. Votes will be cast in part because of the reality the voters experience, but that reality is only one factor in creating an overall perception. What matters is how things appear to be, and the role that the would-be governors appear to have played in that, as well as the way matters might develop in future and the things that the candidates are likely to do to shape that. In politics, the bottom line is perception.

Strategic focus

Given that businesses are trying to optimise reality, what counts in the end is what they do, the quality of the products and services they deliver. Most business organisations therefore devote most of their resources to operations. However, in order to be successful in a competitive market, business operations need to be informed by a strategy designed to ensure that the business gains a competitive advantage. It will need to decide as a matter of policy what it will do and what it will not do, which customers it will serve, in which markets and with what value proposition. Some of its resources will therefore have to be devoted to strategy.

In politics, on the other hand, the bulk of resources are devoted to policy. Political parties stand for certain principles based on ideology, interests and values. They assert specific propensities to act in certain ways in whatever circumstances occur, to favour certain social groups or values. At any given point in time, they develop policies to realise this general position. Gathering support for that position and the policies which flow from it is the essence of politics. However, when in power, a political party has to enact policy, and must therefore devote resources to delivery. The mechanism it has for doing so is not part of the political party itself, but the machinery of government, which is independent of parties and policies. Politics itself is not the enactment of policy, but governing cannot be carried out without policy enactment. The organisations which actually enact policy make up the public sector.

The differences between business and politics are summarised in visual form in Figures 2 and 3. The two dimensions define their rationale – optimising reality or optimising perception; and the level at
which their activities are focused – the level of policy/strategy, and the level of delivery/operations. Business and politics stand in contrast to each other along these dimensions, but neither is pure, and so they shade into each other. The public sector is in the middle, mediating perceptions and reality, policy and delivery.

Business seeks to optimise reality, but perception is a constraint. If what it does is not perceived to be right or justified it can get into trouble. It needs to attend to public relations, and there is an industry devoted to helping it do so. The resources it devotes to this are limited, and restricted largely to its most senior people who operate at the level of policy, but they are important. At the margin, a failure to manage perceptions can affect reality. For example, in 1994, having conducted 30 separate technical studies, Shell decided to dispose of a redundant oil-storage buoy called the Brent Spar by sinking it in the North Sea. This complied with international guidelines and was endorsed by the authorities as the ‘best practicable environmental option’. In the spring of 1995, just before the Brent Spar was due to be towed out and sunk, Greenpeace occupied it and released a document claiming that it contained 100 tons of toxic sludge and 30 tons of radioactive scale. It sent pictures to the media of its activists braving water cannons from Shell's tugboats. There was a storm of international protest, including a threatened boycott of Shell petrol stations in its largest market, Germany. A subsequent study concluded that Brent Spar contained 20 tons of oil and some slightly radioactive scale, less than 1% of the amounts discharged by boats in the North Sea every year. Shell's decision had optimised environmental and economic reality, but had failed to take account of perception. In 1998, it began dismantling the Brent Spar and recycling its components on land at a cost of £46m, an option originally considered and rejected because of the cost, the far greater risk to workers and the risk of on-shore water pollution in case of accidental break-up. Sinking it would have cost £12m and incurred little risk to workers and no risk of on-shore pollution.

Similarly, whilst politics is about optimising perception, reality is a constraint. If reality drifts too far away from what appearance is claimed to be, the claims lose credibility. In May 2006, following revelations that a large but unknown number of asylum seekers, some of them prisoners who should have been deported, were living illegally in Britain, John Reid was sent in to the Home Office and promptly declared the organisation ‘not fit for purpose’. Politics continued, as Reid blamed previous Tory Governments for the state of affairs just as they blamed the current Labour one. However, nobody denied there was a problem. Reid was sent in to the Home Office in the way a business would hire a turnaround manager because it was no longer plausible to claim that the system for dealing with asylum seekers was

Figure 2:
Differentiating business and politics
working well, so real changes were needed. Appearance had hit the constraint of reality. Behind Reid’s often quoted sound-bite is the assumption that the purpose of the Home Office was operational delivery. The Government had set a policy on asylum seekers and the organisation had to enact it. However, the organisation did not create the policy, and here there is a difference between politics and business in the horizontal dimension of the relationship between levels.

In businesses, a good strategy is based in part on the capabilities of the organisation, and the strategy is developed and executed by a single entity in an iterative process to create coherence. If there is a split between strategy and operations, the organisation will fail. This is not always achieved in business, but in politics, rapid swings in policy and resultant incoherence are more common. Whereas in business, the strategy is developed to optimise reality, in politics it is designed to optimise perception. Operations are fundamentally to do with changing reality, but in politics they are critically constrained by PR considerations. Public sector organisations, unlike business ones, therefore have to be Janus-faced. They have on the one hand to govern and do the will of their key stakeholders, politicians, and on the other to deliver services to the general public or sections of it. This gives rise to areas of tension not experienced by businesses as public sector organisations seek to cope with the needs of politics and effective delivery.

