

Lessons in Leadership

The IDeA and Ipsos MORI's latest research on the links between leadership and management style and performance in Local Government.

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Foreword

Local Government Minister Phil Woolas has claimed that leadership in Local Government is facing ‘the biggest change since the end of the war’. And its certainly the case that it is changing – for example, in terms of professional background, we have fewer accountants and more social workers making it to the top jobs.

The IDeA has been looking at what characterises the best performing authorities since its creation. In this report we examine the latest analysis undertaken with Ipsos MORI on the management and leadership behaviours that seem to characterise the best performers, using survey data, PIs and individual depth interviews.

What shines through is that the best leaders understand what motivates and drives staff, stakeholders and partners to achieve - it is striking how the best leaders are able to inspire and motivate their people to create sustained and lasting improvement cultures.

Given the increasing pressures local government faces, this is a timely reminder that our success is not about systems, processes or inspection – but very simply how we manage our relationships – on these everything else rests.

On behalf of the IDeA and Ipsos MORI, I’d like to thank all the people who made this report possible – read it and see if you can recognise yourself!

Lucy de Groot

Chief Executive, Improvement & Development Agency

Our Learning So Far – the Impact of Staff Motivation

It's worth reminding ourselves what the IDeA/MORI analysis of 1,000 people in 100 authorities in two separate waves of research in 2003 and 2005¹ tells us about the links between CPA performance and staff motivation and leadership style.

What *doesn't matter* in terms of CPA performance

As our two reports have highlighted, in terms of management and leadership focus, there is little or no relationship about how staff feel about any of the following factors, and how well their authority is performing:

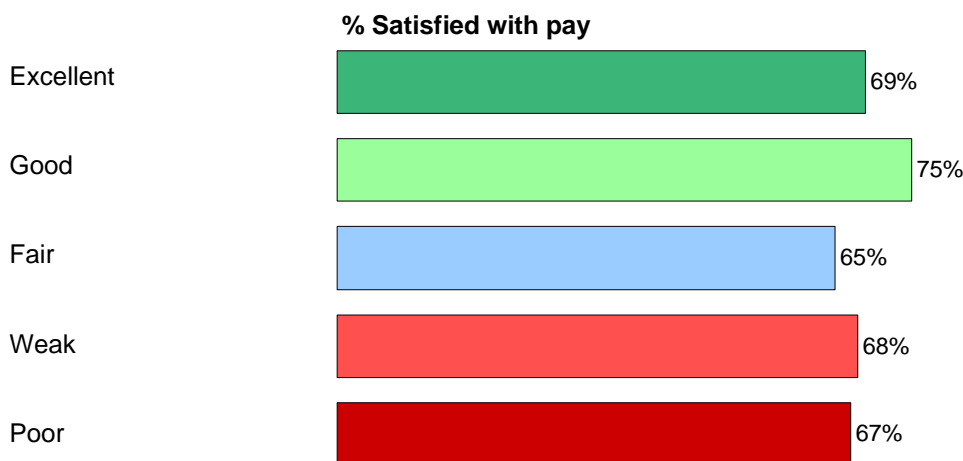
- whether or not they feel they have interesting work;
- feelings that they have accomplished something worthwhile;
- access to training;
- feelings about workload;
- approachable line managers
- job security.

Clearly we might want our staff to feel great about all these things, but the evidence is that none seems to have much to do with performance. There are plenty of one and two star authorities where staff find their work fascinating – and are just as interested in it as in the best performers.

Money doesn't matter as much as *leadership*

Money also doesn't matter. Just as the recent history of the NHS shows us, paying people more money does not seem to do much to improve motivation – an aggregate increase of £300 million in GP pay and a cut in hours, left patient experience unchanged and the doctors themselves just as disillusioned as before with the government. In local government we can find no relationship between ratings of pay and CPA performance – as the chart below shows, there is no significant difference in staff satisfaction with pay between different types of authority:

