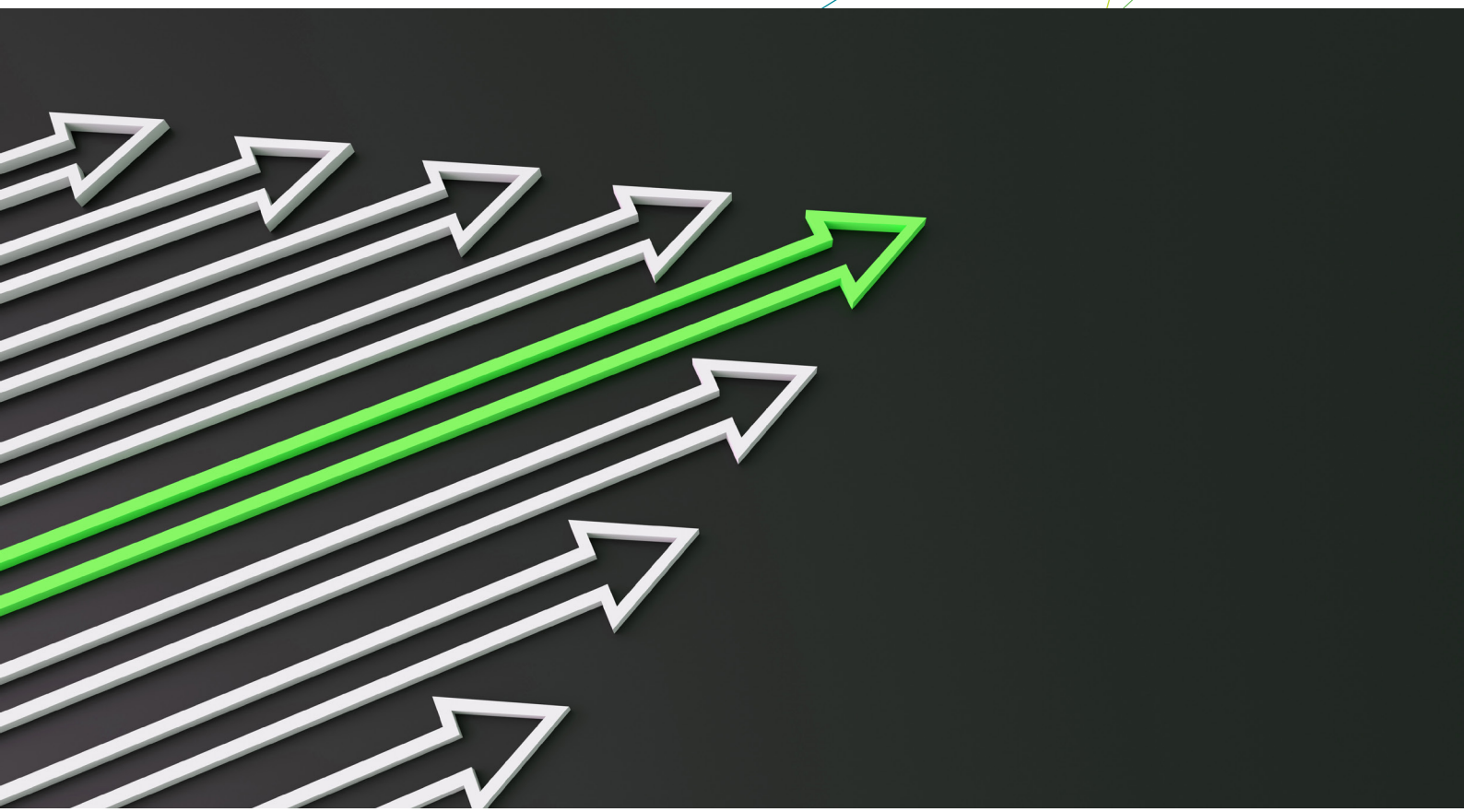
Is it time for a new kind of leader in Local Government?



Local Government Report No 3.

changeassociates

Introduction

With complex problems to solve, too many priorities to juggle and increasing pressures on resources, Local Government has long been testing the inadequacies of traditional organisational structures and old forms of leadership.

In any organisation, working effectively across multiple and politically fraught boundaries to achieve real business change requires new paradigms, transformed cultures and leadership teams who have a myriad of capabilities and skills.

Being visionary, brave, engaging, supportive, pragmatic and above all customer-focussed will need many Local Government leaders to take an honest look at their approach and work out how these skills can be developed. The resulting shift needs to be embraced by leadership teams and filtered down through the organisation.