**Caught in the middle:**
the public sector
Politics produces rapid changes in priorities

**Figure 3:**
The public sector is caught in the middle
as the daily political agenda develops. This is often determined by the media, to whose immediate concerns politicians feel obliged to respond in order to optimise perception. This often translates into a need to be ‘seen to be doing something’ about whatever it is, at least until the butterfly of media attention lands elsewhere. Anxiety about press or public scrutiny and the fact that there is an opposition devoted to finding fault leads to a desire for transparency and audit trails, meaning that processes dominate people and inputs dominate outputs. Avoiding corruption and maintaining fairness are constant concerns. Yet what is needed to act effectively on reality is individuals prepared to dominate processes, accept accountability, exercise judgement, take initiative and take risks, which in turn means accepting a certain rate of failure. A Type B will encourage this. Business managers will be rewarded for saving money, usually by financial bonuses. Civil servants who do so will find their budget cut next year, so they have an incentive to spend it all. They are not generally rewarded by more money but by more power, meaning more people and increased costs. Their effectiveness is not measured by external factors like growth in their profits or markets. There are no ‘bottom-line’ measures, so internal ones have to be found, such as targets. The targets may or may not be good measures of output effectiveness. As they proliferate, they become a straitjacket, stifling initiative and turning into a form of micro-management. The public sector thus has to meet the conflicting demands of serving the needs of politics and delivering the performance of a business. It looks simultaneously at two realms, whilst not being fully part of either. The border with each is a no-man’s-land of frustration and peril.

The uncertainty of purpose is also felt by the public. They interact with businesses in one way: as customers (who place demands on the organisations they are buying from, with the option of going elsewhere if they are dissatisfied). They interact with the public sector in two ways: as customers (as receivers of services who place demands on the organisations serving them), but also as citizens (with obligations to adapt themselves to the requirements of their governors).

Working out how to run effective public services is one of the great challenges of our time. In approaching this problem, politicians understandably look at businesses and transplant some Type B practices into their Type As. But public bodies are not businesses. The police and the Inland Revenue are not serving the security and tax collection markets: they are enforcing the law of the land; and we would not want them to be innovating and adapting to individual needs, we would want them to be treating everybody fairly. The policies they enact are not designed to gain competitive advantage, but to reflect the will of the body politic. They should not serve the interests of individual customers but the overall interests of the public. They need a Type A policy-setting body. Grafting some isolated Type B practices onto the alien environment of a Type A produces widespread tissue rejection. Policy and delivery need to be separated, with policy-setting the province of a body which works rather like a regulator, and delivery the province of an organisation which adopts the principles of a Type B. Every Type B needs to develop appropriate practices of its own, given its purpose.

The main reason for this is that they have worked hard on what they call ‘operational art’, the level of activity which draws strategy and execution together. Business does not even have a word for this, so it is no surprise that executing strategy is one of the hottest issues around in the business scene today. The military tackle the operational level by using a specific operating model known as ‘mission command’. This involves setting direction by making clear the intention and leaving the specifics of execution to subordinates who are empowered to act within specified boundaries. In other words,
Conclusions

As human knowledge grows, so innovation increasingly comes not from inventing some new method but by learning from methods already used in other areas. Innovation occurs when ideas and practices cross boundaries. This is, to some extent, what may be achieved through the traditional Type A public sector organisation embracing the ethos and culture of a Type B organisation. The public sector can learn from business as long as it does so carefully, but it can also learn from itself. Creating a hybrid is not a sustainable, workable solution. A new organisational type needs to emerge which embraces the disposition required for Type B, without losing the principles of equity and procedural fairness that underpin a Type A. To lead in this environment requires a set of capabilities that overlaps with those that succeed in the private sector within the constraints of the public sector, switching between the two.

The irony is that the public sector may already have more of the answers to its own problems than it thinks.

Further reading

For examples of how politics and business need to reconcile perception and reality, including an account of the Brent Spar incident, see Ragnar E. Löfstedt (2005) Risk Management in Post-Trust Societies, Palgrave Macmillan.

A cogent case for the need to turn hospitals into Type B organisations is made by Naresh Khatri, Alok Baveja, Suzanne A. Boren and Abate Mammo in their article Medical Errors and Quality of Care: from Control to Commitment in California Management Review Vol. 48 No. 3, Spring 2006, pages 115-141.


