

Leadership Survey 2019

Perspectives, pressure-points and plans
from local government chief executives

THE **MJ**



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Executive summary

Our yearly survey of Chief Executives in local government provides a look at the ever-shifting landscape of public service.

Penna, in partnership with The MJ, asks Chief Executives of Councils across the UK to comment on their experiences, their organisational priorities and their perceptions of leading through change amongst other things.

The survey findings are often revelatory and give a truly unique insight into the reality of leadership in a local authority. This year's results do not disappoint.

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Introduction from Julie Towers



In an environment of change and upheaval the perspectives, pressure points and plans for the future of local government senior talent shine a light on the sector as a whole. The LGA predicts a funding gap for Councils across England of £8 billion by 2025, with a £3.5 billion gap for adult social care alone. Despite funding cuts, local authorities are experiencing an unprecedented 'surge in demand for children's services, adult social care services and homelessness support'. Coupled with the effect of uncertainty at national political level – where Brexit negotiations have engulfed the Whitehall civil service machine – Chief Executives have complex and competing demands to manage, in unsettled times.

It's not surprising that trends in our survey included a need for more innovation and solutions finding to happen at all levels in our CEOs organisation. It is equally understandable that the focus on the relationship between the politicians and the CEO is increasing. With such challenging and changing politics it is inevitable that the connection between the administration and Leader and CEO is under more scrutiny. Alignment of values and vision, ability to speak truth to power and the cultural fit and mutual respect between politicians and officers is once again under the spotlight. Accordingly, resilience topped our annual poll of 'what do you need most of' to be a successful CEO. This is what the top ten looks like:

1. Resilience – it gets personal
2. Walking the talk – it's easier to say than do
3. Narrative on place – CEO's shape places and organisations
4. Getting out into your organisation – be with the people you are trying to change or change things for
5. Networks – you need ready to use yours, while creating new and different ones
6. Members/political interaction – be comfortable being the focus, the scrutiny on the head of paid service is unique
7. Judgement and reflection – attend to your personal style, CEOs cast long shadows
8. System leadership – The focus must be on equality, not dominance
9. Innovation and proactivity – have your head in the future, your eyes on the now
10. Outlining a clear vision – story telling is important

Read on for the realities, aspirations and concerns of local authority chief executives. As always, we want to hear your views on our findings. Tweet us at @wearepenna, follow us on LinkedIn and visit our website; penna.com.

And if we've inspired you to think about your future as a CEO contact us about our Aspirant CEO programme.

Julie Towers
Managing Director, Penna

“The perspectives, pressure points and plans for the future of local government senior talent shine a light on the sector as a whole”

What's been your biggest personal learning development this year?

A Harvard Business Review study found that 'the best leaders are constant learners', with more adaptable and introspective leadership styles having the most positive impact on organisations. So, we asked Chief Executives to reflect on their own learnings from the past year.

Our CEOs personal learnings tended to be people-based. As one put it, 'the effectiveness of a CEO is enhanced or limited by the quality of the management team that supports them'.

“The biggest learning for several respondents was handling their own exit or, as one put it, 'Managing myself out of the organisation to create headroom for our talented team’”

Working in a political environment brings its own challenges, and a number of Chief Executives mentioned navigating the civic element of Council life had created one of their biggest personal learning developments. 'Managing the expectations of politicians' was an answer echoed by a number

of respondents. With a fresh new intake of politicians stepping into Cabinets countrywide following the local elections, this learning

will be put to the test for Chief Executives during the remainder of 2019.

An alternate priority for many Councils centres on transformation. Accordingly, the implications of working through change was an observation for some; 'The uncertainty and anxiety caused to staff by the term 'transformation' and the implications of sudden/radical change'. The need for robust leadership in uncertain times came through strongly in this year's survey. Making the right decisions for an organisation is key for any Chief Executive, and requires a keen sense of the remits and necessity of all roles. Even their own.

Accordingly, the biggest learning for several respondents was handling their own exit or, as one put it, 'Managing myself out of the organisation to create headroom for our talented team'.

This ties into a broader public sector trend of sharing the responsibilities of the top role between politicians and Directors.

“A Chief Executive needs a keen sense of the requirements and necessity of all roles, even their own’”

How would you describe your Middle Managers, and what do you wish they did more of?

Middle managers, those employees sitting beneath the c-suite and above their own specialised teams, form one of the most important communicative cohorts in any Council. What would Chief Executives like to see them doing more of?

Many of the learnings which our Chief Executives applied to themselves, they would also give as advice to others. Communication, navigating the politics and embracing innovative thinking all featured on their list of advice for middle managers.

on middle managers instructing their teams on decisions made by the executive group. In the local government context, one CEO recognised their middle managers as ‘the critical layer in communication up and down the organisation’. So, a strong internal comms function and mechanism is key in any organisation.

“Over 75% of the Chief Executives who responded to our survey said something positive about their middle managers”

Over 75% of the Chief Executives who responded to our survey said something positive about their middle managers. The dedication of public sector staff to their work was a theme; ‘glue, doing very difficult jobs’ was how one CEO described their middle managers. It was heartening, then, to read the recommendation that this middle layer of local government should ‘have the confidence to match their own abilities’.

Cascading strategic direction down an organisation is reliant

Chief Executives are keen for future-thinking and innovation to happen at manager level. One described this section of their workforce as ‘cautious yet curious; in need of opportunities to experiment’. Direct improvement points for this layer of the organisation included an ability to ‘stand back and plan a bit more’ and to ‘stop getting pulled down into operations, think strategically’. Risk taking was encouraged – Chief Executives advise their managers to ‘seek forgiveness, not permission’ and ‘not seek guidance from above all the time’.

