



Leading Reinvention of the Public Sector

A local government toolkit for effectively leading change

November 2015

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Background

Recent policy reforms have sharpened the focus of local government on service delivery. Traditionally, local government is seen as a provider of services. There is a growing trend for local government to be a broker, and not necessarily a provider, of services. While there is strong technical element to this, service delivery is not only a technical process. The quality of services – whether delivered directly by local government or under the responsibility of local government – is actually the result of well-combined technical processes as well as social and commercial imperatives.

This toolkit focuses on the interaction of different sets of related processes: those interactions and relationships between people, community, finances, and systems that must be integrated and productive in order for an organisation to succeed. This is a complex picture because the external impacts on a Council have a dynamic relationship to internal trends and culture. But what are those trends and how are Councils really grappling with external trends outside of their control? What are the levers that are within the control of leaders in local government and how can they be used in the most effective way, given the current local government context?

Key sources of change include:

- Rapid technological advances, resulting in higher expectations in terms of service quality on the part of rate-payers
- Lower levels of financial support from federal and state government
- Pressure on Councils to be financially sustainable as well as to exist on an appropriate scale for the community now and in the future
- Commercial drivers providing scope for services to be provided on a competitive basis and not delivered not exclusively by local government
- Generational change: a younger local government workforce with different expectations in terms of work flexibility, tenure, and leadership
- All this in a context of a slow-to-shift regulatory environment, largely embodied in local government legislation

This toolkit is an output of an LKS Quaero Leadership Forum held on Tuesday 17 November 2015. We draw on a range of complementary models but focus mainly on the models found in *Systems Leadership, Creating Positive Organisations*, referenced at page 20 of this toolkit.

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Social, Technical and Commercial

“If leaders do not understand people and how they view the world, they will fail. If they do understand people, they have a chance to engage the knowledge and creativity embodied in everyone.”

Systems Leadership, Creating Positive Organisations

In any organisation, there are three sets of related systems that must work together productively in order for the organisation to be successful. This is as true in local government as anywhere else.

- **Social systems** – those interactions that revolve around relationships, concepts of accountability and authority, culture, language, and leadership.
- **Commercial systems** – interactions to do with creating value, monetary or otherwise, including rates, commercial business units, debt, assets, and depreciation.
- **Technical systems** – processes embodying very specific detailed knowledge, including IT systems and platforms, and technical disciplines, for example, land development applications, planning and regulatory frameworks.

You cannot have one without the others. A new IT system is useless if those who are meant to use it can't understand how it works. Disputes with the union about restructuring organisations – in some ways representing technical questions of time limits and legal interpretation – are often played out against a backdrop of past grievances, assumptions of blame and the resultant negative cultural traits that this generates.

Why is this distinction important?

When something isn't working well, we notice. If we don't get paid as we expect we will very quickly see the problem and try to get it fixed. If your emails don't work, it is clear and obvious (not to mention frustrating!). Social systems, however, can be far more complex. People have beliefs, attitudes and mindsets. Understanding and working with people isn't the “soft stuff” – this is easily the most difficult part of an organisation to get right.

But consider the language and toolkit we already have for technical and commercial systems. If we need to show financial results, there is a “P&L” and we might be working to avoid going over a “budget”. In terms of technical systems, those in the know understand what a “development application” means; if you're a lawyer you can instantly recognise a “statement of claim”. But what about social systems? Do we have a shared understanding of what we mean when we use words like:

- Leader and Leadership
- Culture
- Accountability and Authority

The answer is definitely “no”! If we make an assumption that *some form of* shared common language is a minimum (but not sufficient) pre-condition to ongoing cohesion between people, surely it is worth defining some of these things properly.

Leadership and Culture

Leadership

Let's start with defining the concept of leadership. Whatever the person's role title, the fundamental work of a leader is to create, maintain, and improve a group of people so that they achieve objectives and continue to do so over time. *How* a leader does this is of course critical to their success. Achieving a short-term outcome is not enough – and this distinguishes “true” leadership from something else. If you are a leader in an organisation, you must interact with people day in day out, and to succeed you need to really understand people and how they work.