For some observations about the barriers to making it work in a public sector organisation see his article Thinking Smart, Acting Smart: Some Reflections on Project Delivery in RUSI Defence Systems, Winter/Spring 2005, Vol 8 No 3, pages 56-59. Some of the barriers (e.g. ‘process tyranny’) are due to the nature of the MOD as a Type A. Others (e.g. ‘target fetishisation’) are due more to a Type A trying to mimic isolated business practices.
Key challenges facing public sector leaders: themes from the Ashridge Public Leadership Centre essay competition 2007

2007 saw the first Ashridge Public Sector Essay Competition with a large number of entries from around the globe. Carina Paine Schofield draws out key themes from the entries and presents an overview of the issues that are at the top of the agenda for public sector leaders around the world today.

Background

In 2007 the Ashridge Public Leadership Centre (APLC) ran an essay competition in partnership with Guardian Public on the theme of leadership and public service. The aim of the competition was to bring fresh insight and understanding to the debates surrounding leadership in the public sector.

Essays were invited on one of three topics:

• Challenges facing leaders in the public sector
• Changing relationships between citizens and those working in the public sector
• Examples of successful work in the public sector.

Dr. Carina Paine Schofield is a researcher in the Ashridge Public Leadership Centre, working on a number of applied research projects which aim to provide insights and practical solutions to the challenges facing leaders across public and voluntary sectors. Carina’s research experience is interdisciplinary with strong links between theoretical and applied social science research, and she has presented and published papers in the areas of psychology, computing and online research.

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The majority of the authors focused the topic of their essays on the public sector in the UK, although the competition did attract entries from around the globe. Entrants worked in a variety of sectors (local government, central government, and the educational and charity sectors), which was reflected in the range of evocative stories and gritty case studies featured.

This article summarises the key themes emerging from the essays, predominantly focusing on the challenges facing leaders in public services and their authors’ suggestions for overcoming them. Essay authors are referred to throughout, and where their views are supported by other published literature these references are also included. Each of the authors mentioned is listed at the end of the article.

Almost all authors described this challenge. Their description is reflected in the published literature, where many definitions of ‘leaders’ and ‘leadership’ now recognise ‘change’ as central to a leader’s role. For example: “Leadership… is about coping with change…. more change always demands more leadership”.

In particular, several authors refer to the fact that the public sector is currently entering a significant era of change. For example: “Leaders in the public sector are having to deal with accelerated change: facing new pressures to learn and innovate to keep up” (Moses Kibe Kihiko). Carole Edwards eloquently states: “Change is not, in itself, anything new; it is the increasing pace of change that is significant in our time”.

This, however, is not an area that is unique to the public sector. Uncertainty and change are common themes in all management and leadership literature, but it is perhaps the historical sense of a lack of change that has occurred in the public sector pre-1970s in the UK that exacerbates the pace of change as a current issue for the sector. The ability to cope with uncertainty and change is both a dispositional and capability issue, and requires development focused on strategies to manage change, as well as strategies to manage yourself when going through and managing the change of others.

**Key challenges facing public sector leaders**

- Increasing pace of change
- Technological developments
- Changing perceptions
- Increasing expectations
- Citizen empowerment
- Changing workforce
- Changing environment

**An increasing pace of change in the public sector**

Many entrants spoke of the relentless pace of change in the public sector. An extract taken from *Alice in Wonderland*, described as the Red Queen Effect, illustrates this issue:

> Alice meets the Red Queen running on the spot, and getting nowhere. Alice runs alongside her and says: “In my world, we run to get somewhere” to which the Red Queen replies: “Oh no, here you have to run as fast as you can just to stay in one spot. If you want to go somewhere, you have to REALLY run!”

**Technological developments**

Several authors describe how modern change has been driven largely by technological developments mostly in information and communication technologies (ICTs). For example: “Advances in technology and communications have created different forms of communication, dialogue and identity” (Sharon Squires).

Authors specifically make reference to the wide ranging impact ICTs are having on leadership in the public sector. As part of his agenda for stronger performance achievement, Kenneth Okpomo describes the importance for public sector leaders to “establish consistent and effective training policy for their human capital to keep them abreast of the latest technologies and innovations”.

Questions raised by authors include: Are public sector leaders ready for what these [ICT] changes mean in terms of engaging with society? Can leaders keep up with technological trends as a way of interacting with society and engaging employees? How will technological changes impact on how public services are organised, on how services are delivered to citizens, and on how citizens can contribute?

Technological change in the public sector is a particularly topical issue, and the authors’ descriptions reflect the views of a vast amount of published literature, which describes how the rapid pace of technological change is having a wide ranging impact on how public services are organised and how services are delivered to citizens (for example⁴). The vital role played by technology in the public sector is now enshrined in the annual e-Government National Awards (see www.PublicTechnology.net).

