

Cultivating entrepreneurs with vision

Local government is heading towards a more commercial way of working, but there will need to be a culture change to encourage public sector workers to become entrepreneurs, says Juliette Alban-Metcalf

Among the many changes to the way public services work now and in the future is the new commercial reality they must embrace. Last week's *The MJ* contained a number of articles discussing this, including an interview with the new chief executive of Cornwall Council, who described the challenges of developing private sector partnerships that ensure the community truly benefits from the arrangements. In another thought-provoking piece, Hawkins and Randall discussed the need to commercialise opportunities, the increasing prevalence of council-owned trading companies and the critical importance of effective, sustainable commissioning.

In addition to this, the seismic reduction in local government budgets mean that in order to continue to make communities great places to live with significantly fewer resources, councils need to be innovative and entrepreneurial at every level internally in how they achieve their aims. Which dovetails somewhat with the reality of business rate localisation – in that it requires councils to be able to support the growth and retention of businesses in their local area by, perhaps fundamentally, understanding their world and being able to talk their language.

In short, we need to ensure council employees from the C-suite to the frontline are in many ways entrepreneurs who think and talk in realistic, fair, commercial terms. Wherein lies the first cultural challenge – language. Our work with public sector managers suggests that for a great many people, 'commercial' is regarded as a dirty word when it comes to council business. They tell us they actively joined the public sector for the good of the community, not to chase profit, and the idea of having to behave in what are often regarded as 'private sector' ways initially jars with their personal values. They don't feel that trading, profit, and loss should be concepts that are allowed to muddy the waters in doing the right thing.

Today's tough times mean that now more than ever before we cannot afford to lose the commitment and discretionary effort provided by so many of our people every day because they feel disconnected from their values. We can only continue



to benefit from these if we engage employees through their hearts and minds. Therefore, it is imperative that we find a way to help them retain their passion for what they do, in line with their values, in spite of the rapidly changing world around us.

Increasing employees' line of sight around how they contribute to the vision of the council (however indirectly it may initially seem) is a great starting point. How often do we take the time to help people understand their contribution? And how often do we let them know how valued they are for their contribution? Both understanding how they ultimately contribute and that their contribution is recognised, are two of the key ways in which leaders can (but often fail to) maintain their employees' motivation to give as much as they can. Even when the goalposts have been moved in such a significant way, this activity will still achieve the desired performance output, as long as senior managers are frank about the realities of today's financial climate, and allow people to first discharge their negative emotions

about the situation, so that they can move forward more positively.

Harnessing the non-negotiables about today's economic climate – in other words, the imperative to think outside the box and be more innovative rather than expect additional resources – has a very positive side-effect. Dr David Rock's (2008) SCARF model (referred to previously in this section, 21st Jan) explains that by their nature,

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people are keen to be asked for their ideas and thoughts about how things could be improved, offer constructive criticism about the services they contribute to, and have a say over how things are done and how they can best contribute. All of these things enhance their motivation and commitment to the organisation and its vision.

However, there are key pitfalls to avoid that organisations often fail to foresee when trying to encourage employee involvement in seeking improvements, whether they are simple requests for contributions, or more sophisticated approaches such as LEAN. And guess what? The factor, once again, is culture.

Far too often, a drive to change in the way we do things in organisations is missing a fundamental foundation – ensuring alignment and consistency of leadership behaviour with the desired outcome from the very top of the organisation and throughout. Those organisations that are successful in this tend to start by examining their leadership culture, particularly in relation to believing (and acting on the belief) that actively seeking feedback from employees and other stakeholders on how we could improve both the service provided and how we provide it is essential. Their leaders are accessible and not status-conscious, they walk around, talk and listen to people throughout the organisation, including the front line. They don't have to take on board all suggestions,

but they demonstrate that they are genuinely listening, and open to working with good ideas.

Related to this, another derailing factor organisations often encounter is how people are typically treated when they make an error. Do leaders in your organisation genuinely seek to understand the motivations behind an action that resulted in failure before taking action? Or are they more likely to shoot first and ask questions later (if they ask questions at all)? Too often, as leaders under pressure to deliver ourselves, we can forget that very few people turn up to work deliberately trying to screw things up, yet our actions when addressing failure of one sort or another might reasonably suggest this belief. This aspect of culture needs a fundamental examination. A good starting point is observing how members treat chief officers within their portfolio, and how those officers go on to treat their managers, and so on. Is a lack of achievement simply sanctioned, or are all parties keen to examine what can be learned from the situation? The trickle-down effect of leadership culture from the very top cannot be underestimated.

A final cultural factor to consider in ensuring that councils are able to embrace new commercial relationships with partners and nurture local business is abandoning the belief that 'vision' is only required at senior levels in an organisation. In actual fact, knowing how to build shared visions of success and how we will get there together is a skill needed all the time by pretty much everyone. It is critical to being able to transcend traditional silos within organisations as well as with the full range of council stakeholders, such as partners, suppliers, local businesses and the wider community. It helps dismantle barriers created by departments or whole organisations jealously guarding scarce resources when they could be better used for shared success. It also helps reduce unfair advantage by one party over the other. Developing this ability at every level is another key to maximising efficiency and creating a win-win between the council trying to achieve its vision and the ever-changing world around it. ■

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