Culture

We all make judgements. Many are not conscious, and most are instantaneous. We need to make judgements about things in order to narrow down the field of information we can draw on in order to make sense of the world, make decisions, and get on with life. The alternative is trying to take on all the information available to us and to be quickly overwhelmed. Consider the example below.

It's the weekend. A new CEO, Janet, has been appointed to a Council. She is from the private sector and is highly intelligent, but is not experienced in the customs of local government. She sees one of her Directors, Robert, who is in charge of the engineering functions of Council, at the local shops one day. He doesn't see her. Robert has a 3 year old son who is clearly tired and cranky – they are at the checkout queue about to pay for their shopping when Robert's son reaches out and grabs a Golden Rough from the shelves. He unwraps the chocolate and starts eating. Robert grabs the chocolate and gives his son a hard and audible slap on his hand. His son yells out in pain, cries and screams and needs to be physically crammed into his stroller in order to get out of the shop. The next morning Janet asks Robert to visit him in her office.

Consider your own reaction to this story. What are your reactions and assumptions about Robert's behaviour? What about Janet's? Robert's son? What do you think other people in the shop thought? What if I told you a third person from Council also saw what happened and then saw Robert going into the CEO's office on Monday morning. What assumptions might they hold? What do you think are the range of responses to what has happened?

The reality is we all see things slightly differently according to our lens. Our lens helps us make sense of the world and is an amalgam of a multitude of experiences as we go through life – many of which have been formed quite early on through our upbringing, peer group, and schooling as well as our physical make-up.

When we make judgements based on our lens, we're mostly confirming or being challenged on our beliefs. This is critically important to understand as our beliefs drive our behaviour, which then results in outcomes. All of them – safety results, work performance, levels of overtime – stem in large part from collections of beliefs.

Human beings make judgements, based on a lens, and these judgements form beliefs. A culture is a group of people who share beliefs. The more beliefs that are shared, the stronger the culture. In particular, cultures tend to form around beliefs about behaviour that are viewed through a set of fundamental human values.

Trust
Courage
Fairness

Love
Dignity
Honesty

We often judge behaviour according to one or more of these 6 values. These 6 values have been shown to be critical to the formation of cultures across many different countries and groups of people. What defines one culture as distinct from another is how behaviour is judged on a continuum of, for example, fair or unfair, dignified or undignified, trustworthy or untrustworthy. An event that results in groups within a culture judging a behaviour differently may and often does result in a splitting of cultures into sub-cultures. Organisations are therefore an extremely complex mix of sub-cultures as well as dominant and minority cultures. Consider the example below.

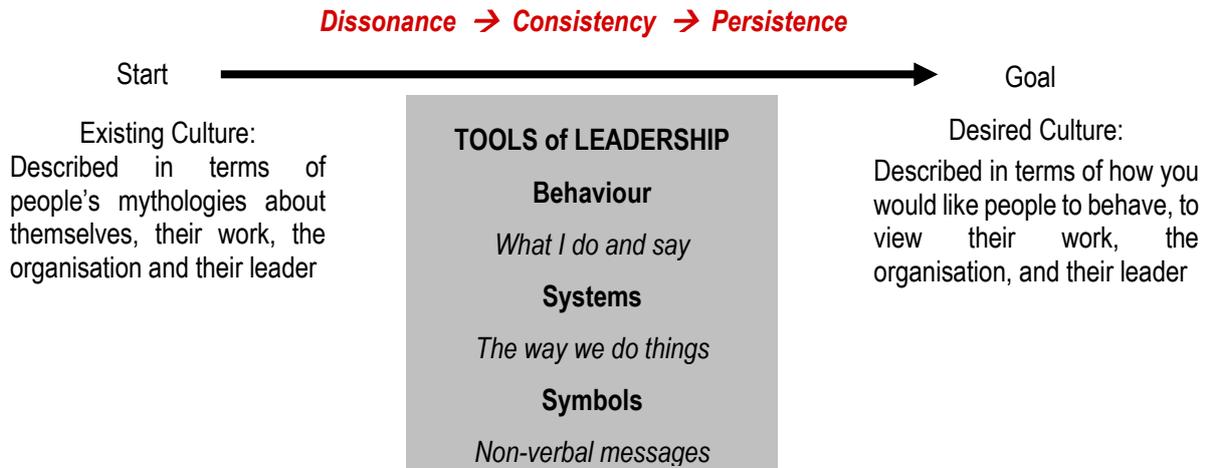
A CEO of a metropolitan Council calls an all-staff meeting. The results of a government assessment are in and the Council is not seen to be sustainable if it is run according to its current structure, size, asset base, and scope of services. The CEO paints the picture by saying “we can’t continue on like this. The old ways will not be good enough. We will all need to change. That’s why I’m today announcing a review into everything we do – from how we manage our assets, to dealing with customers, to reviewing DAs. No-one is safe. I’m appointing a project team to review what we do and report back to me in 3 months’ time. I’d like you to all cooperate with the review.” The next day, the CEO sends an all-staff email appointing the Director Corporate Affairs as Acting CEO as he is going on holidays for 6 weeks.

