Reflections on Leadership, Values and the enhancement of talent management in the public Sector

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Reflections on leadership, values and the enhancement of talent management in the Public Administration

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Abstract

Talent management in the public administration can be approached from different angles. In this paper, we briefly explain why the management of talent in the latter is by far more complex and challenging than in the private sector. We have chosen to focus on the talent management applying two inter related concepts: Culture reengineering *and* leadership*. Following a quick review of research pertaining to some characteristics of public administration in general and in Europe in particular, specific challenges ahead have been identified and remedies which apply to micro talent management is offered. It is argued that the concept of talent management should be broadened to include a new approach labeled "talenting". The latter is not a panacea to solve all macro talents management issues. Nonetheless, we argue that a focus on leadership, values and culture reengineering is a practical and feasible way to attract, retain and motivate talent at the public sector.*

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The principal challenge of all organizations in today's very dynamic and competitive environment is to attract, retain and motivate talented employees (Dolan *et al*., 2014). If private sector organizations are having difficulties to do that, one can imagine the difficulties that the public sector is experiencing. The common belief is that real talented professionals prefers working in a dynamic environment where they can prosper, have the opportunity to demonstrate their talent and be remunerated accordingly and most important have celebrations where their talent is being recognized by top management. Furthermore, there is ample evidence that talented people know that they are very mobile globally, and if the organization is not making an effort to satisfy them, they will simply leave to work elsewhere. Mobility among real talent in the private sector seems to be very high (PWC, Talent Mobility 2020). In contrast, a shared stereotype is that the latter is almost impossible to achieve in the public administration, and this holds true regardless of the country, ministry or unit. While management in many public sectors have made an important progress in demystifying these stereotypes, the public still views public administration management as centralistic, bureaucratic and far from being flexible. Real talent may leave, but limited talent stay and opt for job security (Munnell and Frankel, 2013); they opt for comfortable and secured jobs, rather than an opportunity to show and exercise their talent. Obviously, any generalization is imprecise; there are those who join the public sector for passion and ideological reasons, and they can either possess the characteristics of constituting a talent or not. The objective of this paper is to show that albeit political context and limited budget, and the above-mentioned stereotypes, principles of attraction, retention and motivation of talented employees and managers can be achieved in the public sector as well. We argue

that this can happen as long as attention is being placed on two key ingredients: one is instilling a high performance culture for which the new generation of employees strives, and a second is having the type of leaders who will reinforce this type of culture. Thus, the management of talented employees requires a combination of instilling shared values and having transformational visionary leaders.

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There are thousands of studies dealing with leadership, as it is a critical component of good public governance. An OECD paper, for example, entitled: *"Public Sector Leadership for the 21st century"* (OECD, 2001), states that "Governance can be described as the way in which the underlying values of a nation are institutionalized". This has formal aspects such as separated powers, checks and balances, means of transferring power, transparency, and accountability. However, for these values to be actualized, they must guide the actions of public officials and public managers throughout the system; they must be embedded in culture. In this regards "leadership" is the flesh on the bones of the constitution, it is the heart of good governance.

In this paper, we insist on separating the definition of managers from that of a leader. The most important role of public sector leaders has been to solve the problems and challenges faced in a specific environment. Naturally, leadership is not value neutral; it is a positive espousal of the need to promote certain fundamental values that can be summarized in three important "pire" qualities: They Aspire, they

Perspire and they Inspire (Dolan & Altman, 2012). Dolan (2015) distinguishes between a manager -someone that supervises subordinates and task accomplishments- from a leader, which is a facilitator, that recognizes that he/she has followers. The dynamic of managing is very different: Talented people look up for leaders (to follow) and not just managers to comply with their demands and orders. Yet, the two concepts can be interrelated. Leaders recognize that their top priority is to motivate the talented people they supervise and encourage them to excel. A leader can enhance management capacity, as well as respective performance. So, when the leader has the capacity to articulate the vision of the unit, department or ministry to the followers and instill values that are aligned with it, talent will be retained and perform to the highest possible level (Dolan & Hayashi, 2013).

Therefore, how do you instill values in public administration? How do you act as leader to become a change or a transformational agent? How do you reengineer the culture in the public sector? The concept of culture has been studied for many years by scholars as well as by practitioners. Culture is referred to as a mix of shared assumptions, values, norms and tangible signs (artifacts) of a given society. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it. The concept of culture is becoming particularly important in the field of management with regard to a growing challenge that has to do with how to change it especially when

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organizational change efforts are rumored to fail the vast majority of the time. Keller and Price (2011) reinforce the decades of accumulating research showing that roughly 70% of organizational change programs fail. Central to that high failure rate are huge shortfalls in developing the "soft skills" of leadership and culture. Usually, this failure is attributed to a lack of understanding about the strong role culture plays in organizations, and the failure of the respective leaders to really understand the cultural cues. Mostly, there is a salient assumption that when core values are shared and are congruent with the mission and vision of an entity, it results in better harmony, well-being and overall higher output (Bao *et al*., 2012, 2013). If values and culture alignment of employees are important in private organizations, according to a McKinsey report, they become productivity imperatives in the public sector (Bailly *et al*., 2011).