Local Government leaders also face the challenge of being progressive and radical against a backdrop of reduced resources and services. Where there is a tendency to close minds and become defensive, or more risk-averse, leaders need to create space for creative thinking and innovation if they are going to redefine the public service ethos and deliver progressive change.

To succeed in transforming Local Government, leaders must challenge the norms. In this report, based on interviews with leaders, secondary research and examination of best practice, we identify five themes that are driving the agenda for leadership change in Local Government.

Theme 1 Citizens, employees and politicians are in the driving seat

Theme 2 Leading change is more than vision and strategy

Theme 3 It's about alignment, not hierarchy

Theme 4 Are Local Government supertankers too big to innovate and change direction?

Theme 5 Authenticity – are you for real?

1. Citizens, employees and politicians are all in the driving seat

As we discussed in our previous report, *'Optimising the customer experience'*, although private sector leaders are responsible for making business decisions, their customers will vote with their wallets and employees with their loyalty if their needs are not reflected.

In Local Government, this challenge is amplified because their customer-base is made up of citizens and local businesses who don't fit neatly into a market segment, where targeted strategies can be applied. Instead, they come from all walks of life with different needs, priorities and expectations. Layered on top is what could be referred to as the *'political-managerial interface'* where Chief Execs develop and manage a relationship with political leaders.

The challenges are well described by Andrew Muter, Chief Executive of Newark and Sherwood District Council:

"The Chief Executive's leadership position in Local Government operates in a different context to simple hierarchies. We all manage at the political interface – what some have termed a grey area between the hurly-burly of big P Politics and the general management of the organisation. … … The Leader / Chief Executive relationship can come under the greatest of strain even in the best of times. …The pressures of shrinking resources, transformational change and spiralling demand call for leaders to raise their games. This is a test for the relationship, but it's also an opportunity for synergistic co-leadership."

https://inlogov.com/2013/10/09/managerial-political-interface/

Between political agendas and citizen satisfaction lies an organisation structure and workforce that are crucial in delivering frontline services. Often, staff are also local citizens and will develop their agendas, independent of their role in Local Government. The leadership required to manage this equation is not easy.

The customer revolution has been enabled and driven by technology in a digital age where expectations and dissatisfaction can be amplified on a massive scale. Where it was once said a dissatisfied customer would share their experience with eleven of their friends, we might now say 11,000 of their followers.

Calls to action

- Leaders need to recognise the drivers for improving citizen experience – drivers we discuss in more detail in our report *'Optimising customer experience in local government'*. Without building up a complete picture of Local Government, local government strategies cannot be delivered, departmental budgets will not be met, and employees will remain disengaged.
- Leaders can take advantage of technology to connect with citizens and employees in a way that builds a following and engagement, and can build a weight of opinion to influence political debate. Technology has become integral in achieving consistency of customer experience and highlighting where improvement needs to be made.
- In a socially connected world, leaders ignore customer and employee satisfaction at their peril. There is an opportunity for chief executives and political leaders to co-create clear and compelling narratives for local authorities and citizens to hear and get behind. Strong relationships can prosper in difficult times.

2. Leading change is more than vision and strategy

Many leaders have found to their cost that a successful past does not guarantee a prosperous future. Leading change – by which we mean anticipating and organising resources around change – must become a priority for leaders. Making change happen requires a greater application of leadership talent than merely establishing a vision, although vision remains essential.

In Local Government, political change becomes another driver of change in addition to customer and employee expectation and behaviour. A vision and culture that brings together all sides of the triangle, and leaders who are consistent in delivering against this vision, will garner trust and improve the likelihood of successful change. A *'Golden Thread'* between vision and operations will ensure consistency and alignment of direction and execution.

Often, there is friction between the teams responsible for change and *'business as usual'* activities. Successful leaders recognise their role cannot be either/or. The leaders' challenge is to set the scene for change and create the necessary alignment to enable these workstreams to happen concurrently.

McKinsey found that a third of transformation failures in Local Government were attributed to unsupportive leadership behaviours derailing the change. Leadership does not stop with the setting of vision and strategy; they need to be followed up with commitment right through to delivery.

Calls to action

- A clear purpose and priorities are needed to build confidence and stability. Successful transformations make their destination and the reasons why change is necessary clear to employees and citizens alike. In setting objectives, less can be more: keep objectives specific and outcome-based.
- Secure an inspiring executive champion for change and establish the right leadership team around her or him to create a Golden Thread between organisational objectives and departmental outcomes. Without building this kind of leadership, change programmes can lose the emotional buy-in.
- Focus on three time scales.
  - Learn from the past (accepting legacy but letting go of outdated traditions).
  - Deliver results now (to address urgent needs of the short-termism that often comes from the electoral cycle).
  - Create an organisation that can thrive in the future.
- Learn from other authorities who are often keen to share good practice at conferences or directly. Some councils will explore a shared service model, where the relative competencies of each council are reflected by which authority takes lead responsibility for delivering which service.
- Enable your people to do what is required by ensuring they have the skills, resources and mandate to make change happen.

