

LEADING THE PUBLIC SECTOR INTO THE FUTURE

I. Introduction

- **We are being asked at this conference to think about the future of the public sector.**

- **For me, this assignment brought to mind Albert Einstein's comment: "I never think of the future. It comes soon enough."**

- **For those who know me, it hardly needs mentioning that I am no Einstein.**

- **For three decades I have studied, written about and been directly involved with organizational change in the public sector. So I do think about the future.**

- **I even subscribe to "*The Futurist*" magazine. My conclusion is that the people who call themselves "futurists" would be much better at their jobs if they did not have to predict the future!**

- **The premise for my remarks today is that the most important parts of the future are unknowable. I agree with the quote from Winston Churchill, one of the greatest leaders of the 20th century. He observed "It is wise to look ahead, but difficult to look further than you can see."**

- **Based upon that premise, I want to present five arguments. Rather than keep you in suspense, I will tell you the arguments in advance.**

- **First**, there are very real limits to how much governments can anticipate, let alone design the future.

- **Second**, governments are strongly committed at least rhetorically, to strategic planning and performance measurement / reporting/ management. This gives us the illusion that we are in control and can design our futures. In practice, however, most such activities resemble strategic improvisation, far more than formal strategic planning. As for the performance movement, which has swept governments in recent years, its greatest weakness has been a lack of utilization of the evidence gathered at significant expense

- **Third**, most of the models and approaches to change are based on the experience of private sector firms and ignore the unique challenges of leadership and management in the public sector.

- **Fourth**, successful organizational change requires the creative combination of environmental scanning, planning, leadership, structural and process reforms, cultural change, communications, performance management and the use of power. There is no simple “recipe” about how to combine these “ingredients” to bake the “perfect organizational cake”.

- **Fifth**, and finally, of all the mentioned “ingredients”, three are most important. These are leadership, contextual intelligence and the political skills of managing conflict by exercising power in an ethical manner.

- Now that you know my conclusions, you can return to eating your desserts and I will mumble my way through the rest of my remarks.

II. The Nature of Change

- **To state that change has become constant and intense has become a cliché.**

- **Not all change is the same, of course. Smaller, incremental changes in the public sector outnumber more sweeping, transformative changes. It is an open question, however, which type of change contributes most to organizational momentum and success.**

- **Change is not an objective process in which external forces arrive on the doorstep” of organizations and are “welcomed” into the internal processes of decision-making.**

- **How change is perceived and acted upon is a subjective, value-laden process. In other words, change is partly in the eye of the beholder.**

- **Not all change is good and not everyone benefits from change. Most people resist change, not necessarily because they are timid, but also because they see it bringing more harm than good.**

- **The late Larry Terry wrote (in his too little used book, *Leadership of Public Bureaucracies: The Administrator as Conservator*) about a type of public sector leader called an “administrative conservator”. Such leaders adopt the motto: “Change if necessary, but not**

necessarily change”. Their mission is to preserve the integrity of the institutions they lead. “Administrative conservatorship” is a useful counterweight to the predominant view that today’s environment demands only transformational changes and that only bold, heroic leaders can be successful.

III. The Forces Driving Change

- **To this sophisticated audience, I do not need to say much about the forces that will drive change in the future public sector. You are all well aware of them by having to confront them almost daily.**

- **The list of forces includes both long-term, historical developments and short-term, contemporary events.**

- **I will mention five such sources of change, and you can whisper to your seatmate, “He left out the most important factors”.**

My list would include:

- **Globalization of the economy and society, including terrorism, climate change and pandemics;**
- **The further explosion of the information and communications revolution, such that technologies once described as “new media” are now “old hat”;**
- **Deep values shifts within society, with various segments of the population expressing support for post-materialist values and a lack of trust and confidence in governments;**

- **Demographic changes which include, but are not limited to an aging population (including a public service population), and a more diverse population in which more social groups are confident and active;**
 - **Growing tension between “government”, which is becoming more centralized, vertical, controlling and personalized in the form of power in the hands of First Ministers and “governance”, which is decentralized, horizontal, fluid and driven by “impersonal” historical forces.**
- **So, these “five winds of change” are blowing over the public sector. The people in this room will be expected to help steer the ship of state in the resulting “squalls” of the future. This brings us to leadership.**