Again, this is not an issue that is isolated to the public sector. The private sector is also adapting to the fact that the net-generation is growing up with ICT, with everyone’s children being far more computer literate than they are. Across the sectors it may be most useful to view ICT as an instrument of change, an enabler, rather than as a barrier. Discussions on ICTs should focus on how they can be used to benefit public services, which is what the current eGovernment strategy vision describes as: “Better using technology to deliver public services and policy outcomes that have an impact on citizens’ daily lives”⁴.

**Changes in public perceptions**

Deepa Sundaram describes how e-governance* has become yet another feature of modern governance. She

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*e-governance can be described as the application of ICTs in governance systems and processes. This can be compared to e-government which refers to the use of ICTs in general*.
describes facilities for citizens, such as online payment of tax, availability of information on public service recruitment, public procurement of goods and services which "help in reduction of opacity and enhancement of transparency of governance".

A recurring theme throughout the majority of essays is the transparency of public services, and particularly how this affects public service leaders. This is attributed to the technological developments which mean that society is monitored by the media 24/7. For example, the public, equipped with cameras in mobile phones, are increasingly becoming ‘citizen journalists’.

As a result of such coverage, leaders in this sector have seen their public profile increase in recent years. Several authors describe the resultant changes in the public perception of leaders. One more extreme example being: "Once taken as a hero, a leader is in fact seen as a villain". Essays also relate how the media has reduced leaders’ privacy: "It is no longer clear what is private and what is public in the life of a leader" (Moses Kibe Kihiko). Marianne Young goes on to describe how this has impacted on the confidentiality of relationships between public servants, politicians and citizens: "This is leading to increasing exposure and scepticism between all parties and a growing absence of confidence in the ability of public servants and politicians to deliver”.

The exposure of public sector leaders, most often seen within the NHS in the UK, has contributed to a talent crisis in the NHS such that there is a shortage of applicants for hospital chief executive positions and leaders of health authorities. People are reluctant to be promoted to these kinds of roles as if they perceive the risks to them personally as being too great. Senior civil servants are also finding themselves in the public eye with regard to document production and interpretation, and the number of “leaks” that stem from Whitehall.

Changes in public expectations and personalisation
Authors also note changes in the behaviours of the people public service leaders lead: the citizens. Citizens as a group are becoming an increasingly complex and diverse population, with growing, shifting and contradicting expectations.

Authors describe how such changes in behaviours have occurred predominantly because citizens may now view themselves as ‘private consumers’. For example: “There has been a shift in citizens from that of passive consumer to an expectation for a more customer-led model of public services” (Sharon Squires) and “There is a greater expectation from the public that Government agencies will provide a level of service comparable to that of the private sector (in terms of service, personalisation and choice)” (Karen Mau and Maria Katsonins).

These thoughts are supported by published literature: as awareness and use of technology grows there is an increasing expectation from the public that Government agencies will provide a level of service comparable to that of the private sector.

Several authors specifically refer to citizens’ increasing need for personalisation: how “citizens are no longer satisfied with one size fits all solutions to service needs” (Karen Mau and Maria Katsonins). For example, Janine Miller states: “What leaders need to really understand is that public services need to be able to be tailored to the needs of each individual member of society. And this needs to happen virtually”. Janine goes on to suggest that “public services will need to change their websites to become far more interactive, offering options but also freedom of movement between options”.

Tim Harle describes a key challenge for public service leaders as having to live with both ends of a ‘commodification-personalisation’ spectrum. In order to do this, Tim describes the need for a move “from e-government to i-government” explaining that “the iPod generation expects personalised service delivery” which he describes as echoing the “individual-collective trend”; “If you have Your M&S, why not My NHS?”

The public sector has always provided services to individuals, and always dealt with individual queries. However, personalisation has gone beyond this and has developed into something new. Truly personalised services would enable users to be involved in what services are delivered, and how they are delivered. In this way, personalisation has been described as “this Government’s equivalent of privatisation”.

Citizen empowerment
Authors acknowledge the role of information technology in changing the relationship between citizens, politicians and public servants. They describe how ICTs are creating a more networked society, enabling greater collaboration with citizens. There is already a large amount of user generated content which is publicly available – for example, in blogs and forums, patients looking up health information online, citizens signing online petitions (as in www.petitions.pm.gov.uk). This is having a wide ranging impact on how public services are organised and services delivered. For example, citizens are being given the opportunity to take an active role in identifying both the issues for their neighbourhood and potential solutions (as in www.fixmystreet.com).

Many authors go on to describe the move away from passive consumerism to detailing what they refer to as ‘citizen empowerment’ – where citizens play a more active role in the shaping and delivery of public services. Authors predict how this is likely to grow over the next five years, mainly due to ICTs changing the provider-user relationship.

Ann Walker echoes the published literature in stating how advances in information technology have changed the way information is gathered and used: a wide variety of information data is now collected with increasing frequency and in different
In contexts, Walker describes how "information has become political currency" and how "data now shapes delivery of services". She states how "knowledge is influence" which suggests that "the balance of power is shifting as information is shared very freely and without structure or ownership" which is "bypassing the traditional relationships between politicians and citizens".