3. It's about alignment, not hierarchy

Leadership is a distributed responsibility, occurring in various parts of the organisation. It is not one single person's responsibility.

Organisational Transformation needs this distribution of leadership responsibility, aligned around a shared vision and values. However, it does not always come easily in the traditional line management model in Local Government. Leaders who recognise that different challenges and circumstances require specific skills and knowledge empower subject matter experts to build non-hierarchical teams around them to deliver projects.

In Local Government and public-sector organisations in general, this can be a particular challenge when hierarchy also mirrors strict grading structures, reporting lines and responsibilities. Councils that break down the *'not in my job description'* culture can create an environment in which managers and leaders work together in decision-making and take collective responsibility for delivery.

Leadership styles at the very top have to change to make this happen. It's not *"how do I lead and be the best?"* – rather it's about *"how do I enable others to be their best?"*

This raises the question of whether the organisation hierarchy needs to be broken

down or teams created outside of it, supplemented by people who have different skills to offer.

There is plenty of evidence that local government continues to attract highly skilled people. Most often this expertise comes in service areas such as planning, social care and children's services. These capabilities are essential for the day-to-day functioning of the council, but the skills needed to make change happen successfully are different and less frequently found. It should be said that the public sector is not alone in this; few private sector organisations permanently employ their own in-house change management experts.

Consultants or interims are one answer; another is to bring in customers/citizens and work together on addressing a specific customer need. Equally, suppliers or organisations who may in some circumstances be competitors can become collaborators on particular issues.

Calls to action:

- Put citizen need at the heart of decisions over and above how the organisation is hierarchically structured.
- Ask not *"How do I lead and be the best?"* but *"How do I enable others to be their best?"*
- See your teams as kindred spirits working to a shared purpose, helping to shape, deliver and share in success.
- Align around a common goal to enable agile decision-making and create a culture where people feel a sense of ownership and empowerment.
- Leaders should sit in the middle, surrounded by experts to deliver for the customer regardless of job title or seniority. Whatever the hierarchy, leaders need direct contact with citizens.
- Get to know your teams for the skills that they have and the best ways in which they work together.
- Transformation is often fragmented between different teams: IT, HR, Change and Process Improvement Teams all play a part. A more integrated approach is needed, with end-to-end change managed more collectively for speed, agility and cost.
- Flatten hierarchies – with close collaboration between the functions, and design for flexibility, so problems are solved as they arise. Larger, long-established organisations have moved, almost with inevitability over the years, towards matrix structures, often a result of assumed but untested logic and political fudge. In fact, the resultant complications make matrix structures notoriously tricky in practice. Ambiguity around responsibilities and accountabilities of regions, functions and products create duplication or oversight. The call to action is to bring clarity to the workings of the matrix, meaning that change can be better implemented within a clear framework.

4. Local Government supertankers are not too big to innovate and change direction

As we have noted in previous reports, characteristics that once ensured the dominance of the corporate behemoths can become encumbrances that hold them back and stifle innovation.

Local Government shares this problem and, although it does not have the same threat from smaller start-ups taking chunks of market share, it does face the risk of getting left behind through a lack of innovation, meaning that change is always something that is on the distant horizon and never something to start working on now.

Local Government doesn't have the option of acquiring smaller and more nimble competitors or setting up spin-off innovation arms to bypass their legacy and bureaucracy. But this doesn't mean that it shouldn't aim to create time for creative activities so ideas can be explored and tested.

Great strides are being made. The LGA Annual Conference's Innovation Zone is a vibrant, creative space for councils and other organisations to showcase and discuss how they use innovation to address local issues.

Only with the backing of leaders can this be made possible. Traditionalists may see innovation as being full of risk. Yet a culture that encourages innovation does so to mitigate the even more significant risk that they miss out on opportunities to deliver services innovatively and cost-effectively. Failure in a controlled environment is necessary to learn what can work in practice.

Innovations can come from any part of the organisation, and arguably the best rarely come from organisational leaders. Ideas should be encouraged from all levels of the business. External help can be helpful. Deep knowledge and specialist experience in a wide range of industries can bring fresh thinking and stimulate discussion. The art of *'exploring possibilities'* has to be cultivated by leaders in Local Government to make change happen.