¹ IDeA/MORI – Understanding staff perceptions and CPA Performance 2003, 2005

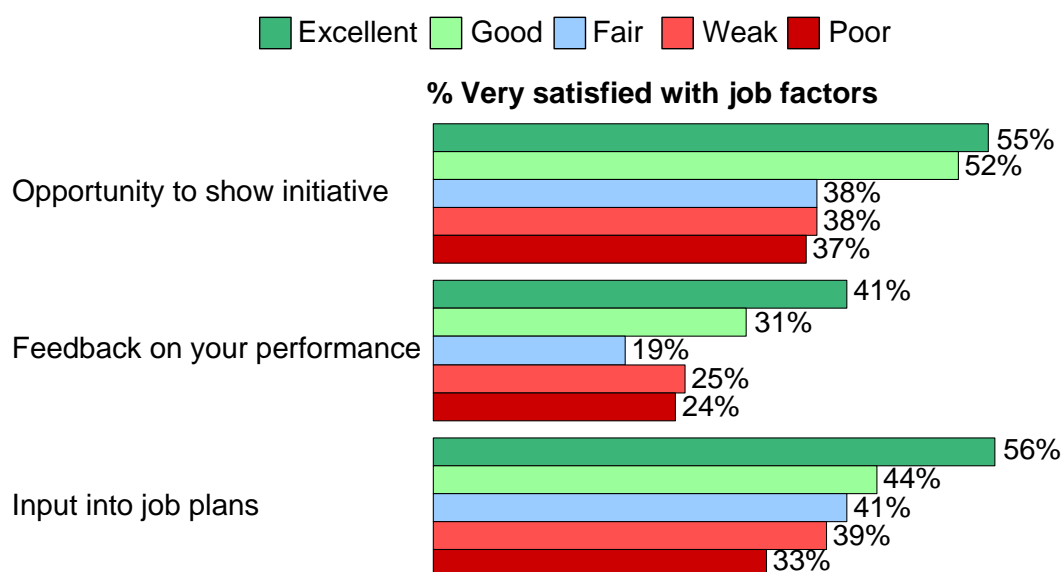


Base: 1,000 staff interviewed by phone in Districts and Upper/Single tier authorities

Source: Ipsos MORI

How people feel they are managed matters most

Both our 2003 and 2005 studies produced the same answer – top-performing councils do better at valuing and recognising their staff, making them feel listened to and find ways to give them greater input into decision-making. They provide more room for individual creativity within a widely shared framework about what success looks like:



Base: 1,000 staff interviewed by phone in Districts and Upper/Single tier authorities

Source: Ipsos MORI

Instead of pay, the following factors are key:

Telling people how they are doing: Employees working for excellent/good authorities are much more positive about feedback on their performance. They are clear about good and bad performance, and what each looks like.

Listening to staff – and being seen to listen: Employees from excellent/good authorities are more likely to give higher ratings to managers' listening to their ideas and consulting them on matters where they can contribute. They are more likely to be satisfied with their input into job plans, and opportunities to show initiative.

Better Communications: Employees working in better authorities are most likely to feel they are kept well-informed and that the reasons for change are well-explained.

As virtually all Ipsos MORI's work has demonstrated over the last two decades, the more informed the residents and employees feel - the more positive they are towards their local authority.

Our latest 2006 analysis

Here we group together the data from 2003 and 2005 to form a larger combined data set – this confirms the analysis from the two previous surveys but also allows us to see how these factors operate for different grades of staff – for the first time.

The table below highlights the factors that stand out from the new combined analysis, in rank order. These are broadly the same as in the individual 2003 – 2005 surveys, highlighting listening, communications, feedback and change management as very important. However, new factors emerging are; feeling one’s department is properly resourced, one’s working environment and job security. but as in 2003 and 2005, feelings about pay do not feature.