Carole Edwards takes a positive slant on this and describes how the increasing role of the citizen is an advantage for the public sector over every other sector because "its [the public sector] workers are citizens too, and every single one of us has a direct stake, or shareholding, in its success."

Indeed, this increasing citizenship empowerment could be just the answer to the personalisation issue mentioned above. If people can have their say about how they want things done then this can be taken into consideration. This empowerment allows people to state their preference on how their street is fixed, which increases the chances of meeting their needs.

A changing workforce
Several essays refer to the impact of younger generations working in the public sector. This observation is captured in the published literature which describes how as the older generation ("Baby Boomers") retire, younger generations ("Generation X" and "Generation Y") workers will be needed to fill middle and upper management roles.

Authors describe how the public sector has traditionally been seen as: a safe, secure career; a job for life; where workers can move up the career ladder “until retiring on a good pension” (Carole Edwards). However, several essays echo the published literature in explaining how younger generations do not hold this traditional view towards employment. Authors describe the challenge for leaders in being aware of, understanding and handling the different work ethics of younger generations.

Carole Edwards expresses how leaders need to be able to cope with an “increasing turnover of staff, particularly those with marketable skills, on the one hand; while helping the longer-term generations – who still hold traditional public service values, such as ‘a job for life’ – to become more resilient to change”. She goes on to describe how “in time, the ‘industrial age generations’ will disappear through natural evolution, but meanwhile, leaders will have to get the best out of a workforce with natives of two different ages – the industrial age and the information age – who embrace very different philosophies and work ethics”.

The rejection of the ‘job for life’ concept by younger employees may well bring about changes that drive the future development of public services: introducing more competitive orientated and performance focused careers.

A changing environment
A number of authors refer to leaders having to contend with a changing environment, and how challenges faced by leaders today and in the future are not confined to those of national origin or impact. Again, this is a key topic identified in the literature in general, where taking an international perspective when looking at public service issues is increasingly emphasised.

Numerous essays specifically refer to the impact of globalisation. For example, Moses Kibe Kihiko describes the key challenges leaders will face over the next five years as those of: change; expectations; and complexities. Moses specifically talks about the challenge of “globalisation complexities in the global scene and in trade and markets” and describes how “what is happening in one corner of the globe is affecting everything else”. Moses states that “these challenges will become more complex over the next five years and will have a direct bearing on leaders”.

Another example is made by Alice Poole who describes disasters and migration as major challenges for public sector leaders which are likely to increase over time. She explains how both sets of challenges are “complex, demanding high levels of analysis at multiple levels, as well as courage in the face of high odds of failure. Yet there is hope: successful engagement of these two issues could severely minimise the impact of disasters and embrace a migration policy that supports macroeconomic growth as well as local cohesion. It would also prove the calibre of the public sector and its leaders in tackling critical issues both now and in the future”.

Several essays also refer to economic challenges, and specifically the significant challenge of how to achieve more with less. This challenge also features in the literature: “The resources needed to cope with the increased demands have, typically, been far less readily available in [the public sector than the private sector]. So public sector managers have to manage with what they’ve got”.

Colin Palfrey refers to the economists’ dictum ‘infinite demand but finite resources’: “It’s undeniable that resources – and that boils down to money – are exhaustible…. but we can, perhaps, do something about ‘infinite demand’”. Colin describes how “there are things that public sector leaders can control and other things that they cannot” and he emphasises the importance of identifying the difference between the two: “By concentrating on things beyond their control, leaders can waste funds”.

How leaders need to respond
The need for a new type of leadership
Several of our authors progressed from cataloguing challenges to proposing solutions of how such challenges should be tackled and/or providing recommendations of where public sector leadership should be
heading over the next five years. In particular, authors refer to the need for a new type of leadership, which incorporates the skills and qualities that leaders will need in order to respond to the challenges listed and to improve public service. Again, such discussions are accompanied by similar ones in the published literature, which describe the need for models of leadership in the UK public sector to be updated to reflect the new challenges faced by Government (see, for example8,9).

Many authors began their essays by describing the problems of defining leadership. A search of the published literature in this area supports their views: unsurprisingly there is no single agreed definition of public sector leadership. Despite the lack of a single definition some generic dimensions to public sector leadership can be identified by the current discourse in this area which makes use of the terms: collective (shared / distributed) leadership; collaborative leadership / partnership working; adaptive leadership; and transformational leadership. The discourse used by authors when documenting how leaders should respond to the current challenges neatly reflects the discourse used in published literature. In particular, authors describe the need for a fully inclusive form of leadership to account for the increasingly active role citizens are playing in the provider-user relationship.