Yet difficult times do not make innovation or strategic thinking easy. A recent HBR study said an over-zealous ‘efficiency focus eliminates free time for

fresh thinking'. This may put the unadventurous appraisal of local government middle management into perspective.

Where middle managers were described as 'a bit head-down at times' by one respondent, another described them as 'hard working [but] bending under the weight

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of austerity and demand'. Given the ever-increasing demand for Council services and that funding for local government is 'dwindling to nothing', this lack of innovation in stretched organisations is not particularly surprising.

Arguably, it's at the middle manager level that political exposure begins to become a greater part of day-to-day activity. Navigating the political dynamic can be challenging and, indeed,

working with politicians at a high-level was a personal learning for many Chief Executives. Survey respondents want their managers to 'better read the politics' and 'recognise the need to develop political nous'. This was a comment reiterated by several Chief Executives. Accordingly, it may be that specific learning and development is needed for mid-level officers to understand the unique dynamic of working with Members.

There was an overarching theme that all employees should embrace a 'collective corporate attitude' and become bigger organisational thinkers. One Chief Executive commented that middle managers should;

'Think about how they contribute to the management of the organisation as a whole, rather than just running their own function.'

Encouraging such attitudes is important to develop bigger-picture thinking, something required as middle managers move up the talent pipeline in a Council to further leadership responsibilities.

What are the HR/OD's in your organisations good at, and what could they do more of?

Local government HR professionals are lynchpins in the transformation programmes taking place across a great number of authorities. Long term thinking, a cross-organisational view point and increased strategy were all points at which Chief Executives felt their HR/ODs should step up.

Among the elements of HR/OD work which our CEOs praised were 'managing change', 'upholding our unique culture', 'staff engagement', 'talent management' and 'sorting out the relatively few employee problems we have'. The leaders surveyed recognised that the HR/OD teams were key stakeholders in any initiated culture change, and that a key element of their work has to include 'setting the blueprint for structured and sustainable organisational change'.

“Considerations around ‘creative ways to enable, support and challenge managers’ and ‘innovation’ are required from HR/OD's in the public sector”

A recommendation for improvement for HR/ODs was around increasing the level of strategy and innovation they directly implement, and giving consideration to the strategic implications of their decisions. While many Chief Executives praised the quality of their 'policies and processes', yet

more said that considerations around 'creative ways to enable, support and challenge managers' and 'innovation' were required.

Improving their cross-organisational outlook 'across the range of organisational priorities' was mentioned by a number of survey respondents for HR/ODs. One Chief Executive wanted to see HR/OD be 'more enabling to service directorates', actively engaging on helping them achieve their objectives with strategic workforce planning. Another wanted an extension of HR/OD influence and advice to partner organisations;

'For instance through workforce transformation, aligning workforce planning across local government and the NHS, driving culture change and supporting smarter working initiatives'

With Chief Executives focused on balancing budgets and meeting increased service demand, it seems 'the HR profession must either step up and demonstrate the value they add to the organisation, or be prepared to step out of the game.'

What enables culture change, and what are the barriers to it?

Transformation has been a local government buzzword, with many authorities embarking on ambitious change programmes. Culture change can enable organisational agility and effectiveness. It empowers a workforce and creates better deliverables for residents. Respondents reflected on the highs and lows of initiating such change.

CEOs recognise culture change is a top-down process, but one which needs to be owned and accepted by the entirety of a Council. Accordingly, a survey respondent identified ‘strong leadership and engagement with staff to define the values and behaviours [as] essential in creating a new culture’.

Buy-in to change was considered key by survey respondents. Again, it was ‘senior and middle

and geographically dispersed staff with common messages nuanced to their needs and an effective feedback loop to give them influence creating the organisation they are proud to be a part of.’

Consistency of message was mentioned in relation to this, from the ‘CEO and leadership team’ to the ‘Leader, Cabinet and Councillors’.

The blue-sky thinking required to initiate change has to be fostered. Thus ‘creative disruption’ and ‘a mindset which looks beyond professional boundaries’ are must-have factors for Chief Executives initiating culture change.

Yet ‘negative attitudes and paralysis from extraordinary pressures’ have slowed vital change in the public sector. These ‘extraordinary pressures’ have created further blockers, in that the time and attention true change requires has proved difficult to acquire for our Chief Executives. ‘Too few budgets to better brand the organisation’ and ‘unrealistic and short-term timescales’ were some of the change-crushing factors mentioned here.

“Embedded negative attitudes and paralysis from extraordinary pressures’ have slowed vital culture change in the public sector”

managers’ who ‘need to own the culture too and [recognise] that their actions set the culture’.

Typical Council size makes implementing change difficult, with one CEO grappling with a plan covering ‘all staff in every one of our 500 services’. Similar challenges arose for one Chief Executive in;

‘Genuinely engaging and empowering 12,000 diverse

Our success is down to our specialised but highly collaborative business areas. With fast and furious performance media team and an innovative creative crew, we produce award-winning attraction work. Whether it's designing websites, co-ordinating media plans or writing radio scripts, our teams have the skills to attract the best. And although we're up against deadlines, we always push against the ordinary.

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As a whole, we seek out the new, the bigger, the better – new approaches, bigger visions, better results.

To find out more about our leadership services, email Julie.Towers@penna.com

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