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PUBLIC SECTOR REFORM REQUIRES LEADERSHIP

GOVERNMENT OF THE FUTURE: GETTING FROM HERE TO THERE

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PUBLIC SECTOR REFORM REQUIRES LEADERSHIP

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Introduction

1. The following paper is based on research which I undertook in the United States as a Harkness Fellow in the 1995 - 1996 year, sponsored by the Commonwealth Fund of New York and based at Duke University, North Carolina. It is also based upon discussions with other public sector managers in different public sector environments and upon my own experience and practice as a chief executive and leader.

2. The paper is based upon a journey of personal discovery. I had a belief that executive leadership was the special ingredient which enables some organisations to be vibrant, innovative, purposeful and successful environments in which employees enjoy working and with which clients, the community, shareholders and other stakeholders enjoy dealing. I believed that good chief executives nurture leadership throughout their organisations, creating a culture within which individuals can flourish and grow, but within which the group can also be effective. Well led organisations appear to be better able to weather change and adversity, to achieve real outcomes.

3. I sought therefore to identify leaders of excellence; to ask them just how they perceived their role; what were those special characteristics which they believed enabled them to be effective leaders? I concentrated upon those in the upper echelons of leadership, while recognising that throughout a successful and responsive organisation, there should be leadership at all levels.

4. I interviewed a broad variety of leaders from all sectors; leaders identified by others as being superb in their field. I spoke also with organisations involved with the creating and nurturing of leaders. And finally, I interviewed those involved with public sector reform, at local, state and federal levels, to identify the perceived role of the executive leader in this process.

5. If a model could be developed of the characteristics and qualities of its successful leader, I was then interested in how this could be used to further enhance the process of public sector reform. For throughout the world, there has been major structural reform of the public sector; creating new models of governance and executive management. These reform processes have in turn liberated some chief executives from *ad hoc* control by government; and have provided a new opportunity for leadership. I was interested to identify the form of organisation that best encourages leadership and enables the achievement of public sector outcomes. And if good leadership and good leaders create successful organisations, how might such individuals be identified, nurtured and enabled to carry out their leadership role in the public sector? How can we create leaders and an environment in which they are able to lead?

6. Since returning to a chief executive role, I have been able to be somewhat analytical from a practitioner's point of view about leadership and the environment in which it can flourish. And I have been able to put theories into practice in my own organisation. I am fast concluding that the new world requires new types of organisations which enable a new form of leadership; the others will stutter and fail.

7. Within this paper, I have investigated the need for leadership in a world where there is a huge change occurring in organisational paradigms. I have discussed the emotional and spiritual dimension of leadership which makes the very real difference. I have also described the role and characteristics of good leaders. I have looked at the effect upon leadership of the situation in which a leader is operating. I have discussed the difference between leadership and management and have looked at the difference between leadership within the sectors. I have looked at the way in which we might nurture new leaders. I have then discussed leadership in the context of the new public sector and have looked at just how we can create the environment for leadership. Finally, I have made recommendations as to how leadership can be encouraged, to support public sector reform.

Why Do We Need Leadership?

8. Why do we need leadership? Leadership is inherent in every structure that we have; community, church, politics; and we talk often of leadership in these areas. And yet in describing executives in the corporate, non profit and public sectors, we tend to refer to them as managers rather than leaders; we emphasise only a part of the role that these individuals are required to perform.

9. John Kotter (1995) in his book “The New Rules” refers more specifically to the importance of leadership in “today’s post corporate world”. He notes that while management was the key task to make great hierarchies function, leadership is necessary to deal with the changes required in the new more volatile networks. He states (p.115), “Success in managerial jobs increasingly requires leadership, not just good management. Even at lower levels in firms, the inability to lead is hurting both corporate performance and individual careers. Organisations that stifle leadership from employees are no longer winning.”

10. The world is fluid and rapidly changing. Global competition means that higher standards are required than in the past. Rapid communications on a global scale require dispersed decision making. Old tall hierarchies are now too ponderous to keep up with the new technology. And the hierarchical leader in this context, no matter how good a technical manager, will not be able to create an organisation of excellence. Management is no longer sufficient. Peter Drucker (1989) (p.207) talks of the “information based organisation” of the future, with only a small proportion of its managers remaining. He sees it resembling a symphony orchestra or a hospital. It will be the era of the knowledge based worker, made up of specialists who will be responsible for their own performance, facilitating feedback from colleagues and customers. The structures will be flat, with knowledge disseminated throughout the organisation. Such a structure requires individual self discipline and an emphasis upon individual responsibility. For an organisation to be excellent, the individual components will need to be excellent.

11. The changes in organisational paradigms in the new world in which the leader must operate are identified by Matthew Kiernan (1996). Some of these key changes are as follows:

Changes in Organisational Paradigms

<i>20th Century</i>	<i>21st Century</i>
Stability	Continuous change
Size and scale	Speed and responsiveness
Rigidity	Flexibility
Process driven	Results driven
Vertical integration	Virtual integration
Consensus	Constructive contention
Hierarchy	Leadership from within

12. As the value of the human capital of an organisation becomes recognised, more egalitarian organisations are emerging, where the input of individuals is valued. There is also a trend towards the use of empowered teams. And individuals too are expecting to be appreciated; they are now mobile and can be expected to seek alternative employment if their position is not rewarding. With the move away from hierarchy, which demands the subservience of one individual to another, there is a trend towards mutual understanding and responsibility. This in turn will require new organisational structures (webs rather than pyramids) and a new form of leadership. Peter Drucker in an interview with T George Harris (1993) stated “You have to learn to manage in situations where you don’t have command authority, where you are neither controlled nor controlling. This is the fundamental change.”

13. Implicit in leadership is the concept of taking others on a journey of self fulfilment and collective achievement. And as the pace of life quickens, the journey becomes more imperative. Perhaps the question might better be asked; how can we cope without leadership?

A Leader in Action - A Case Study of Harry Nurkin

14. So what are the qualities, characteristics and values of a leader who is able to meet the challenges of the future? In talking with the various leaders, I found a considerable commonality in the attributes which they believe have allowed them to become successful leaders. In order to demonstrate the qualities of a good leader in action, I have chosen to describe to you Dr Harry Nurkin. The President and CEO of the Charlotte Mecklenburg Hospital Authority in Charlotte, North Carolina, Harry exemplifies a leader of excellence, demonstrating the many characteristics of good leadership outlined by those whom I interviewed. He has taken a large non profit organisation serving a wide community through major change and has been highly successful.