Authors also refer to the need for transformational leadership (rather than the notionally traditional transactional leadership) to enable organisations to deal with the many changes detailed. Some authors go on to develop this further and discuss the need for flexible / adaptable leaders, who need to be both transformational and transactional at different points in time. Authors Karen Lau and Maria Katsonis describe such a form of leadership as having a mindset that is responsive to immediate issues and has the foresight to look over the horizon. Author Jane Midgely provides a detailed example of such leadership in the fire service, where there has been a sea change in focus from response to prevention.

Several authors describe how the dialogue between public sector leaders and citizens needs to be characterised by collaboration. Collaborative leadership (and partnership working) has been described elsewhere in detail in the published literature (see, for example10). Ewart Woolridge specifically calls for those who run public sector leadership centres to respond to the call coming from a major research led debate on the need for better developed cross-sector leadership skills in the public services (see www.publicleadership.co.uk).

The basis of these leadership styles is largely dispositional. Gone is the autocratic leader who rules with an iron fist, and what they say goes. Instead we see a model of leadership that is collaborative, inclusive and yet visionary. Such a disposition towards leadership can be developed, but is assisted by an underlying intrinsic sense of preference to work this way if future leadership requirements in the public sector are to be met.

Building relationships and trust
A prevalent topic throughout the essays is that of how to build and sustain trust. In terms of recommendations, a number of essays refer to the need for accountability and integrity, with leaders being more visible, approachable and communicating with followers openly and fairly. Marianne Young describes how leaders’ willingness to be visible (both internally within public sector departments and to the wider world) will assist with understanding and help rebuild confidence and trust between all parties (citizens, public servants and politicians). Again, trust is a topic that is also prevalent in published literature which described how essential it is that leaders in the public sector are ‘transparent’ and ‘open’ and for leaders to be clear about their purpose and act this out with integrity11.

A few authors describe the specific need for leaders to build relationships and trust with their communities. Alex Stobart explains the need for leaders to reach out and blend different groups into a sense of shared community and to deliver outcomes for their community. Sharon Squires, author of the winning essay, argues that instead of being managed centrally, leadership of local public services should build strong and responsive political leadership and public service delivery. Using a local case study example, she demonstrates how this is based on community leadership and active citizenship, involving dialogue, collaboration and consensus.

This type of engagement in itself achieves the aim of establishing and building trust. Being open and honest in asking for opinions, and available to listen to people’s ideas, models the desired environment for collaborative public leadership.

Innovators and entrepreneurs
Several authors refer to the need for the public sector to attract and support innovators and entrepreneurs in order to develop and improve public services. For example, Penelope Tobin describes the importance of ‘soft skills’ which include entrepreneurship and innovation (as well as communication, teamwork and adaptability). Tobin explains how these skills have a profound effect upon motivation to change, willingness to engage, and enthusiasm for learning. Marcial Boo also describes the importance of entrepreneurs for the development of the public sector: entrepreneurialism from all public sector leaders – and not continued top-down, bureaucratic micro-management – will help the public sector move through adolescence into maturity.

Many authors stress the importance of support for the development of such skills. For example, Jeff Anderson describes how
an innovative culture needs support from the top; public sector staff need to be rewarded for innovation. Jeff also refers to the power of the entrepreneur, the need for all public sector leaders to demonstrate determined leadership and entrepreneurship for improvement in public services.

The authors’ essays again reflect the published literature, which describes traditional bureaucracy as inflexible in structure, averse to risk and stifling innovation, and details the need for the breakdown of unnecessary bureaucracy and the development of a supportive environment in order for innovation to prosper in the public sector. The literature goes on to describe how innovation in the public sector raises additional issues compared to innovation in private sector services, particularly around managing risk when there is a low tolerance for public service failures. The public sector needs to foster innovation while managing risk.

What next?
The 2007 essay competition provided the APLC with the opportunity to capture the voice of practitioners in the field. Authors also found the competition useful, for example: “It was well worth spending some time on”; “The process (of writing an essay) has made me think about the wider issues and about my own practice, so was of practical value.”

Many of the reflections submitted to the APLC essay competition challenge some of the core issues at the heart of public sector provision, such as citizen engagement and empowerment, and the recruitment and retention of future staff. These are key areas that will need to be investigated in the future in order to take the public sector forward.

In terms of developing reflective practitioners, the APLC essay competition has clearly added to the field of knowledge. Following its success, the competition is being run again in 2008. Details are available at www.ashridge.org.uk/aplcresearch.
After a varied civil service career ending as a senior civil servant in the Cabinet Office and Ministry of Defence, David Laughrin reflects on the provision of information and analysis that underpin Ministerial decision making, and examines the effectiveness and impact of these processes on the decision making process itself.