IV. Shared Leadership

- **Whole forests have been sacrificed on the topic of leadership. A book written in 1991, identified over 2,000 definitions used in books and articles written since the 1960s.**
- **I do not subscribe to “the great person” theory of leadership. In my view, leadership is a social relationship with three key components: leaders, followers and the contexts in which they interact.**
- **In this view, leadership is a group process in which individuals motivate and influence others to work towards a shared purpose.**

Leaders and followers are interchangeable, depending upon the situation, and leaders are found on many different levels throughout society and within organizations on all levels.

- **Leaders help to create and to achieve group goals, but they seldom are successful acting on their own.**

- **This is particularly true in the public sector, which is increasingly “joined up” and “tied down” by a multitude of external and internal links and relationships.**

- **A distinctive feature of the public sector “context” is that formal leadership is dual and shared.**

- **Ministers and public servants have always occupied a shared space within the overlapping and intersecting worlds of politics and administration.**

- **Elected politicians and appointed public servants each have their own preoccupations, knowledge base, skill sets and sources of legitimacy within the policy and administrative processes of government.**

- **It is mainly the job of the elected government to define the public interest. However, public servants have a role in protecting the integrity of government processes, including compliance with the law and fair and impartial decision-making.**

- **The relationship between ministers and public servants is becoming less exclusive as other actors outside of government become more involved with the development of policies and the delivery of programs.**
- **In a world of networked relationships and shared power, it will become more difficult to define the public interest, to uphold fairness and to enforce accountability.**
- **The knowledge and skill requirements of political and administrative leaders are converging, as they seek to cope with more complicated and demanding environments. I will say more on this point in a moment.**

V. Effective and Ethical Leadership

- **According to opinion surveys, honesty and integrity are the most important qualities that the public wants to see in public sector leaders. A close second in terms of what the public expects of government leaders is intelligence and competence.**
- **The public has become more insistent on both effective and ethical leadership in government. They want results and they will not tolerate ethical debacles, which they see as all too common.**

- **For the future, both politicians and public servants must become more skilled at using power ethically.**

- **To be an effective leader, you need to understand the strategies and tactics through which power is gained and used. You need to understand the potential and the limits of the different types of power within different contexts.**

- **Successful leaders in the future will need to combine “hard” and “soft” power to achieve change.**

- **Authority, money and the ability to hire and fire are examples of hard power. Soft power consists of the ability to shape the preferences and values of others. It involves attraction, engagement, persuasion and inspiration. Soft power is a closely related conceptual cousin of influence, the most widely used form of power.**

- **Not all situations can be handled by the use of soft power. In a small number of situations, only hard power will work. This means dealing firmly with abuses of authority or serious blunders, dealing with non-performers in the workplace, protecting the public interest when dealing with private parties who are not respecting the role of government. “Happy face” approaches to leadership and management cannot always work.**

VI. Contextual Intelligence

- **A crucial skill for future public sector leaders will be to gather “contextual intelligence” successfully and to reflect on how to combine “hard” and “soft” power to achieve successful change.**

- **The phrase “contextual intelligence” (CI) refers to the ability to understand rapidly evolving environments and to capitalize on trends.**

- **CI allows creative leaders to recognize and exploit “windows of opportunity”.**

- **CI helps leaders to decide whether technical, incremental change will suffice, or whether more fundamental, transformative change is required.**

- **CI allows leaders to understand the distribution of power, the needs and wants of followers, the urgency of issues, the information requirements and the constraints on action.**

- **CI combines explicit and tacit knowledge. Understanding context is essential to successful leadership.**

VII. The Vision Thing

- **The heroic literature on corporate leadership stresses the importance of vision.**

- **In government, it should be mainly the role of politicians to supply the vision. There is a yearning today for politicians who are less opportunistic, driven by polls, timid and preoccupied with winning the next election.**