15. The Charlotte-Mecklenburg Hospital Authority is a regional healthcare system. It is vertically integrated and comprises an academic medical centre teaching hospital, 10 acute and speciality hospitals, two nursing homes, a retirement community, a home health agency, a primary care network of over 300 physicians and ambulatory diagnostic and treatment facilities. The community served by the hospital authority serves a relatively poor community and relies upon Medicare and Medicaid (Federal Government funding) for more than half of its funding. Harry was appointed to his position 16 years ago from a largely academic background in health administration. He is responsible to a board.

16. At the time of his appointment, he was confronted with a tired, under performing medical centre in urgent need of revitalisation and requiring financial attention. Harry Nurkin describes his arrival at the hospital as “finding a cast of thousands demoralised.” Harry’s vision was to change the corporate culture, whereby the staff would have the necessary knowledge, skills and information and would enjoy working, thereby being able to provide a high quality of health service.

17. His first objective was to revitalise the workforce. His philosophy was that most people like to work, but that most only work at 60 - 70 per cent of their potential. He wanted his staff to enjoy their work, to be comfortable in what they do, but also to work hard and at their potential. He saw his role therefore as a revitalisation of the people within the organisation and of the environment in which they worked.

18. His aim was to create attractive and efficient buildings for the long term; neither the patients nor the staff needed drab surroundings. The upgrading of the interior brought colour, floor coverings and plants, with the emphasis upon windows. He replaced equipment and borrowed to do so. Those areas which the staff indicated were most in need of change were those tackled first. The refurbishment was

symbolic of change; this, together with the caring professional staff humanised the health environment. A staff think tank later evolved the “mother-in-law rule” whereby staff now keep the surroundings “as if mother-in-law was about to visit.” Harry also tackled the financial system; he hired bright young people to be the accountants and to manage the dollars, leaving the medical staff to care for their patients.

19. During the early days, Harry spent the majority of the time outside his office; talking, listening and communicating; being visible. He believes that managers have traditionally been bad at listening, egos tend to get in the way; and yet the best ideas come from others. He makes a point of turning up around his organisation at all hours of the day and night, including the emergency room in the early morning hours, to ensure contact with both day and night staff. Such actions earn him followers, because the staff thereby feel that being a follower has meaning.

20. Harry is concerned too that staff should communicate with their patients. He says that staff themselves initiated follow up by the emergency staff to their patients in the wards or at home, and follow up telephone calls by the intensive care nurses to their patients after discharge. This latter action, initiated by a group of nurses after a lunch time discussion, has had an unexpected side effect of a 28 per cent decrease in law suits and a 33 per cent increase in the short term payment of bills, together with a decrease in staff turnover. Harry also encourages close relationships between the staff.

21. He says that his role is to inspire his followers, to ensure that they have a good direction, and to define the boundaries within which they operate. But they are also involved in formulating the vision and in recommending changes. While Harry avoids formal processes as much as possible, disliking memos, he encourages staff to communicate their ideas verbally, by note or by Email.

22. Harry has worked hard to create a culture of innovation, encouraging his staff to solve their own problems, but providing a support team to assist where necessary. If an individual or a team resolves a problem, he arranges some recognition or celebration. He believes that such celebrations are important. As an organisation, the Authority continue to take risks, confident in its own ability to make projects successful.

23. There are very few rules in the centre other than those required for North Carolina licensing requirements. The centre also does not have performance contracts. Once a year, Harry Nurkin and his directors and managers set individual and organisational goals which are discussed collectively, and the management team meets 4 times a year to see whether or not these are being achieved. The divisional goals are not financial, except for those of the financial division itself. The Authority also has no structured quality package such as TQM; the culture of the organisation being such that he believes there is no need for such systems.

24. Harry undergoes an evaluation by the Board each year of progress in relation to goals. He says that he has convinced the Board that a business like the health authority can be run without a major emphasis upon the bottom line, but with an overarching emphasis upon service.

25. The Health Authority is now in good health. The revenue has risen 15 fold to \$1.3 billion in Harry’s time as President and makes substantial profits which are reinvested into the system. The hospital benchmarks itself against others in the US and despite an initial very low level of health in the community, is competing well at low cost, with a low rate of readmissions. There is a very high level of patient satisfaction. However, Harry Nurkin’s goal is to be up with the very best in the nation; that is part of the future vision for the organisation.

26. Harry summarises his leadership role as finding the right people and giving them responsibility and authority to take care of both today’s and tomorrow’s responsibilities. He says that in the health care

system, it is not hard to find people who care about others, but he considers it essential that they are at one with the culture of the organisation. His role is also defining the boundaries within which they operate, creating the potentials (the vision) in terms of quality, cost and growth and communicating these. It is listening to people and inspiring them to achieve. It is also providing them with resources to enable them to resolve problems. Harry says that he makes few decisions; those are made by others in the organisation. He sees himself primarily as a counsellor and a sounding board. Harry Nurkin says; “I need to learn how to deal with human beings a little better each day, learning how to encourage people”. “There are many leaders within my organisation. My job is to enable them to practice leadership. They must be allowed to fail. There are many within the organisation who never thought about being a leader; but with the support of a mentor to provide support and training, they can become leaders”.

27. Harry has the range of characteristics that I perceive to be important to be a successful leader, but most particularly, he has an emotional and spiritual dimension of leadership. It is a dimension which lifts others in the organisation (“the followers”) to another plane; in which they can perform to their potential, enjoy what they are doing and attain a sense of fulfilment in their work. They can also learn to be leaders. It is an approach to leadership which distinguishes successful leaders from others.

The Emotional and Spiritual Dimension of Leadership

28. In interviewing the different leaders around the United States, I was struck by a common humanity. They used words to indicate that they cared deeply about the people they worked with and served; they used words like **caring, empathy, respect, compassion** and even **loving**. They talked about creating work places in which people look forward to going to work, in which they feel personally fulfilled. They talked about always being able to put one’s self in the other’s shoes. They talked about **inner strength** and **higher truth**. **Fairness** was seen to be a particularly important aspect of this relationship. Most of all, they talked about **integrity** and about **trust**. These all implied a special ability of these leaders to relate to their people; to establish rich, caring, honest relationships.

- The late US Senator Terry Sanford, former NC State Governor and former President of Duke University, stated that a leader should always leave others feeling good; that was something he learned at his mother’s knee.
- Frank Fairbanks, the City Manager of the City of Phoenix, Arizona, stated that a leader must be willing to deal with the emotional side of an issue; and not with the detail. An emotional basis is needed for people to commit to and create change. He believed that leadership basically has an emotional, spiritual component and needs to be developed.
- Don Keough, the former President of Coca-Cola, talked about “a leader having a passionate interest in the human condition. There must be some sense of the creation from which you emerge.”
- Nan Koehane, the President of Duke University stated “The ability to inspire and maintain trust is important. Support and trust among colleagues is essential. By contrast, the absence of trust is corrosive. In the times that we live, trust is becoming more and more important.”