Working with six local authorities across England and Wales, the RSA, in their 2017 *'Transforming Together'* project, sought to understand innovation in Local Government and the characteristics of those authorities innovating successfully. Rather than being based on *'bright ideas'*, most of the innovations were about the steadfast and persistent implementation of ideas that have been around for some time but have often proved difficult to deliver in practice. For example, the South Tyne and Wear Waste Management Partnerships took more than five years to prepare the 25-year contract, which will reportedly *"provide millions in savings and reduce landfill to a minimum"*.

The project also demonstrated that behind the most successful innovations was a *"robust, long-term partnership approach"* rather than an ad hoc alliance. For example, the principal public sector leaders in South Tyneside agreed a shared 20-year vision in 2010, setting out their ambitions for the borough, to provide foundation and focus.

"The people leading the partnerships delivering the most far-reaching innovations were truly passionate about their goals. They were upbeat, committed and determined, despite facing many barriers, constraints and challenges. They were relentless in pursuing their objectives."

Transforming Together

Overall the study confirmed the need for leaders to be committed to improving the lives of citizens and place, overcoming barriers and pursuing objectives relentlessly rather than defending their organisations' traditional role, practices and budgets.

Calls to action:

- Recognise the importance of innovation as part of *'business as usual'* activity, encouraging people at all levels to contribute ideas.
- Focus on improving the lives of residents and place, rather than defending traditional roles, practices and budgets.
- Work in partnership with leaders from other authorities to deliver innovation.
- Aim high even if you don't quite get there rather than accept adequacy. Failure is an option. Allow for experimentation and learning from mistakes.

- Promote (and indeed expect) reflection and learning to build coping skills and resilience across the organisation.

5. Authenticity - Are you for real?

"People don't buy what you do; people buy why you do it."

Simon Sinek

An organisation's purpose – why it was formed, what it exists to do, and how it captures the hearts and minds of its audiences – has never been more important. Purpose is judged by how a company operates, the decisions it makes and how its representatives behave.

But surely the purpose of local government is clear? Coming back to the Sinek quotation, though, purpose is no longer about just defining *'what'* you do for people but making customers and employees believe in *'why'*. When the *'why'* matches their expectation of *'why'* the organisation exists then a powerful bond can be created.

Authenticity is key. Bob Monkhouse once joked, *"The public love sincerity; if you can fake that, you've got it made"*, and some organisations attempt that approach. But it's a short-lived strategy. Portraying a purpose that is not authentic is exhausting and ultimately self-destructive.

Authentic leaders are regarded as trustworthy, genuine and consistent. They practise what they preach, have the confidence to reveal their true selves and admit when they are wrong. Strong leaders see every situation as a trust-building opportunity.

The political world has felt the weight of public opinion when trust breaks down as much as any other sector. Arguably the electoral win for Trump and referendum victory for Brexit in recent years reflect voters who felt let down by an establishment and experts who thought they knew what was best for people. Perhaps demonstrating a personality that is authentic but unpalatable to many may be more successful, although only time will tell whether this is sustainable.

For leaders, the issues of trust and authenticity are perhaps the single biggest challenge to overcome as it is fundamental to the bond between their organisation and the citizens for whom it provides services.

Trust is created when a promise is made and kept, uniting the shared values of the organisation, its leaders and its employees. Leaders must be unrelenting in their communication, providing evidence of promises kept and demonstrating shared values. And as Simon Sinek said, this often starts with *'why'* – a simple statement of intent based on priorities, ambition and vision.

Call to action:

- Build a leadership brand or ethos around what connects people as well as the big picture vision and values.
- Recreate the public service ethos – the small, routine but reliable processes and actions that bind us all together. And the big picture, the vision of a better future and the values that drive those who deliver public services.
- Engage others across the system; empower middle managers and engage the frontline workforce; actively involve service users and citizens.
- New priorities can cloud the memory. Keep revising efforts to embed the purpose and common behaviours needed to change the organisation.

Conclusion – The future has only just begun.

Local government complexity and central government cuts have meant that structural reform has played a more influential role than transformation, culture change and innovation when it comes to shaping the future of local government and determining a vision for transformation. Forward-thinking leaders have recognised that for councils to be re-invented for this era of constrained funding and rising demand, new forms of leadership, new skills and new ways of working will be needed to resolve the challenges.

Anyone hoping for a pause for breath during this period of rapid change and heightened expectation is destined for disappointment. To use what is already something of a cliché, Business Transformation has become *'business as usual'*, regardless of sector.

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