- **However, visions can be overrated in terms of solving real world problems. A successful vision has to be attractive to a wide range of followers and stakeholders. What resonates well with one group may not gain the support of another. Anyone can produce a wish list, but effective visions combine inspiration with feasibility. Visions must balance aspirations with resources, realism with risk. After all the “fun” of brainstorming and creative crafting of vision statements is complete, the hard work of implementation begins.**

- **Even the most enticing vision, articulated eloquently by an inspiring leader will not eliminate the need for “politics”.**

VIII. The Politics of Change

- **Today, “politics” is a dirty word. It has connotations of dishonesty, manipulation, opportunism and deception. Yet politics happens in all human organizations and groups.**

- **At its best, politics involves the recognition and creative accommodation of divergent values and interests. In the public sector politics takes place on many levels, including big “P” partisan politics, medium sized bureaucratic politics and small “p” office politics. To ask that public administration be exempt from politics is a bit like asking that there be no darkness in every 24 hours. It is just not going to happen.**

- **Rather than denigrate and lament politics as an alien obstruction in the search for better government, we should seek to improve the quality of the politics—a theme to which I return in my triumphant conclusion!**

- **Politics will be even more crucial going forward. If current trends continue, governments will become less in charge of the change process. There will be less top down direction. There will be more shared power, shared initiative, shared risk taking and shared accountability.**

- **Rather than “command and control”, change will happen through the recognition of windows of opportunity, the alignment of efforts of multiple parties and reliance upon extensive collaboration.**
- **In the turbulent and “joined up” world of the future, the jobs of politicians and public servants will overlap more and become more similar in content. Anticipation and foresight will become more important, but also more difficult.**
- **The competencies required of political and administrative leaders will converge. All public office holders will have to improve their “soft power” skills, such as inspiration, communication, persuasion, mediation, negotiation and risk management.**
- **In the “flatter” world of the future, in which most relationships will be horizontal rather than vertical, the development of engagement, commitment and trust with others will be crucial.**
- **Values–based leadership and using power ethically will be essential to generating trust.**
- **Currently, governments invest (probably not enough) in the development of public service leaders. With politicians, however, the prevailing assumption seems to be that no training is required.**

- **In contrast, politicians are expected to learn on the job. The novelist, Robert Louis Stevenson, once observed: “Politics is the only occupation for which no preparation is thought to be necessary”. This is dead wrong. The days when politicians could be part- time, amateurs are long gone.**

- **- We need to improve the quantity and quality of policy thinking within political parties. In addition, we need to enhance the knowledge and skills of politicians.**

- **I am proposing a School of Government for politicians to help them become better equipped to deal with the future. I have not worked out all the details in terms of what will be taught, by whom, where and when. I welcome your advice on those matters.**

- **In terms of the competencies which the School would develop, I would propose the following:**
 - **the development of “contextual knowledge” of the past, present and future;**
 - **encouragement to think longer term than the next election;**
 - **skills in strategic and integrative thinking;**
 - **a commitment to evidenced-based policy making;**
 - **analytical capability to understand complex causal relationships;**
 - **a tolerance for ambiguity and uncertainty;**
 - **competencies in managing relationships, including communication, persuasion and negotiation;**
 - **agenda management, including issue identification, problem definition, direction setting, the advancement of issues and ensuring implementation;**

- **knowledge of the Constitution and the machinery of government;**
 - **self-awareness, character, judgment, ethical thinking and a commitment to serve the public interest;**
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- **The curriculum for the proposed School of Government will necessarily be broad and difficult. As in other graduate schools, the brighter, more committed students will master the material and go on to become better political leaders than the weaker, less committed students.**
 - **There is a something archaic about how contemporary politics is practiced. It has become a ritualized game of government versus opposition. Issues are forced into polarized choices of being for or against something. A great deal of contemporary political activity consists of little more than “brokering” interests and manipulating public opinion. There is too little sense of public purpose and criteria of judgment about what is in the public good.**
 - **For the future, there is a greater need for TQM than for TQP! We need total quality politics more than we need total quality management.**
 - **Thank you!**