29. It is this dimension of leadership that is covered only sparsely by the academic research dealing with leadership, but which has been dealt with in a lot more detail by writers such as Robert Greenleaf, Max De Pree, John Gardner, Larry Spears, Peter Senge, Stephen Covey and Rushworth Kidder. It is the human aspect of leadership, variously described in its different forms as servant leadership, moral leadership, ethical leadership, values based leadership or principle based leadership.

30. Larry Spears (1995) in “Reflections on Leadership,” a selection of 10 essays on servant leadership, (p.4), defines the 10 critical characteristics of Robert Greenleaf’s servant leader as listening, empathy, healing, awareness, persuasion, conceptualisation, foresight, stewardship, commitment to the growth of people and the awareness of the need to build community. In such a relationship, the least important word is I; for it is those who follow who enable achievements to be made.

31. Servant leadership has been adopted by a number of corporations and other organisations in the United States as an institutional model. The traditional hierarchical organisational structure is replaced by a team oriented approach; with emphasis upon co-operation, persuasion and consensus. The prime aim of the business is seen to be to serve the employees, the clients and the community rather than to produce a profit; (the profit usually comes anyway.) The Charlotte Mecklenberg Hospital Authority and Harry Nurkin fit well into this model; Harry sees his role as being there for his people; for his staff and for his patients.

32. Max De Pree, in his book “Leadership Jazz”, has a lovely description of a jazz band as an expression of servant leadership: “The leader of a jazz band is an expression of servant leadership. The leader of a jazz band has the beautiful opportunity to draw the best out of other musicians. We have much to learn from jazz-band leaders, for jazz, like leadership, combines the unpredictability of the future with the gifts of individuals.”

The Importance of Values

33. Values are at the core of good leadership. Individuals have values, behaviours which they perceive to be important. Organisations too have values; normally imposed by the leader. Values affect perceptions of situations and they affect the solutions generated. They also affect interpersonal relations with individuals and groups, the perception of success, the perception of right and wrong (ethical and unethical behaviour), and the impact of organisational pressures and goals. The leader will only be short-lived if there are not basic values of honesty and integrity. For without these values, there cannot be the building of lasting human relationships; the basic requirement for leadership.

34. Implicit within the concept of values based leadership is the understanding of the relationship between leadership and communities. Successful leadership is grounded in sound communities; with common values (John Gardner, 1991). Good leaders are nurtured by the strength and sustenance of these communities, whom they in turn support. These communities can be within corporations, government, non profit organisations, or within society at large.

What Do Good Leaders Do?

35. The various leaders whom I interviewed were operating in different environments and made the point that leadership will vary according to the situation and according to the type of organisation in which they are operating. However, as each leader outlined his or her own philosophy of leadership and identified what they believed to be the key characteristics of leadership, I was intrigued by the considerable commonality which emerged. Some of the characteristics described involved clarification of the leadership role. Other characteristics however, involved the personal attributes of the leader.

The leadership role was seen to require the following:

- A leader must forever be challenging the reality; challenging perceptions. He or she is a **catalyst for change**, for leadership is about change. As Don Keough, the former President of

Coca-Cola stated, “A leader must be constantly restless, always looking to do something better than yesterday, always looking at what we need to do and how to grow in order to survive tomorrow.” “He must be able to take people into the unknown.” The creativity required to achieve change is likely to be found in the followers.

- A commitment to **mission**. Frances Hesselbein, the President of the Drucker Foundation for Non Profit Management stressed that management for the mission is key to good leadership: “A clear and powerful mission statement that permeates the organisation is a very motivating force.” As the former Chief Executive of the Girl Scouts of the United States, she turned around an antiquated organisation by focusing upon the mission, while being prepared to make bold changes.
- The ability to **strategise**, to determine the path to the vision, with objective measures along the way. Brian McNulty, of the Colorado Department of Education involved parents and staff extensively in preparing and implementing strategies for his department, while emphasising that it was his role to ensure that such strategies were in place.
- **Leading by example** is an essential component of leadership; the ability to “walk the talk.” This also implies an essential knowledge of the task at hand.
- The leader is the **keeper of the values** of the organisation; the core beliefs that the organisation lives by. It is important that there is a sense of shared values; for this is the basis of the culture of the organisation. With a strong culture, an organisation can overcome a variety of adversities. To assist in this process, Hatim Tyabji, the President and CEO of Verifone, has published the Verifone philosophy in a booklet in 7 languages, distributed to all staff. This booklet is described as “a system of motivating concepts or principles; the system of values by which one lives.” It is interesting to note that this is a company which is operating globally; but the corporate values are consistent around the world.
- The leader must be prepared to accept personal **responsibility** for what ever happens and must encourage a similar responsibility among those she leads. Rebecca Taylor, the Executive Director of the Vocational Foundation Inc of New York, stated that a key function of a leader is having confidence in your own judgement; “being prepared to make a decision and take the flack for it.”

There are a number of personal attributes that require a special individual.

- The ability to inspire people to see a **vision**, encompassing the aspirations or goals to be followed by the organisation. This requires the skill to overview; to have “helicopter vision,” which takes into account the global future. The leader must be prepared to be at risk for his or her vision.
- The ability to **inspire** others with the goals of the organisation and to **empower** them to reach them. To do this, there has to be a mutual respect between the leader and the followers; there must be believability, accessibility and caring. Not all of those interviewed liked the word empowerment, with its inference of power to give; but there was general consensus that a leader must be willing to let go of the decision making. Peter Drucker (1993) termed this “replacing power with responsibility”.