What beliefs might the listeners form about the CEO’s speech? Fair or unfair? Loving or unloving? What about his subsequent behaviour? How might your role and experience in the organisation influence your reaction?

The challenge of leadership is understanding these social valuing processes **before** acting so that your behaviour leads to the **creation of positive beliefs** – in other words, a positive culture – about yourself, the people in the organisation or team and the organisation itself.

Influencing Culture

Of course, it is not possible for all people to view your actions and decisions positively all of the time. At the same time, intending for your actions to be viewed positively while not behaving in a way that is consistent with that intention is not enough. The question then becomes: how can you create a positive culture? The answer is partially about the use of the “tools of leadership” and partially about how those tools are used.



There are several key principles to keep in mind when using the tools of leadership:

- Systems drive behaviour – there are ever-present ways of doing things that may be documented or informal. A good example is performance measures. If an individual's performance is assessed on a monthly basis according to financial metrics alone, that person will naturally want to maximise revenue above all else – even making decisions that drive positive monthly revenue results at the expense of relationships.
- The alignment of behaviour, systems, and symbols is critical. People aren't silly – we see through people who say one thing and then do another very quickly.
- Apart from alignment, people also notice small things. They notice small things a leader does especially. A leader needs to not just *do the work, but be seen to do it*. In local government, this is absolutely true – long after a strategic plan is forgotten, people will remember what the CEO actually said when he came down to the depot to just talk.

Adaptive and Technical Challenges

The reinvention of local government organisations to respond to the rapidly changing demands of the external environment is an adaptive challenge. The problem is difficult to define, there is no single known solution, and there are many stakeholders. There is a set of key cultural traits that tend to be common to organisations that deal successfully with adaptive challenges:

- "Elephants in the room": the willingness and systems to support the sharing of bad news.
- Shared purpose: the extent to which people from across the organisation share an energising purpose for doing the work.
- Independent judgement: how much an individual's judgement is recognised and allowed to be made – especially managerial judgement.
- Leadership capacity: the extent to which leadership ability is recognised alongside technical skills.
- Institutionalised reflection and learning: the extent to which work is truly reviewed and reflected upon without blame.

Building a more positive organisational culture begins with an assessment of its current state. The above cultural traits; a general assessment of current beliefs, culture, and sub-cultures; and an analysis of what is driving current beliefs make for an excellent start.

Employee Engagement

Often measured in local government using an annual online survey, employee engagement is a measure of the quality of the relationship between an employee and an organisation. There are a range of useful models to understand employee engagement, but using the language of beliefs, a highly engaged workforce is one that has generally positive shared beliefs about the leaders, co-workers and the organisation they work in. It is a collective emotional state and can be difficult to define. In fact, it can be so nebulous that the act of measuring it, changes it.

This has a number of implications when attempting to measure employee engagement:

- If it must be an annual survey, are the results seen to be taken seriously, acted up promptly and meaningfully? Is there a link between the survey and the planning processes that are taken most seriously in the organisation?
- If it is a face-to-face survey or a series of workshops, to what extent are current prevailing levels of trust in the organisation going to affect the results? What is the implication of this for how the survey will be planned and implemented?