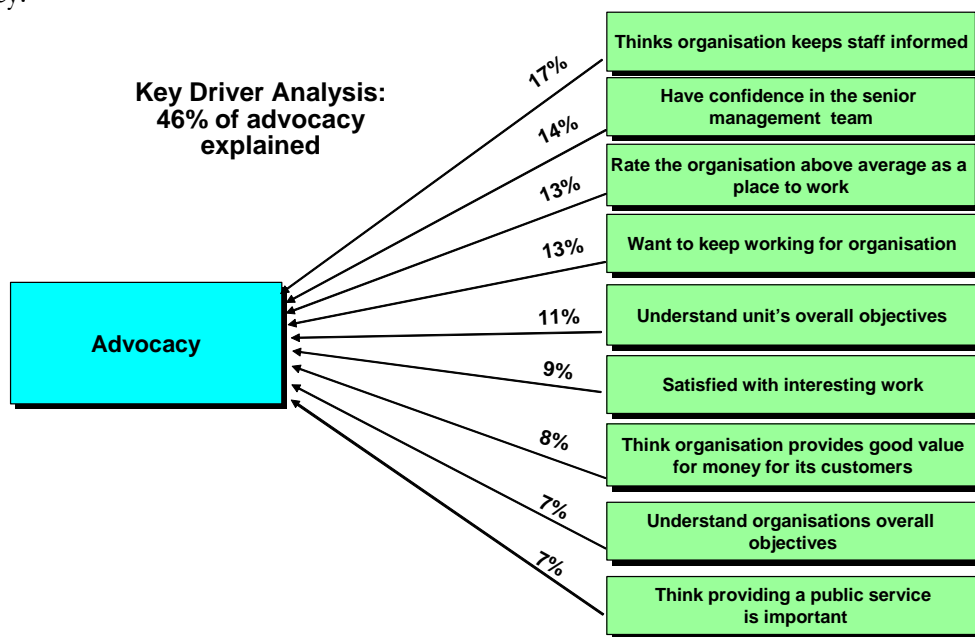
ATTITUDES LINKED WITH CPA RATINGS							
	Poor	Weak	Good	Excellent	Poor/ Weak	Good/ Excellent	Difference
	%	%	%	%	%	%	%
Change is well managed	-18	0	27	35	-9	31	40
Communications are good between different departments	-34	15	9	10	-25	10	34
Speak highly of the authority to people outside the organisation	46	70	76	92	58	85	27
Resources for your department	9	20	29	50	14	40	25
The reasons for change are well communicated to me	23	31	41	59	27	50	23
That the authority keeps employees informed	40	53	61	76	47	69	22
Working environment	33	57	68	60	45	64	19
Job security	55	70	78	85	63	80	17
The level of training you receive to do your job well	54	55	77	69	56	73	17
Recognition for the work you do	46	55	68	67	51	67	17
Gives me feedback on how I am doing	35	52	51	64	43	58	14
Feedback on your performance	49	62	58	76	55	67	12

Base: 1,000 telephone interviews (200 staff in each category of authority), 2003 – 2005.

Why don't more staff speak up for their authority?

One of the strongest – but also toughest – measures of any organisation is the extent to which staff speak up for it to the outside world. This is one of the key challenges facing local government – analysis of over 100 separate staff surveys from 2000-2006 by Ipsos MORI has highlighted that on average 27% of staff will criticise the services their council provides to residents, and only slightly more, 31% will praise them. If staff are not willing to speak up about the services their authority delivers in the community – who is?

So what are the factors to get right? What builds advocacy among staff? Our multi-variate analysis highlights the key factors. Again, feelings about pay are not one of them. Instead, keeping staff informed emerges as absolutely key – and in our one to ones with successful chief executives, this turned out to be absolutely key.



Base: 1000 staff

Source: Ipsos MORI

Our new "senior managers" hypothesis

One key new finding from our larger, combined data set, is what we have called the "senior manager" hypothesis. This is because while we can see an overall relationship between CPA success and management style/behaviour as observed by staff, when the data for the 2003 and 2005 surveys is combined, these patterns only apply consistently strongly in the case of managers. The table below highlights this:

CPA Score	Poor Net	Weak Net	Good Net	Excellent Net	Difference Excellent v Poor
NET Staff Ratings					
Your authority as a place to work compared with other organisations					
Manager	+6	+35	+62	+85	+79
Non Manager	+19	+52	+60	+68	+49
The reasons for change are well communicated					
Manager	+36	+40	+52	+73	+37
Non Manager	+15	+23	+31	+38	+23
Job security					
Manager	+39	+69	+78	+80	+41
Non Manager	+66	+71	+77	+83	+17
The authority keeps employees informed					
Manager	+49	+60	+64	+90	+41
Non Manager	+35	+47	+57	+56	+21
Recognition for the work					
Manager	+39	+60	+67	+76	+37
Non Manager	+51	+50	+69	+55	+4
Working environment					
Manager	+27	+53	+63	+61	+34
Non Manager	+38	+60	+73	+59	+21
Feedback on performance					
Manager	+40	+64	+54	+85	+45
Non Manager	+54	+61	+63	+63	+9
Gives me feedback on how I am doing					
Manager	+32	+49	+44	+69	+37
Non Manager	+37	+55	+57	+58	+19
Opportunity to show initiative					
Manager	+73	+79	+89	+93	+20
Non Manager	+78	+75	+78	+69	-9
Acts on my ideas					
Manager	+45	+44	+55	+60	+15
Non Manager	+34	+38	+41	+35	+1
Makes clear what is expected of me					
Manager	+50	+64	+65	+74	+24
Non Manager	+73	+82	+77	+76	+3
Communications are good within department					
Manager	+65	+77	+75	+89	+24
Non Manager	+58	+68	+64	+71	+13
Making the best use of your skills and ability					
Manager	+56	+67	+66	+77	+19
Non Manager	+59	+72	+63	+56	-3