- The ability to provide **support and encouragement** for others; Barbara Brown Zigmund, the President of the Hartford Seminary of Connecticut, talked of this active support as providing purpose for the whole.
- A passion about **learning** and about **teaching**, for it is a leader’s responsibility to ensure that learning never stops. He or she must nurture **creativity** and **innovation**; for it is there that the future lies. To do this, they must provide the opportunity, the resources, the freedom and the opportunity to fail.
- The ability to **communicate** with people. Implicit in this is the establishment of **trust** through a basic honesty with others. It also involves a significant presence; a high degree of **visibility**. Frank Fairbanks gave the example of having to talk personally with groups of employees regarding layoffs. Despite the highly stressful situation, a survey afterwards reflected still high morale, because of the very honest and open way in which they had been involved. And the Secretary of Health and Human Services in Washington DC, Donna Shalala, communicated directly with all of her 65 000 staff during the time of US Federal budget shutdowns in 1995, in personal letters and a brief newsletter, and then by organising for all managers to ring their staff members personally and explain the situation.
- Implicit in the ability to communicate is the ability to **listen**; for as Senator Terry Sanford stated: “Everyone else always has better ideas.”
- The ability to take **risks**. The leader must be prepared to make mistakes, for he or she must often make decisions when all information is not available. A leader must also allow others to take risks and to make mistakes. Jolie Bain Pillsbury, a former Associate Commissioner involved with large scale reform in the Massachusetts Department of Public Welfare, talked of a culture of Monday morning debriefings; “to learn from failure.”
- The leader must have the **energy** and **drive** to persevere with the leadership role and to make a difference. Implicit in this is an expectation that others will also have the same energy and drive; achieving a lot and performing at high standards. Donna Shalala talks of protecting her stamina; “skilful leaders don’t let people over organise them”; in order to protect her ability to make good decisions.
- A leader must also have a **commitment** to the task in hand; a **passion** for what he or she is aiming to achieve which is infectious. Karen Davis, the President of the Commonwealth Fund, talks of “making followers excited about following”.
- A leader must have **integrity**. Barbara Brown Zigmund refers to integrity as a sense of completeness but not uniformity; inherent in this is a trustworthiness; doing the right thing and explaining it.
- A leader must recognise the **value in people** and be committed to them, for human relations are the key to leadership. Robert Burkhardt, the Head of School at Eagle Rock, an experimental school for high school dropouts in the Colorado Rockies, talks of the importance of accommodating and celebrating individuality within the values of the organisation. He or she must truly **care** about those who are their followers and be able to **empathise** with them; for without this caring, the relationship will be diminished and there will be a limit to how far the followers will follow.

- A **good sense of judgement** is essential. A leader also requires an unfettered sense of **optimism**, for one can only lead if one is positive. It is an unfortunate aspect of political leadership that there is a very large element of negativity involved in the concept of “opposition”. And yet, leadership can only be positive.

36. It is interesting too, that none of those leaders interviewed made any mention of power, other than as giving an extra incentive to the reluctant. It is the very human aspects of leadership, including a sense of humour and the ability to have fun which I believe distinguish those who can touch and thereby inspire others. For while many of the important aspects of the leadership role can be learned, and one can become aware of the required personal characteristics, it is only where such qualities are fully developed in an individual that there is true leadership.

What is a Leader and How is a Leader Involved with Leadership?

37. I perceived Harry Nurkin and the others interviewed to be highly effective leaders; but this begs the question; what is a leader and how is a leader involved with leadership? Leadership has become a subject of considerable interest, particularly over the past decade; so the literature is rich with different leadership models and different concepts of what comprises a good leader. Warren Bennis and Burt Nanus (1985, p.4) spoke of more than 350 definitions of leadership, arising out of decades of academic analysis. There have been many more in the past decade and a half. Unfortunately, there is still no leadership theory which integrates findings from the different approaches; human behaviour has proven to be difficult to predict.

38. The definitions of a leader and of leadership vary according to the definer and the defined; many speak wisely on the subject; John Gardner, James MacGregor Burns, John Kotter, Peter Drucker, Ronald Heifetz, Michael Maccoby, Max De Pree, Warren Bennis, Robert Greenleaf; the list is endless. And some talk of the importance of followers; without whom there cannot be leaders; Robert Kelley and Joseph Rost to name a few. There are those such as Peter Block who talk not of leadership, but of stewardship; of being “deeply accountable for the outcomes of an institution, without acting to define the purpose for others, control others, or take care of others” (Block, 1993, p.18).

39. The more traditional, although not necessarily accurate view of the leader has been a somewhat paternal figure, autocratic, wise and knowing, able to make hard decisions, to set the direction and lead us into the promised land. I suspect that this image is still somewhat prevalent among the public at large as they search for “leadership.” But this is not the picture of the leader, nor the model of leadership being espoused by any of those above.

40. In discussing **leadership**, Frances Hesselbein, defined leadership as a collection of human attributes; “Leadership is not a basket of tricks or skills. It is the quality and character and courage of the person who is the leader. It is a matter of ethics and moral compass, the willingness to remain highly vulnerable.”

41. Senator Terry Sanford defined leadership as “getting people to move to a situation that better serves the purpose; to improve on what is at the present time.”

And what of those who write and research on leadership, rather than practice it?

42. John Gardner defined leadership as “the process of persuasion or example by which an individual (or leadership team) induces a group to pursue objectives held by the leader or shared by the leader and his or her followers” (Gardner, 1990, p.1).

43. Ron Heifetz from Harvard is more concerned with the process than with the leader, defining leadership as the mobilisation of people to face, define and solve problematic realities (Inc Magazine, 1988).

44. When one then seeks to define a **leader** however, it is interesting that there are few such definitions; the leader being considered to be inherent in the leadership process. So if a leader is to be defined as one who is involved in the process of leadership; focusing on the group's efforts towards a common cause; what is the leader's responsibility?

45. Max De Pree, the Chairman of Herman Miller Inc, in his book "Leadership is An Art" (p.11), states; "The first responsibility of a leader is to define reality. The last is to say thank you. In between the two, the leader must become a servant and a debtor. That sums up the progress of an artful leader."

46. And Robert Greenleaf, in "The Servant as Leader" (1991), defines the servant leader as the one who is servant first; making sure that the highest priority needs of others are being served. Those thus served grow themselves as persons, to "become healthier, wiser, freer, more autonomous, more likely themselves to become servants." The wish to serve comes before the desire to lead; it is a long term attitude.

Leadership and the Situation

47. An essential factor in the success of a leader is the situation in which he or she is functioning. An effective leader of the model outlined above requires the same freedom that he or she is expected to give to their followers; the freedom to deal openly and honestly with their people in a caring, trusting relationship. They must also have the freedom to develop a vision, to inspire, to empower, to allow risk taking, to communicate freely and to take personal responsibility. They must be able to solve problems and to be creative. This implies an independence and an ability to lead in a manner which is not hindered by unnecessary bureaucracy.