Interestingly, comparing employee engagement to when forming relationships one-on-one, there are parallels with how positive employee engagement between many and an organisation can be built and destroyed. When forming a productive relationship it is critical that some form of emotional bond be established. If there is no emotion, we can predict that the relationship will be flimsy. Once that is established, it is vital to establish trust – which could be as simple as *saying you will do something and actually doing it*. Then and only then is it productive to ask something of someone else. And if all of that is working well, we can anticipate that people will speak well of us.

Emotion – do we have an emotional connection?

Trust – have you demonstrated I can trust you?

Relationship – is it ok to ask things of each other?

Referral – will I talk about you positively to others?

The Creation of Dissonance

One thing that is unavoidable when leading people is creating dissonance. If you want to change a culture, the fallout from dissonance is an occupational hazard, but clearly worth it in the end.

Dissonance is about challenging expectations and beliefs. It can be positive, like a new manager setting expectations and providing feedback to a team that was never well-led. And it can be negative, for example, finding out that your role has changed without your knowledge or input. Dissonance can also be intended to be positive, but be experienced negatively, and vice versa.

What we intend is often quite different to how another person experiences our behaviour. If you've sent what you believe is a benign email and received an angry response in return, you will know that the response you expect is often not what you get back in practice. It is futile to attempt to control these reactions in others, although we can seek to influence – this is at the core of leadership. Dissonance is a natural response to an unexpected event or behaviour – it may be a surprisingly pleasant or very unpleasant and stressful.

The reason that dissonance can be painful is that once we form a belief it is nigh on impossible to change it. We can form new beliefs, but these are experienced through our personal system of beliefs – we want to believe what we believe and will rail against a challenge to our belief systems.

There are several options that a person can take in response to dissonance:

- To rationalise the event as a “once off”
- To deny its existence
- To form a new belief that accepts the event as a new pattern of behaviour

When attempting to create new beliefs about yourself, your team or the organisation you are working for, the third dot point is the hardest to achieve. This makes leadership challenging and implies that if we choose to behave in a way that challenges a prevailing belief – for instance, “I'm going to start giving feedback to my team” – we need to do it consistently and persist. If we don't, the beliefs will snap back to where they were before, but this time with another even more damaging belief: “managers have tried to lead before, but have failed – no-one can lead us well”.

Behaviour – Teamwork and Tasks

Leadership is about influencing a group of people to produce results over time. In all organisations, people are far more willing to work productively if they are involved in the purpose of their work, can contribute to the solution of challenges, and can understand the context of what they are doing. Despite all the recent reams of paper written about new structures and styles of leadership, the majority of people enjoy working in an environment with a clear single, leader.

Teamwork Model

The following model, the Teamwork Model, is a predictive model that helps us make sense of a complex challenge. It fits into neither a dictatorial style of leadership nor a consensus style. It asks a leader to be accountable for the outcome of the process as well as the social interactions that occurred to produce that outcome. It also asks team members to actively contribute. Applied well and not mechanistically in the context of a team that has a high degree of mutual trust, it can work exceptionally well in supporting a productive culture.

Leader		Team Member
Explain	Context (including constraints) and Purpose	Understands
Encourage and Identify	Critical Issues	Contribute ideas and listen
Decide	Plans	Accept
Assign	Tasks	Clarify and accept
Actively monitor	Monitor	Accept
Coach/Accept	Coach	Coach/Accept
Actively review	Review	Demand

The Teamwork Model is not intended to be an event, used only when certain conditions are in place or thought of as an ideal only. In fact, the model is used best in complex, difficult situations – those that require the strongest and most dedicated leadership. If it is not used, you can predict that things will not go as well as they should. Consider the example below.