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Given the challenges they face, are Ministers being given the support they want and require? That is the question I felt deserved to be addressed when, having not long retired from a career in the Cabinet Office and the Ministry of Defence, which included two spells as a private secretary, I was encouraged by the Ashridge Public Leadership Centre to tackle under-researched aspects of public sector management. I reflected that the briefing given to Ministers in support of their decision taking role was an area of Civil Service work that had not changed much over 35 years. Was this true, and was this because the well-oiled ‘Rolls Royce’ process was so fit for purpose? Or had things changed more than I had noticed?

The briefing process
My initial work has indeed suggested that the framework for the support of decision-making in Government that I first came across in the 1970s is largely but not wholly unscathed. Ministers are often appointed with only a little previous background in the topics for which they are responsible. They are therefore supported, through their private offices, by large volumes of briefing from their officials. While some briefings are oral, they are often written. Written briefing is a well-honed skill, and briefs are frequently crafted with care by several hands.

To ensure that Ministers have effective summaries available to them, that they can absorb quickly and easily, many departments have developed templates. These require authors to state at the outset the issue, the timing and the recommendation, and then cover in short summary paragraphs the background, discussion, implications, risks, resource needs and a conclusion. Oral briefings tend to follow a similar pattern and are often based on a written briefing submitted a day or so before. Teams of officials attend, with the most senior often orchestrating the meeting. Good practice encourages the presence and active involvement of more junior officials with most direct knowledge, though this does not always happen.

The pressure of issues that need Ministerial attention means that many issues have to be dealt with by Ministers reading submissions overnight or at weekends. These are crammed into the familiar red Ministerial boxes, and many Ministers take home two or three at night and up to five at weekends. The decision-making itself is usually signified by a note from the Minister’s office confirming their view after a meeting or an overnight read, or by a note of an interdepartmental committee meeting of Ministers from the Cabinet Office. The latter are required for significant issues involving more than one department, or issues of political sensitivity. The only officials present at such discussions tend to be the note-takers. Non-expert Ministers are therefore left to argue their case with colleagues as best they can from mastery of their brief.

Recent changes
The most obvious changes over recent years are those documented by Professor Peter Hennessy in his series of ‘overflights’ looking at the reforms of the Blair Government. In The Blair Revolution, he notes that the Labour Government of 1997 arrived with a bias against the traditional apparatus of decision-taking through Cabinet Committee and towards new ways of tackling strategic and trans-departmental issues. This led to a greater use of more informal decision-making linked to presentations masterminded by favoured advisers or from central units, often based in the Cabinet Office. Some of these units brought with them ideas about presentation developed by the leading management consultancies.

There does seem to be a growing interest in using these methods – often based on Microsoft PowerPoint – style presentations (both oral and printed out) – in support of decision taking. In interviews in both the Office of Climate Change (OCC) and the Prime Minister’s Strategy Unit (PMSU), senior officials advocated the use of PowerPoint as a key enabler of clearer, more succinct and more powerful presentations of issues and options. They strongly resisted the idea that it was a way of ‘dumbing down’ or trivialising presentations. On the contrary, they argued that it often forced presenters to be more rigorous in their analysis and more robust in the way they developed their evidence. They could not hide behind rhetorical flourishes. Facts and diagrams had to carry the weight.

An alternative view came from other senior witnesses, best summed up by a former senior Australian public servant who commented that PowerPoint presentations are particularly good for technical subjects but “they are not so good from my point of view when more policy oriented problems need to be explored. Here a carefully and tightly argued written analysis that is complete and comprehensive in itself and which can be read slowly in one’s own time is hard to beat.”

There is some evidence – from the Department of Health, for example – that use of PowerPoint is gradually spreading as an optional additional support medium. But as yet there is no clear evidence that it is accepted or welcomed by Ministers or officials as a major part of the process of improving the effectiveness of briefings.

PowerPoint is, of course, just one possible tool. Of similar interest is the use of ‘dashboards’ and devices like those linked to the Balanced Scorecard approach to strategic planning. In some departments these have enabled Ministers and senior officials to be presented with a succinct summary of the progress of strategic plans. The Ministry of Defence is one example. At the more day to day level, the Department of Justice gives Ministers a summary briefing on key current departmental issues, facts and figures every weekend. However, the overall picture I have gleaned so far is one where the traditional framework has largely been sustained despite the views of some prominent critics.
A Different Perspective

One high profile critic is Sir Michael Bichard, whose career took him from the senior echelons of local government to being Permanent Secretary of two major Government departments. He also had the unusual experience of working with David Blunkett, the first blind Secretary of State. Sir Michael told me that his experience while working with David Blunkett had reinforced his view that the traditional process needed a drastic overhaul.

Q: When you moved into central government, what approach to briefing did you find?
A: Briefings were designed to cover every angle, but not to cover important aspects like risk and contingency planning. They often did not take account of things like reputation or finance or how things were going to be delivered.