48. The relationship between the executive leader and those who govern the organisation is therefore particularly important. There must be a clear mission defined by the governing body, whether this is a Board of Directors, as in the case of a non profit, for profit or quasi government organisation, or whether it is the Cabinet, a Minister, a Council or similar, in the case of a public sector organisation. If performance contracts are being set, it is obviously important that the responsibilities for the different organisational outputs and outcomes are clear; for there can only be accountability if responsibility is clearly defined. This in turn makes it important that there is no political or Board involvement in the day to day running of the organisation; for otherwise, accountabilities become confused.

49. There is also a danger that centrally determined outputs for a public sector organisation might not always be appropriate to achieve the longer term outcomes. They could, if not properly drafted, inhibit the organisation's leader from developing innovative ways to achieve real outcomes.

50. It is interesting to note the situation within which Harry Nurkin was able to lead. He had a very able, professional Board who had a clearly focused role; Harry described their role as essentially being to hire the CEO, to consider his recommendations and to fire the CEO. The Board was crucial in recognising his abilities, in allowing him the freedom to lead, in being prepared to take risks, and in being prepared to accept a people focus rather than a fixation with the bottom line. I would hypothesise that this approach by the Board, together with the inherent independence allowed to a non profit organisation, created a superb environment in which Harry was able to lead.

What is the Difference Between Leadership and Management?

51. Leadership is not merely a component of management; leadership is about that special mix of gifts that include integrity, vision, the ability to inspire others, a deep awareness of self, courage to innovate, and instant and impeccable sense of judgement. It is about an unfailing sense of optimism, an intellect that can see the way through and a deep caring about those one leads. Leadership should also not be equated with position, for it can and should be found throughout an organisation.

52. By contrast, management is about systems and processes; it is about planning, budgeting, monitoring and staffing. Leadership and management are not mutually exclusive and one requires the other. As I will discuss later, organisations which enable leadership throughout are those with good management systems.

53. Warren Bennis in "Becoming a Leader" (1989, p.45) defines the differences between leaders and managers as "the differences between those who master the context and those who surrender to it". He lists other key differences -

- the manager administers; the leader innovates;
- the manager is a copy; the leader is an original;
- the manager maintains; the leader develops;
- the manager focuses on systems and structure; the leader focuses on people;
- the manager focuses on control; the leader inspires trust;
- the manager has a short range view; the leader has a long range perspective;
- the manager asks how and when; the leader asks what and why;
- the manager imitates; the leader originates;
- the manager accepts the status quo; the leader challenges it;
- the manager is the classic good soldier; the leader is his own person;
- the manager does things right; the leader does the right thing.

While these definitions are somewhat extreme and simplistic, they do emphasise that management is about safe process while leadership is about inspiration, innovation and people.

54. There have been numerous leadership models developed to define the skills, tasks and characteristics of a leader and of a manager. Generally, autocratic and democratic leadership behaviour have been considered to be extremes, with autocratic leadership (and the management model) associated with a structured, centralised and hierarchical system, with a concentration of power. Democratic leadership in turn has been associated with a decentralised, unstructured system, with dispersed function and power. Richard Burton and Borge Obel (1995) refer to those fitting the autocratic and management models as having a high preference for micro involvement, and those of the democratic model as having a low preference. In the model described above, you might say that the autocratic process more equates with the model of a manager described by Bennis, while that of the democratic leader better equates with the leadership model so described.

55. However, it is important not to fall into the trap of believing that leadership is good and management is bad. Leadership and management are highly complementary functions and both are required for organisational success. An environment in which people are empowered, trusted and inspired requires quite sophisticated systems of management.

Are There Differences in Leadership Between the Sectors?

56. Is there a difference in the leadership characteristics and values required of the private sector leader compared with those required of a leader in the public sector? I have identified a great deal of commonality, as indicated by the core leadership roles and characteristics, including the emotional and spiritual qualities outlined earlier. One might also suggest that public sector leaders are likely to care deeply about their communities and those they serve and have thus chosen a public service career.

57. The leaders of excellence whom I interviewed did not act differently in the different sectors. This is supported by research undertaken by various scholars, including Bennis, Levinson and the Center for Creative Leadership (Kotter, 1988, p.19), in which private sector and public sector CEO's and middle level managers were compared; all had vision, a strategy for achieving that vision, a co-operative network of resources and a highly motivated team of people to make the vision a reality.

58. A comparison of the roles of the leaders in private and public sectors indeed indicates that the role of the private sector leader is generally more straightforward. The mission of a private sector organisation is usually narrowly defined and the stakeholders are readily identified and limited in number. By contrast, in the public sector, leaders are dealing with an ever changing mission, an often hazy vision imposed from above and a multitude of stakeholders, including the public at large. Leadership roles between political leaders and chief executives are often confused: the political leader being the one perceived to have the vision, but with the chief executive responsible for interpreting this and ensuring the delivery of outcomes. Public sector CEO's are acting under guidelines far more confining than those of the other sectors; they are operating in the public gaze and are far more likely to be admonished publicly for minor errors than praised for major accomplishments. There tends to therefore be an inherent avoidance of risk in public organisations, which in turn tends to discourage innovation and risk taking. The environment in which public sector CEO's currently operate is generally not conducive to encouraging leadership.

59. Facing such an unattractive scenario, bureaucracy and hierarchy must often seem to be an attractive option to the public sector executive; providing a buffer to direct accountability. This is despite the fact that this approach does not enhance organisational success. So there is a major challenge to create a public sector environment which can nourish leadership and create lively, innovative, publicly responsive organisations.

60. Unfortunately, the late Jim Gantsoudes who was then Managing Director of Morgan Stanley Co Inc in New York, gave the general private sector viewpoint of public sector executives; pointing out that such leaders in the United States are generally viewed to be inferior to those in the private sector. He stated: "the public sector is seen to be a crummy existence, good people have no interest in being in government". This is also, unfortunately, a common perception in our own countries. While this perception might have changed a little in some countries, with the gradual introduction of contractual systems in the public sector involving full responsibility and accountability, the presumed superiority of the private sector still remains. This is not assisted by public sector salary scales which are usually greatly inferior to those in the private sector. And yet the leadership role of those in the public sector is often more difficult, more complex and usually has far greater community impact. It is not unusual for those chief executives employed out of the private sector to struggle with the public sector role, with its multitude of demands. In the past, the expectations of the public sector have perhaps not been as high as in the private sector, where competition is a demanding factor. But the public sector around the world has been reformed; this is no longer the case.