The CEO of the metropolitan Council from our previous example receives the bad news from the government. Instead of simply briefing his executive team, he actively involves them in the “how” of this challenge and not just the “what”. He road-tests his plan with the team and one of his Directors raises a critical issue – “what if your leave is seen by people as running away at a difficult time?” Another asks “how are we going to communicate this to different groups of people? I don’t think a single message will suffice.” The result is that the CEO postponed his leave and the team designed and delivered a nuanced communication strategy that helped get the message across in a way that minimised the inevitable negative fallout.

It is not enough to simply use the Teamwork Model. Rather, people need to see things happen from it and are energised knowing that what they contributed is actually helping achieve a higher purpose.

Task Assignment

How often have you experienced a task going awry? A report is delivered to you that isn't anything like what you expected. A project seems to drag on and on without any conclusion. If you've been assigned a task, you might be confused about why the work needs to be done in the first place.

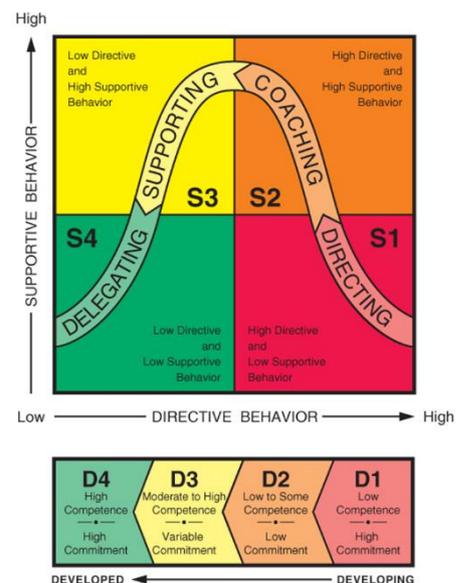
When things do work well, it is often the case that the following minimum questions are clarified and answered about the task before the work is undertaken. Again, used in an environment where people trust each other, good task assignment means work gets done. It doesn't help get over a deficiency in individual capability however – tasks need to be assigned to the right person at the right time.

Components of a Task

Context		Why/where it fits in / limits?
Purpose		What?
Quality		How good, what standard?
Quantity		How many/much/often?
Resources		With what / whom?
Time		By when?

One useful model when assigning work to others is to consider the context of the task. Is it an emergency and high risk? Longer-term and lower risk? It is possible to plot the task according to a continuum of necessary supporting behaviour (for example, a high supportive behaviour is explaining context more fully than usual, coaching an individual closely) and directive behaviour (high directive behaviour results in clear "orders" being issued without consultation). Set against this is the capability and willingness of an individual to do the work.

Situational Leadership® II Model



Behaviour – Authority and Accountability

Step into most Councils in Australia and you can almost guarantee that one of the negative things people say about working there is that “people aren’t held accountable around here”. One of the things people tend to blame is the regulatory environment: “it’s so hard to let people go”. But what is often going on is a poor internal performance system that is held in place by a counter-productive culture. It is hard to let people go because the process is overly complex and difficult to actually make happen. There are often so many checks and balances with authority assigned to do the firing so high up in the organisation that it is never actually done, or only done in extreme cases. There are often powerful interests at play that keep the situation intact.

Unfortunately, this scenario benefits no-one. An underperforming member of staff is rarely a happy one, and allowing the situation to continue creates and perpetuates a feeling of misery among that person’s team and peers that will last for a long time. There is a better way and this is to define and assign clear authorities to people at the right level. As a starting point, if you are a CEO and wish to hold someone to account for their own performance and that of their team, that manager needs some minimum authorities. These are ways that they can influence people that will be backed by the organisation, its policies, and its systems. These are the minimum managerial authorities.

Minimum Managerial Authorities

What are the minimum authorities a manager needs in order to feel it is fair to be held to account for their own performance and that of their team?

- V** Veto selection
- A** Assign tasks
- R3** Recognise performance, Review work, Reward differentially
- I** Initiate removal from role

Accountability is the ability to account for something – nothing more, nothing less. In order to feel like it’s fair to account for something, a person must have some minimum sources of legitimate influence given to him or her by the organisation. It is not enough to just use them – they must be used skilfully, knowing how they use them is being judged by others at all times through their lens. But they must also be in place – in both word and deed – or you will find cynicism and dysfunction every time.