Research on the importance of values in public sector organizations has gained considerable attention over the last two decades mainly due to concerns and doubts about the possible influence that efficiency driven public sector reforms had on the traditional public sector values (Van Thiel and Van der Wal, 2010). However, studying public sector values in cross-cultural context is very scant. Collaboration amongst public administrations in Europe, for example, is becoming more and more important due to the need for international cooperation between public sector agencies in order to solve current global challenges (e.g. finance, health,

terrorism). Surprisingly however, most current cultural public sector research focuses on a single country and does not provide insights on cultures across borders (Jelovac *et al.*, 2011). The increasing interdependence between markets and governments and the need to solve problems on a global scale (problems such as the global financial crisis, terrorism, immigration, environmental, health or political issues), reinforces the greater need for international cooperation between public sector organizations who are managed by talented employees. This is borne out of the current emphasis on the part of European policy makers on a tightly controlled and coordinated budget strategy between EU countries, which calls for a monumental joint effort across regions and countries.

Academic discussion on values in the public sector revolves around a shift from traditional public management values, such as accountability, responsiveness (Kernaghan *et al.*, 2000), responsibility, sustainability (Kaptein and Wempe, 2002), lawfulness, equality and fairness (Frederickson, 2005), to the new public management "business-like" values that emphasize innovation, efficiency (Frederickson, 2005), quality (Kernaghan, 2000), effectiveness (Lane, 1995) and entrepreneurship (Osborne and Gaebler, 1992). The latter correspond to the desire of the new generation of talented employees who look for meaningful jobs and challenges to solve (AMA, 2017). Various studies argue that the risk associated with the value shift can

The increasing interdependence and the need to solve problems on a global scale, reinforces the greater need for international cooperation between public sector organizations

endanger values that are important for public interest and democratic governance, and risks creating ambiguities via which employees in the sector might feel lost. Actually, a wonderful laboratory to understand this culture shift has happened in Europe with the admission to the EU of several new member states that for many years have experienced a very centralistic and bureaucratic communist management culture; the communist system discouraged any talent to really flourish.

Considering the very different history of many of the old and new EU member states, and the current need for integration, comparative studies of the public sector culture of such countries are very revealing albeit the fact that they are scarce. Two particularly relevant studies are those by Van der Wal *et al*. (2008) and Jelovac *et al*. (2011). The study by Van der Wal et al. (2008) identified considerable congruence within the public sector between the EU countries, regardless of their membership histories. Overall, values such as openness, transparency, accountability, efficiency and effectiveness were considered important by new and old members. Yet, results from the old members show closer alignment with the more "business-like" values, where particularly in Denmark public employees regard values related to innovation and change as very important. Estonia's results show a more traditional public sector set of values with the dominance of values such as honesty, competency and lawfulness. Jelovac *et al*. (2011) found fairly high congruence between the values in the

public sector in Slovenia (new member state) and the Netherlands (old member state); six out of the seven most highly ranked values were similar, and the values of incorruptibility and honesty were ranked as the top two values in both countries. The main difference was regarding the value of accountability, which was rated much higher in The Netherlands.
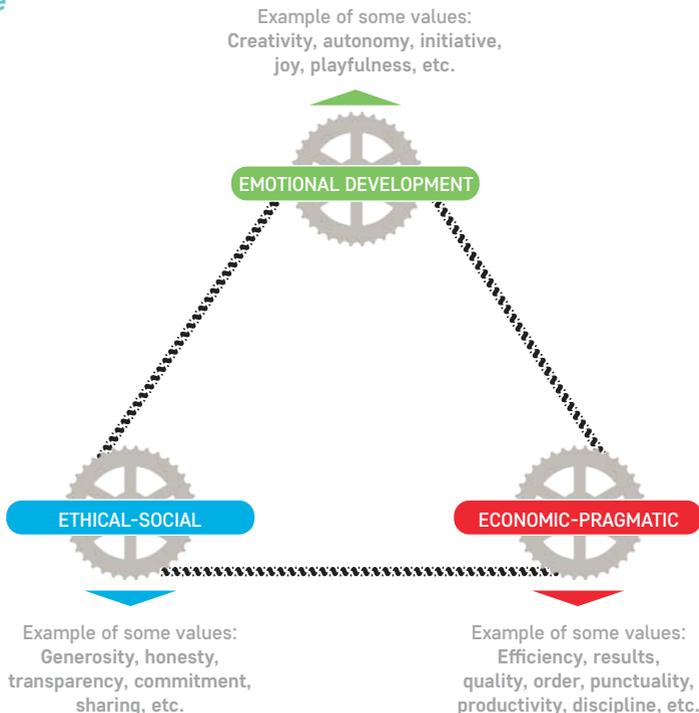
Based on the 3Es (triaxial) model of values, (Dolan *et al.*, 2006; Dolan, 2011) a recent study comparing public administration services in several countries in Europe, report that the public sector in new member states appears to be more pragmatically oriented in comparison with the public sector in Old member states, which holds emotional and social values in addition to the pragmatic values. In the old member states, senior and intermediate level employees appear to perceive their sector as more pragmatic and less ethical than junior employees (Capell *et al.*, 2013). On the other hand, in new member states, all employees -regardless of their level- appear to perceive their working environment as completely pragmatic.