61. The different leadership roles are not always fully understood or appreciated in the public sector. The leaders are generally perceived to be the politicians rather than the executives and there is not often

any recognition of the importance of leadership at the professional level. Mark Abramson, the Chairman of Leadership Incorporated in Washington DC who has been involved with leadership training in public sector reform for many years, comments that training in the US public sector is lagging behind, with the exception perhaps of the uniform services. There is not enough time and money being spent on developing people in leadership roles, either at political or executive levels. There is very little succession planning such as takes place within the large corporates, to identify and nurture young leaders. This is not a problem unique to the United States. Throughout the world, we need and demand leadership but we are not prepared to invest in fostering and growing it. As both Peter Drucker and John Gardener emphasise, an excellent public sector is essential to the health of the free society to provide balance to other interests. To achieve this, we need to recognise, develop and support new leaders.

Nurturing Future Leaders

62. True leadership is a rare but desirable commodity. And yet leadership is needed at all levels in every public sector organisation. How are such new leaders to be created?

63. There is considerable debate about whether leadership can be taught. There appears to be a general consensus that individuals cannot be taught in the classroom to be a leader. However, they can be taught about the roles and qualities of leadership, to raise awareness of what good leadership entails, and to give them confidence to use a more caring and empowering approach.

64. The development of leadership qualities can also be assisted by greater self-knowledge and by a range of differing activities. Such activities include internships, exposure to a range of different workplace situations requiring leadership, community roles, and the presence of a good mentor. All raise awareness of the importance of human interaction in different circumstances and allow learning from the examples of good leaders in action. One can be taught various skills which can assist in a leadership role. Students of leadership can also learn more about their own personalities, values and attitudes in order that they can better understand themselves and others in a leadership situation.

65. A broad exposure to life in a wide range of experiences and subsequent reflection and learning best prepare a leader. Such experience or learning can range from taking up responsibilities at an early age to coping with personal tragedy and crisis, to involvement as an aid volunteer, to travel experiences. There is a growing recognition that such breadth of experience exposes one to a full range of values and perspectives. This in turn is of greater benefit to those who are going to be future leaders in their organisation than the traditional specialisation into singular careers early in life.

66. It is interesting to note Daniel Goleman's definitions of emotional intelligence and the manner in which these can be applied in the identification of leaders. Goleman (1998) refers to the personal competencies which comprise leadership as self awareness, self regulation, motivation, empathy and social skills. It is interesting to note that Goleman, in his book "Working with Emotional Intelligence" (p 319), refers to the 21 generic competencies identified from star performers in 286 managerial positions in organisations around the world, of which more than 80 per cent related to emotional intelligence. The measurement of these competencies in the appointment of those taking up new leadership roles is becoming increasingly important.

67. It is also essential that the leader has some understanding and empathy with the community and people around them. There is a need to understand the different values of society and the fact that the good society requires a balance. The leader cannot afford to be dogmatic and uncompromising in their own ideologies. James O'Toole in the "Executive's Compass" (1993) follows the development of society values from the days of Plato and Aristotle through to the modern day. His book, based upon the

Executive Leadership course presented at the Aspen Institute in the United States, presents these values in the form of a compass. The value of liberty has an opposite tension of quality, while on the other axis the value of efficiency has an opposite tension with community. An understanding that there is not necessarily a right or wrong way to view society values increases tolerance of alternative views and opens the mind of the leader to the possibility of new and innovative outcomes.

68. It is important within organisations to ensure that leadership training is available for staff at all levels; to ensure that they are exposed to a broad range of different experiences and to monitor the development of leadership capabilities. The Leadership Practices Inventory (LPI) put out by James M. Kouzes and Barry Z. Posner (1993) is one way of enabling an organisation to measure the leadership practice of individuals. This involves staff evaluating their own leaders, which is in turn compared with a self rating. The practices of exemplary leadership in this model are identified as challenging the process by searching for opportunities, and experimenting and taking risks; inspiring shared vision by envisioning the future and enlisting the support of others; enabling others to act by fostering collaboration and strengthening others; modelling the way by setting an example and planning small wins; and encouraging the heart by recognising contributions and celebrating accomplishments. While this is a relatively narrow measurement of leadership, it does enable an organisation to identify and monitor leadership practice within an organisation.

69. It is also a means by which an organisation can fall into the common trap of promoting staff to leadership positions for the wrong reasons. We are all aware of those who are leaders in their technical field, but do not have the same special capabilities in leading people. And yet so often, these people are advanced to key leadership positions. Too often, safe and mediocre performance is rewarded. And those talented innovative people who take risks are punished, admonished or at the very least discouraged. By raising the awareness of good leadership practice, evaluating leadership practices, ensuring that carefully designed leadership training and support are available to all, providing mentoring for young leaders with potential and providing them with appropriate opportunities, one can change the face of leadership in an organisation.

70. Finally, in the nurturing of future leaders, it is important that good leaders should be identified and acclaimed: to set an example for others. All should wish to be leaders, with the associated responsibility that this involves. The United States identifies and acclaims its fine leaders, with a variety of leadership awards given at every level of society, from school communities and grass roots organisations to state and nation-wide awards. Leadership is used in many contexts, but everywhere it is recognised as being a key to change. For those countries which are more egalitarian, such as my own, there is a need for our communities to rise above the tendency to be all the same and to recognise that there is an enormous benefit to the community at large if leadership can be encouraged and awarded. Servant leaders, by definition, are not going to undertake their leadership role in order to be acclaimed; but their role is that which most requires acclamation and emulation.

Leadership in the Reformed Public Sector

71. It would have been very difficult for the style of leadership which I have described in this paper to have been practised within the large, centralised, regulated, hierarchical and bureaucratic organisations which traditionally made up the public sector. However, throughout the world, public sector reform is enabling a new mode of leader to emerge; the emotional and spiritual leader, such as Harry Nurkin.

72. Over the past 14 years, much of the world has been through public sector reforms, often stimulated by financial crisis and involving major structural changes; changes which have been dramatic and in the main successful. The reforms have frequently been based on the model described by

Christopher Hood of the London School of Economics and Politics as “new public management”. The reforms have often had their intellectual roots in two philosophical frameworks; that of institutional economics, which led to the widespread use of contracts, and that of managerialism, involving bringing private sector ideas of management into the public sector arena. These two models tended to reinforce each other in different ways; particularly in emphasising the hard, contractual side of management and undervaluing the human side.

73. In New Zealand, the contractual model has involved the general separation of policy development from service delivery, with contracts between the various parties to define and then measure performance according to pre-determined outputs. Performance contracts between chief executives and Ministers have been the cornerstone of the model. It is significant that these chief executives are not politically appointed, there being clear separation between the political and executive branches of government. The reforms have given far greater responsibility to the chief executives, allowing them to be responsible for the outputs of their organisations. Such freedom to act creates an environment of autonomy in which leadership can better flourish.