A CEO may one month ask a Director “why are the financial reports so slow?” The CEO may know full well that the Finance Manager in the Director’s team is underperforming and that the Director has been unable to initiate their removal because of clunky organisational systems. This would only serve to reinforce the Director’s view that they are being asked to play the game with one hand behind their back.

Nearly all local government organisations could improve how they operate by removing obstacles to the proper exercise of the minimum managerial authorities.

Organisational Symbols & Systems

Symbols

Symbols are representations of things that are intended to send a certain message. In organisations, inanimate objects are symbols, as well as the behaviour of people especially senior leaders in the organisation. The state of cleanliness in the office, uniforms, car-parking, flags, logos and the organisation's website – all of these things can contribute to or detract from a positive organisational culture.

A new Mayor is appointed and immediately goes about painting several prominent public buildings, approving long-overdue grant to a popular community hall and describing a coherent and simple vision for the revitalisation of the town. Her approval rating is extremely positive for a time, without – in reality – any real intellectual substance to the work that is carried out. Her administration is soon hit by scandal and it emerges the Mayor has overspent her travel entitlements. Although the amounts are tiny compared to the Council budget, her popularity plummets and the Minister steps in to ask her to resign.

Clearly symbols can be highly beneficial to a leader, as well as detrimental. What is critical to remember is the alignment between the message and reality, and the fact that people notice small things that directly reflect their own lives (and are less interested in high-level conceptual things no matter how clever).

Systems

A discussion about systems in local government could fill many volumes. In short, systems are ways that work is organised and if well-designed, result in consistency in outcomes. There are a range of principles that must be borne in mind when designing systems:

- System design is not easy – it requires an ability to deal with ambiguity and the imagination that some of us simply don't have. Clearly this means the right person must be chosen to design a system and also the right person must be chosen to manage it as well as manage how it relates to other systems.
- Systems that intend to equalise, that is, treat people equally regardless of where they sit in an organisation, must actually deliver on that or they will contribute negatively to a culture. For example, a safety system requiring everyone to wear hardhats and hi-vis while on site will quickly be regarded with cynicism if a member of the executive turns up to site without the right equipment but is allowed to enter.
- Similarly, a system intended to differentiate – for example most salary systems – will be seen as unfair if, for example people who do qualitatively different work are actually paid the same rate.
- Systems need to be "minimum sufficient", in other words good enough to achieve their purpose, but not better than that. Horrendous amounts of time and money is spent implanting a large expensive new "system" in an organisation without properly considering the context, purpose, and specifications for which the system is required. IT systems are often a prime example.

Capability and Potential

Capability

In organisations, capability is the ability of a human being to do the work required of a role. It is made up of five key elements – it is critical to understand or at least hold a running hypothesis about these things as they imply very different responses in relation to training and development.

- Social process skills – the ability to read a social situation and intervene to produce a productive outcome. Good social process skills are not demonstrated by someone who is warm and fuzzy or particularly talkative. To some extent they can be taught. However, social skills to intervene in large and complex groups of people that an individual has never met – for example, making predictions about how different sub-cultures in an organisation might react to a decision – requires a high level of mental processing ability.
- Technical skills – these range from simple hand-eye coordination to highly specialised skills like mechanics and surgery. They can be taught to some extent, although of course not all of us will be able to compete at sport at a high level despite years of trying and so there must also be an inherent component here too.
- Knowledge – we all learn knowledge, it is the rate and our capacity for learning that varies from person to person and over a lifetime.
- Mental processing ability – the ability to handle information and order it in a way that is useful. We all have some mental processing ability, but it is the capacity to handle complexity – the way trends, variables and ambiguity interacts – that is different from person to person. It is very difficult if not impossible to improve, but is easy to destroy through poor lifestyle decisions, ill health, and injury.
- Application – this is the “drive” to put all other elements together in order to achieve productive outcomes. It is a fairly difficult quality to pin down and is partially biological and partially driven by circumstances. Poor organisational cultures are likely to inhibit application, particularly in younger people.