Q: Did you notice any differences between your Civil Service and local government experiences of briefing?
A: In central government there was less attempt to focus on what value was being added, and less evidence of people being consulted, often on spurious grounds of “confidentiality”. Key stakeholders seemed not to have been brought in early enough so that the real issues to be addressed could be narrowed down.

Q: In general, was the culture more written than oral?
A: Of course. There were huge amounts of paper and I became painfully aware of the Friday afternoon dump when everyone in the office, it seemed, tried to dump issues for decision on the Permanent Secretary and Ministers. This meant that their weekends were more pleasant and ours were dismal. There is no more soul destroying prospect than wading through two or three boxes.

Q: What was the effect of David Blunkett’s arrival?
A: This obviously had the result of leading to more face-to-face briefings than written briefings. It also had a more positive effect on written briefs, as these had to be kept briefer so they could be summarised on tape. Good summaries went down well and poor rambling submissions were often the victim of irritable or weary prefaced remarks on tape by the summarisers. Clarity and brevity won over length.

Q: What were the pros and cons of these changes?
A: The pros were succinctness, added value and trust. The cons were the danger of a more informal style leading to decisions taken without the facts being clearly set out and recorded… But the more oral style had one other great benefit: it was easier for Ministers to get a proper feel for the confidence and soundness of the advice. Ministers can often get this in oral briefings from the willingness of officials to look them in the eye and answer questions readily. David Blunkett lacked that option of course, but made good use of telling silences, almost daring people to add the nuances that they had left out. He could listen to people suffer! All that can be blanked out of almost anonymous written briefs where the life and uncertainty have been ironed out of them.

Another angle

An interesting comparison comes from my conversations with senior figures from the private sector who have recently experienced traditional public sector briefing approaches from their work as non-executive directors on a Government departmental board. They have been surprised both by the volume and style of briefing. Being new to the culture of briefing, they gave me these tips for improvement:

• **Succinctness:** Don’t cover everything you know, cover the things that matter and need to be decided
• **Oral:** Use oral presentations more than written, taking account of fitness for purpose
• **Visuals:** Use pictures and numbers as much as words
• **Strategy:** Tie in decision-making to a regularly updated relevant strategic framework, to cover the short, medium and longer term and risks
• **Time:** Give decision makers sufficient time to reflect on inputs.

They all commented on the intelligence and competence of the staff they dealt with but queried whether this intelligence was always being well-directed.

Emerging findings

At this stage of my research, it would be, in Sir Humphrey’s word, “courageous” to settle on a recipe for reform. But my initial conclusions are that there is enough evidence of justified criticism, helpful insights, and interest in sharing best practice more broadly to merit more attention being paid to this topic. Practice here has tended to be left to be inherited as part of the departmental culture and from fairly low-level procedural guidance notes.

At this stage, my hunch is that some change may be valuable on four key fronts:

**Less overload:** More dialogue on ministerial choices and preferences; well-planned diaries, good delegation and thinking time; and judicious use of oral briefings to reduce the box-load.
Better collection of evidence: Well-planned research involving wider and earlier interaction with stakeholders; use of summaries, dashboards and techniques like decision trees; heightened awareness of decision science and decision making traps.

Better presentation of information: Better assessment of need and greater flexibility in format; better use of software and hardware to suit the style to the topic and not vice versa: more use of charts, models, maps and diagrams; portable devices, hyperlinks, templates and knowledge management systems; better feedback.

More useful interactions: Regular interactions with a range of staff to build trust; more time taken to explore possible future scenarios; and more use of decision conferences and mixed committees of Ministers and subject experts.

The next stage of my work will seek to flesh out recommendations and take on board directly the views of current and former Ministers. The outcome I am seeking is not a straitjacket that should be applied to all situations – I do not think this appropriate. I hope to develop instead an expanded menu of choices, an anthology of good practice from all sectors, and some reference material to support more training and coaching options. Good examples of what can already be offered are contained in courses run by the Centre for Working with Ministers and Parliament (part of the National School of Government) and the guidance on briefing in the cross-departmental e-learning material developed jointly by the Ministry of Defence and the National School. I also need to assess the possible effect of increasingly portable information technology on briefing, though I recognise that there are security, privacy and personal preference issues involved here. I would welcome comments and suggestions from Ashridge readers.

The last word should, I think, go to Albert Einstein, who said in one of his famous lectures: “It can scarcely be denied that the supreme goal of all theory is to make irreducible basic elements as simple and as few as possible without having to surrender the adequate representation of a single datum of experience.” That has been remembered by posterity as: “Things should be kept as simple as possible but no simpler.”

That should be the watchword of all those responsible for providing support for Ministers in their decision making.