74. Throughout the world, the different state enterprises and the various units of local government, particularly in the area of service delivery, have been expected to be more like the private sector, with efficiency and effectiveness in their operations and a focus upon the bottom line. There has been a major move towards the contracting out of services and the devolving of many functions to stand alone agencies.

75. Public sector reform has tended to accompany major changes in the private sector, which has been struggling to meet the challenges of globalisation. In New Zealand, for example, businesses were suddenly exposed to the vagaries of the international market place. During this time of reform in all sectors, management skills were emphasised, as the various public and private sector organisations struggled to survive and to compete; for limited trade or for limited funds. In many ways, it was the quest for good management which led to the public sector reforms. There were also some able leaders, but with a predominance of these performing a somewhat traditional, hierarchical leadership role. This somewhat impoverished private sector management model has tended to be duplicated in the public sector.

76. There are two main aspects of reform; structural changes, and the implementation of the new policies and changed systems to achieve improved outcomes. Structural changes alone are not sufficient and the traditional managerial model is not enough. Effective executive leadership is vital in all aspects of the public service, to continue the transition from the traditional, structured, bureaucratic organisations which once comprised the public sector to new, less formal, more independent organisations. These new organisations are required to refocus, to restate their values, to help the public adapt to changing services, to often compete with outside contractors, to produce more from less and to cope with the inevitable human dislocation.

77. Good management and hierarchical leadership are no longer sufficient. All stakeholders are demanding that their interests be taken into account; and in the case of public sector organisations, this means that the public at large must be listened to. Chief executives are required to present the vision to all stakeholders, including the public at large; to inspire, to teach, to encourage and to support. They are expected to provide purpose, to innovate, to communicate and to empower. There is a need for well rounded public sector leaders with the characteristics described here; there is a need for servant leaders.

78. The chief executives in the New Zealand public sector have been given more discretion to manage than those in most other nations; and in return, they have been required to be accountable for a range of outputs specified in their contracts. The CEO now has responsibility for the overall form and function of his or her organisation. Such discretion is an important basis for creating a situation in which leadership can thrive. However, the contracts between the Minister and the various departmental heads

and Crown enterprises tend to give the chief executive the responsibility for shorter term outputs, particularly financial targets, with the Minister as “purchaser” being responsible for the longer term outcomes. While these have made a valuable contribution to New Zealand’s public administration, by clarifying purpose, imposing accountability and providing good quality information, the performance contracts did not always allow the flexibility required to deal with the day to day complexities of large people based organisations. Essentially, the contracts were designed to reward management rather than leadership; with the central agency providing the “vision”. Thus, we have had many chief executives meeting their performance contracts, while their staff and their community were deeply dissatisfied. The incentives to meet the short term deliverables did not encourage the chief executives to look to the long term health of their organisations or of their communities. Instead, questions must be asked beyond the core financial issues; is the organisation responding to the multiple constituencies; is leadership being provided?

79. Allen Schick of the Brookings Institution in Washington (1995), in undertaking a review of New Zealand public sector reforms, made the point that “outcomes require a broader perspective, a more strategic vision, a capacity to relate this year’s developments to a longer term framework”. He warned against the contracts being too focused upon the short term perspective and advocated a change in focus to the longer term outcomes.

80. He also commented in a subsequent discussion that the contractarian model of reform, with its fixation upon short term performance, tends to ignore leadership. Leadership qualities are independent of output. This in turn means that there has not been a perceived need to focus upon and invest in leadership; and yet investment in leadership is essential in a reform process.

81. The challenge therefore with chief executive performance contracts is to ensure that outputs are appropriately specified; with a clear linkage with outcomes, a good balance between hard information on intent and achievement, and the trust and flexibility to allow leadership and imaginative solutions. It is also important that the outcomes are kept in focus, with investment in appropriate measurement of these, to ensure that they are having their desired impact on society. A chief executive in a public sector organisation should be motivating himself or herself to focus not just upon the quality of the services in their own area, but upon the contribution to the nation. A chief executive should be responsible for ensuring that the outputs are making the best possible contribution to outcomes. There is a need therefore for a dual leadership role between the executive and political leaders.

Creating the Environment for Leadership

82. Concurrent with the growing awareness of the importance of a new type of leader is the realisation of the need for a new type of organisation to enable leadership to flourish. This will entail a change in the manner in which the public sector operates.

83. As a basic requirement, there is a need for a clear understanding of governance and management roles and the respective roles of both political leaders and executive leaders. Ideally, there should be a form of partnership, with each having a well defined accountability for contributing to the achievement of particular outcomes.

84. It is essential that organisations should be outcome focused, with a strategic process required to identify the required outcomes and how these are to be achieved. If this can be committed to at both political and executive levels, a transparent contractual basis for accountability and responsibility between the respective leaders can be developed. I am not for a minute assuming that this will always be an easy process; it does tend to make *ad hoc* decision making and pork barrel politics difficult.

85. It is important then to create a flexible, organic organisation which is able to nurture leadership from within. For leadership as described in this paper cannot develop in a traditional hierarchical public sector organisation. Leadership requires flattened structures and the delegating out of responsibility and accountability to achieve clearly defined outputs and outcomes. Hierarchy smothers leadership.

86. These new organisations require the sharing of information through sophisticated enterprise computing systems such as SAP. They require good internal communications through email, the intranet, newsletters and most especially, lots of opportunity for face to face contact. They require good practice guidelines to enable managers to manage. They also require sound audit and monitoring procedures. Such organisations emphasise constant upskilling and provide training and support for staff. They encourage and nurture leadership with mentoring schemes and training programmes. They encourage innovation and risk taking and are prepared to see a few mistakes made. Most of all, they reward good leadership and good performance. They are organisations which stimulate and encourage trust. Finally, they are places where people have fun and like going to work.

87. A Strategic Management Plan assists in the creation of such new organisations. This can be based around programmes such as Kaplan's "Balance Scorecard" or quality programmes such as the Malcolm Baldrige award criteria, both of which have an emphasis upon leadership and human capital.

88. My own organisation, the Auckland Regional Council, has recently finished going through a major change process to enable the type of organisation that I have described to evolve. It is an organisation which the community is now relating to and one that is beginning to achieve real outcomes. Perhaps most importantly, it is an exciting organisation to be a part of.

89. In summary, new public sector organisations require the same emphasis on leadership as has traditionally been spent on systems and processes.

Recommendations to Encourage Leadership in the Public Sector

90. If we require leadership to have dynamic public sector organisations in the future, how are we going to ensure that this happens? To this end, I have a number of recommendations to make.