Potential

If capability is your ability to do work now, potential is your future ability. Potential can be seen from a relatively early age and stabilises in early adulthood. What you are generally seeing in adults who improve their performance at work is the more productive use of their experience, not an increase in their potential. Below are some observations about assessing potential, especially in the public sector.

“Professionalism”

Potential is not about “professionalism”. Being “professional” is a means-nothing word, and often a values-laden and confusing term that serves to divide people of different cultural groups. When looking at potential, forget the bells and whistles – how they’re dressed, how well they do small talk, who they’re friends with. Potential can be found in the most unlikely places (and we have!) – the well-educated and wealthy, non-educated and poor. It doesn’t matter and there is no correlation. Forget professionalism.

Language

It IS about language – not in the sense of breadth of vocabulary – but in the sense that the way someone uses language, in the right setting, is a window into how they think about things. DANGER! This doesn’t mean

you get points for talking about a great “strategy”, how you are addressing “stakeholder interests”, how something might be “ubiquitous”, whether someone works “in that space”. It is about being able to come up with new ideas and the ability to link those ideas together in new and interesting ways with other interrelated ideas.

Thinking > Action

Potential is not just thinking about things. What is really interesting (and part of why I do this work) is that potential that is most useful in organisations is the ability to think, plan and do. It’s about being able to analyse a situation, come up with some creative solutions, make a plan, implement it effectively, adapt it if need be (and it will nearly always need to change) when the situation changes, learn from all that and then repeat it again. And of course the drive to keep going despite adversity and see it succeed.

Balance

It’s also all about balance. Have you ever met someone who is amazing at thinking about things but can never quite bring themselves to do anything with it? Ever? That’s a sign that the person favours what we call “pure thinking” over “applied thinking”. This is an excellent and fine quality to have if you are in an analytical, advice-giving role. It’s not so great for a project manager. Those people who are able to balance the thinking and doing aspects – and do that at a level of complexity that matches their work (number and type of variables as well as ambiguity into time and space) – are more likely to be successful leaders.

Observations

- Local government is about to be hit with a tsunami of changes that will have a resultant impact on the capability needs of organisations in the very near term. These needs include:
 - High level leadership ability to manage the complexity of merging organisations and the eventual merged organisation itself. There will be a step change in complexity that will demand outside talent as well as internal development of leadership potential to supplement current leadership capability in almost every case.
 - Social and technical skills to manage the IR challenges that will emerge and intensify from the prospect of amalgamations.
 - Technical and social ability needed to foresee, plan and implement complex system integration issues between two or more different organisations.
 - Increasing demands of rate-payers, smaller funding pools from state and federal government, and increased competition from the private sector for service delivery; requiring imagination, a higher risk tolerance, and a greater appreciation of intellectual creativity.
- In the local government context, some common challenges in assessing capability (for example in recruitment) and potential (when developing younger and mid-career staff) include:
 - Current customs and culture that avoids a proper assessment of an individual’s mental processing ability and instead relies too heavily on documented “years of service”, certifications and qualifications.
 - An under-appreciation of high-level social process skills – critical for success in leadership roles – and an inability to assess this skill prior to hiring.
 - A strong reluctance to initiate removal from role for a person who is clearly not suited to the work of the role.

Development ideas

Leadership development in the local government must be tightly constructed, thorough, challenging and effective. It needs to directly support the organisation's purpose and its future. There is no room for misspent resources and indulgent development that does more to bolster egos than improve organisational effectiveness.

Practical ideas include:

- Assessing, understanding and changing culture as an embedded leadership behaviour, not purely a once-a-year survey.
- Leadership development that is integrated into the work of the organisation, factors in the external changes and is strongly linked to – and cannot be contemplated without – a thoughtful consideration and even re-imagining of the purpose of the organisation.
- Recruitment processes that assess mental processing ability and social skills in a dignified and consistent manner.
- Using organisational system design and integration as a rich source of development for younger and/or early to mid-career staff supported by one-on-one coaching and peer learning.
- Allowing people to conduct limited “fail fast” experiments in order to learn, as well as *institutionalising learning for all levels of leadership* in organisational systems and practices.