Harmonizing the values of employees and other stakeholders in an organization is a vital source of competitive advantage and is a very effective strategy to attract and retain talent

In earlier writings, we have explained that harmonizing the values of employees and other stakeholders in an organization is a vital source of competitive advantage and is a very effective strategy to attract and retain talent. We have recommended that leaders humanize their unit-organization strategic vision, develop and implement 'values-based cultures' and lead cultural reengineering programs to create a shared culture of value creation that implicitly and explicitly guides the daily activities of employees at all levels and in all roles. To do this, leaders need to develop core values configured along three axes: an economic-pragmatic axis, an ethical-social axis, and an emotional-developmental axis (see Figure 1).

Figure 1. Triaxial (3Es) model of values-based organizational culture

Example of some values:
Creativity, autonomy, initiative, joy, playfulness, etc.

EMOTIONAL DEVELOPMENT

ETHICAL-SOCIAL

ECONOMIC-PRAGMATIC

Example of some values:
Generosity, honesty, transparency, commitment, sharing, etc.

Example of some values:
Efficiency, results, quality, order, punctuality, productivity, discipline, etc.

The three axes represent the sum total of the values and are relatively orthogonal. The first axis (economic-pragmatic) includes values related to financial, economic and productivity standards. The second group of values relates to the social aspects of the work environment such as honesty, integrity, respect, loyalty that facilitate sustainable relationships in a medium and long term. The last group of values "is essential for creating impetus for action"; they relate to the intrinsic motivation of an employee: optimism, passion, perceived liberty and happiness. In other words, if one axis is more dominant, the others will, by definition, be less dominant. The intersections of the axes represent concepts such as 'survival', 'sensitivity' and 'innovation', all concepts that can explain why talent will be attracted or run away. Although as depicted in Figure 1 the model seems symmetric, in practice, it is asymmetric and must remain that way in order to enable alignment with the unit-organizational mission. Thus, a leadership role can make the difference; a leader's main task is to develop a culture of shared core values.

The world is in the midst of a new war for talent, and thus talent management is becoming more and more important. While the word talent has been employed generously over the years, actually it means different things to different people. Some refer to the potential of the employee, but others insists on a demonstration of sustained high performance. Dolan & Hayashi (2013), have proposed to employ in the future

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the concept of "Talenting", which embeds the following ingredients, all that can be employed by "intelligent leaders" in the public sector to manage the talent:

• Sustained accomplishment is not static – it is a dynamic phenomenon which leaders need to be aware of.

• Sustained accomplishment is not predetermined – it is contingent on many factors, but what seems to be the critical contingencies are the meaningfulness of the activity (the job) and the quality of care and support that leaders offer.

• Sustainable accomplishment depends, obviously on the individual ability (competences, knowledge, etc.) but also on the organizational system. So, effort needs to be made to ensure that competences are always updated (via training and development and other forms), but that the culture is shared and supportive.

Conclusion

There is no doubt that we live in an era where there exist a war over and for talent. For obvious reasons, the public sector seems to be the underdog in this war due to the many characteristics that we all know. However, once a talent has been recruited, the challenge becomes to retain it and motivate the person to perform at the highest level and in a sustainable manner. We argue that rather than focusing attention on the management of the talent at the macro level (ministry or large department), we can focus on micro

units where a single effective leader (not a manager) can make the difference. And if we multiply and sum up the experiences, it can affect larger units, departments and ministries. The idea is to encourage leaders to develop micro culture within their team or unit, and ensure that values are shared and aligned. The leader also needs to realize that current younger talents have expectations that are very different from older employees; they look for meaningful jobs, for quality leadership, for flexibility and the like. It sounds very logical, but until recently we did not have the methodologies and the tools to undertake this culture reengineering. Today, leaders are equipped with a concept, a methodology and many tools which can help them facilitate culture reengineering in the way that will attract, retain and motivate talent. This is the core of the process called "Talenting" (Dolan and Hayashi, 2013). While talenting is not a panacea to resolve all talent management challenges in the public sector, it should be complemented by traditional yet enhanced human resource practices that fully leverages the richness of the public sector universe (Dolan *et al.*, 2014). In light of a growing retirement "boom" in Europe, a policy that will follow some of the ideas expressed in this paper will become necessary; it will play a critical role in attracting and retaining the new top talents that will form the basis of the public sector of the 21st century. ∎

Today, leaders are equipped with a concept, a methodology and many tools which can help them facilitate culture reengineering in the way that will attract, retain and motivate talent

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