- 1) When selecting chief executives in any part of the public sector or its various offshoots, it must be ensured that leadership skills are an essential component of the evaluation. It is not enough to have superb technical competence: one can readily measure technical skills, but there is some unease about how one identifies leadership. In seeking a values based leader, one needs to look for competencies well beyond those traditionally sought. There is a need to move away from what has essentially been an impoverished model of leadership, to recognise that a leader has very human, almost spiritual qualities. There is a need to identify those special personal traits that enable leaders to deal with people in a special way and to provide them with vision and purpose. Organisations need to undertake evaluation of emotional intelligence characteristics such as those identified by Daniel Goleman, to ensure that such characteristics are identified and developed in managers and potential managers.
- 2) There is a need for public sector leaders in particular to understand the values of the community around them and the balance required between these values. To this end, leadership education which focuses upon values is particularly important. Similar understanding can be achieved by programmes and partnerships involving work alongside non-profit groups, as well as the corporate sector; such partnership programmes should be further investigated by the public sector.

- 3) There is a need for a careful review of political and executive roles to ensure both a clear separation of roles, but also a leadership partnership between the political arm and the executive arm. These roles might well differ from country to country. However, they need to be clearly defined, with clear responsibility and accountability and a focus upon outcomes.
- 4) The systems under which chief executives are operating need to be evaluated to ensure that they are allowed to be leaders; with amendment of any system which stifles leadership. There is a need to carefully examine performance contracts within the public sector to make sure that they allow for leadership. Such contracts should be flexible enough to allow a chief executive to focus upon the longer term implications and outcomes; to focus upon his or her contribution to the nation. They should also reflect a degree of trust between a minister and a chief executive, rather than the hard commercial contractual elements which tend to encourage adversarial relationships. There is a need for determination of just how the political and executive leaders will share responsibility for outcomes. Leaders like Harry Nurkin need to operate within an enabling environment to enable innovation and inspiration, and to allow the opportunity for initiative and vision beyond the immediate short term outputs.

I personally have some difficulties with the concept of political appointments to traditionally executive positions, as is the practice in the public sector in many countries. However, on further reflection, such appointments can work well, providing the roles are clearly defined as I have outlined above. Such individuals can in fact bring new leadership skills and new perspective to an organisation, which can in turn bring new life and new focus.

- 5) It is essential that time is made for the leadership role; too many chief executives become immersed in the day to day management responsibilities and do not have time to do the more important leadership role. There is occasionally justification for clearly separating the leadership and management roles of a chief executive, where the organisation is large and where the challenges of the role are particularly great. For example, the challenges facing the new chief executives in South Africa at the present time are huge. To steer the organisation and the nation through major cultural reform requires a significant leadership effort; at the same time, traditional bureaucratic processes have still to be followed. It is only a superhuman who could fulfil both roles. The concept of assigning the day to day management role to another manager while the chief executive focuses on the strategic role of leading change is therefore an attractive one; one that allows time for leadership.
- 6) The incentives for chief executives where they involve bonuses need to focus on outcomes rather than outputs. In the new leadership model, the individual is responsible even for the parts which they do not have control over.
- 7) Throughout the public sector world, the actual remuneration of chief executives needs to be renewed. Rarely, if ever, are these salaries in line with the private sector. This is despite the fact that leaders of the calibre required to produce excellent public sector organisations are few, and will be sought also by the private sector as they too adapt to the new model of leadership. The broader intangible rewards of being involved with the public sector are not necessarily sufficient to offset the higher salaries offered in the private sector.
- 8) Leadership training must be recognised as an important aspect of training throughout the public sector; not just for the stars but for those throughout the organisation who at different times will take a leadership role, however small. This training should also encompass the roles and skills of the follower, for all of us are of one or the other throughout our lives and both are inter-dependent.

- 9) There is a need too to constantly evaluate leadership within an organisation. I referred earlier to the use of Kouzes and Posner's Leadership Practices Inventory as one option for doing this.
- 10) There must be succession planning within the public sector and its offshoots and within local government. This should be aimed at identifying those who are likely to be able to take leadership roles in the future, to ensure that they are given a range of experiences in different functions, in various sectors of the public service, in inter-departmental task forces and even in the private sector. Advanced qualifications, overseas experience and involvement in community activities will all help in developing the leader; quite apart from any formal leadership education. It is of interest to note here that James Collins and Jerry Poros in "Built to Last" (1994) indicated that the majority of leaders within the visionary companies which they investigated in the United States had come from within those organisations.
- 11) In association with succession planning, a formal system of mentoring will enable those with special leadership experience and skills to help young leaders to develop. Mentoring is perhaps the most important direct assistance that can be given to develop leadership. Mentoring programmes can be run within organisations, within sectors or just between individuals. All leaders have a responsibility to help to create new young leaders.
- 12) In association with the planning and development outlined above, there is a need for the public sector to work closely with universities and leadership institutions to ensure that there is formal training available which is appropriate to the sector. This should be both training for qualifications and also ongoing career development training.
- 13) The encouragement of direct comparisons with the private sector will assist in benchmarking and will help to change the perception of the public service as inferior. Leadership awards open to all sectors and participation by the public sector in national quality awards help the value of good leadership to be recognised and celebrated.
- 14) It is important too to encourage movement between the sectors; between the public, private and non profit sectors; to enable breadth of understanding. This is becoming more and more important as the sectors move closer together throughout the world. This can be through exchange, secondments, seminars, working groups, networking or a multitude of other ways to encourage relationships. To this end, national leadership institutes with the objective of nurturing and training leaders from all sectors are important.
- 15) The public sector should look to create fellowships to allow young potential leaders to work alongside Cabinet Secretaries or their equivalent for a year. As well as encouraging early exposure to the political process and an understanding of the public service by potential young leaders in all sectors, it would also provide the opportunity for the building of networks, and leadership development.
- 16) The creation of a mentor programme to enable young people who are identified at school or university as potential leaders to have a close association with a leader of note in the public sector would also be of benefit. This would foster a greater understanding of the public sector, while providing a mentoring relationship.
- 17) Finally, recreate your organisations; free them up. Get rid of the hierarchy. Push out responsibility and accountability. Examine your processes and systems to ensure that they are compatible with an empowered but well focused organisation. Only then will you unleash the innovation and energy of your people; and create an environment for leadership.

91. These are just some of the steps that we can take to identify, develop and encourage new leaders. With good leadership, we can create new living organisations, foster better communities and achieve real outcomes. Without leadership, our organisations will falter and stagnate. The challenge is ours; there is little choice.

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