Case Study – Service Reinvention

If good leadership is about setting context and purpose, a lack of purpose means wasted effort. In local government, the purpose of the work must be in tune with why people turn up to work. This can be articulated in many different ways, but in most cases it is about helping to create a positive and sustainable community.

In local government, the common way of tackling ineffective or inefficient customer service is to conduct a review. Data is gathered about where customer complaints are occurring and resources allocated to handle those complaints are assessed. Process mapping might take place in order to understand the steps in the resolution of complaints and what resources this typically entails, whether the steps are truly adding value, and whether bottlenecks are causing general slow-downs in how complaints are resolved. This approach assumes that the system itself is okay; it just needs to be streamlined or requires more resources.

In the following example a Council grapples with customer service challenges.

The CEO calls a meeting and presents a challenge to her Directors – three key challenges that have come out of the latest customer survey: people are enraged and confused about the latest rates rise; the changes to their waste disposal service; and with new requirements about the threshold for submitting plans for residential renovations. Exacerbating this problem is a slowing of complaints-handling by the organisation generally.

The case study continues below.

Initial investigation of the challenge has revealed that complaints are handled in a diversified manner across the organisation. The finance team is inundated with unanswered complaints about rates notices, the infrastructure team is struggling to respond to waste disposal complaints and the development team keeps getting distracted by customer enquiries taking them away from the core of their role. The situation is getting worse, not better. The CEO's Directors recommend more resources in the three respective teams to handle the complaints.

But what if the current way of working is not okay? What if perpetuating the current structure only serves to reinforce if not exacerbate the problems? What if the whole system and others that relate to it need to change? A different approach is to assume nothing. You can instead begin by asking penetrating questions about the system intended to break apart the idea that “it is what it is”.

- Why are these complaints there in the first place?
- What is the customer experience when raising the complaint?
- What are the typical customer personas and how do they currently approach complaints?
- How much of the system can be automated and what does this mean for a customer's experience?
- Who gains from the system as it currently stands? Who loses if it changes? What does this mean for your plan to change the service?
- How might you prototype a new model without the extreme risk of changing everything at the one time?

The challenges here raise complex questions that demand high levels of capability – including mental agility and social ability. They are also questions that are important for leadership as customer service is highly symbolic of what an organisation really thinks of its community and how much it is willing to invest to meet its needs. Finally, any solution to this will require courage – it is not easy going up against prevailing practices and customs – each has meaning for the people involved and loss will be felt if things change.

Summary

The challenges facing Councils are adaptive ones. Purely top-down leadership approaches are likely to miss critical issues as well as latent and untapped human capability. Purely bottom-up approaches will create chaos when integration is required across the organisation and when difficult trade-offs need to be made.

What is needed is a participative leadership approach that confronts challenges in the external and internal environment, values social integration as much as technical systems, and aims at all times for the right people in the right role doing the right kind of work. To be truly adaptive, local Councils must embrace the human capability they already have, as well as honestly reflect on the gaps.

Resources must be spent wisely on this challenge. It is not the time for individualism and self-indulgence – it is time for leadership that is practiced across the organisation that makes “culture” something to be nurtured and central to the work. It will require courage and conviction – not everyone will agree on the decisions of leaders and that must be anticipated and tactics developed accordingly.

The legacy of well-handled changes towards a new paradigm is a productive, adaptable and high-performing organisation. Surely, this is what it’s all about in the first place.

References

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This toolkit draws heavily from *Systems Leadership, Creating Positive Organisations* by Ian Macdonald, Catherine Burke and Karl Stewart; Gower 2006.

The material contained in this toolkit also draws on:

- *The Situational Leader* by Dr Paul Hersey; Centre for Leadership Studies 1992.
- *The Practice of Adaptive Leadership* by Ronald Heifetz, Alexander Grashow, Marty Linsky; Harvard Business Review Press 2009.
- *Start With Why: How Great Leaders Inspire Everyone to Take Action* by Simon Sinek; Penguin 2009.

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