In other words, there is a much weaker relationship between how junior staff feel about most aspects of working life and CPA scores at their authorities, but a much stronger relationship for managers. Arguably one could assert that the psychological contract between an authority and its staff is different for managers and for more junior or manual staff. For example, manual staff in environment departments often tend to regard their work as something they get paid a fixed amount for, in return for a fixed amount of work. They do not worry about CPA plans, strategies etc – they work their shift and go home – and if you want them to stay longer you pay them more.

In contrast, managers will be thinking about promotion and career paths, a bigger picture and are – again arguably - more engaged in achieving change and success. They are uniformly more positive in virtually every staff survey Ipsos MORI has undertaken over the last 30 years. So the difference between managers and more junior staff would appear consistent with the survey data we have observed.

On this basis then, focussing attention on motivating more junior or manual staff is less important for success than motivating managers. In a sense, one could describe more junior staff as generally responding to largely transactional management. If so, performance will depend not so much on their motivation, but as to how skilfully they are organised. Where they are given clear goals and kept under control they will deliver results, but not where they are allowed to run wild. Success will depend on how well their bosses – i.e. the middle and top manager layers – are motivated.

Of course, this study is not enough to prove causality. In other words, the correlations that we have observed throughout might not prove a causal relationship between staff motivation and CPA Performance. Indeed one could argue that CPA announcements in themselves motivate and inspire senior staff, and that junior staff remain, like much of the public, oblivious to them. If so, all we would be measuring was the impact of recognition, via CPA, of performance on the managers. However, this seems less likely in our view, particularly as the relationship between particular aspects of staff attitude and CPA score is so consistent with the factors that have been observed as key to organisational success in a wide range of other sectors.

Listening to Leaders

So, our survey evidence clearly suggests that top performing authorities have found ways of building higher levels of staff motivation and advocacy than weaker performers. While this is interesting, we wanted to understand exactly what type of things leaders in these organisations might be doing. To help understand this, Ipsos MORI directors interviewed 15 chief executives and five Leaders from a spread of top tier authorities:

- top performing councils that have a consistent track record of success over the last five years;
- authorities showing strong improvement trajectories; and
- authorities who have never been top performers and are stable at a middling level or weak level of performance.

We did not interview any chief executives from the very weakest authorities, as there were none who had stayed in office for any significant period!

What we were looking for was how they described what they did, what they thought mattered, how they spent their time, and their general outlook. Although the results have to be treated as indicative and anecdotal, given the small number of interviews, there are some compelling messages.

What Constitutes Good Leadership for today's Leaders?

Most Chief Executives/Leaders have a similar view of what good leadership *looks like*. Interestingly, their descriptions of good leadership often contain more features of a Charismatic than Transactional leader.

While there is no hard and fast rules, some consistent traits considered crucial for good leadership are:

Clarity of Vision

Well clarity, honesty and I think for me it would have to be enthusiasm and vision.

I think clarity of vision – the ability to take people with you.

Feeling Passionate

I feel really passionate for the 21st Century – it's the sort of leadership which is pushing the envelope, thinking of the future.

Ability to Inspire Staff

It's the ability to motivate people.

Motivating staff is of key importance.

Ability to Communicate Vision to Staff

The ability to communicate the cunning plan so we deliver on the vision.

Successfully Delegate Responsibility

I believe in distributive leadership and whoever is best to lead on something because I am absolutely bloody awful at lots of things.

So how do I operate? Principle number one, a high degree of delegation. Decision making should happen at the lowest level – I let go.

Leadership is about letting those folks lead and, in turn, inspire others.

Develop Your Best People

Well for me, if you invest in your senior team, the senior team will deliver great things because they are then empowered.

Rewarding and Recognising Good Work

Yes, rewarding success. So Wednesday of this week I had my Heads of Service and I rewarded them with a Banana. That's all they got, they got bananas.

Reward success? Yes, but to acknowledge success more than reward.

Every month I give £100 of my own money in an envelope with no publicity, and without telling anyone else, to anyone I have heard about who has done something really good. I can afford it, and of course they tell other people about it. It's not about me looking good – it's very low key – but it gets noticed.

Being Highly Adaptive and Open to New Changes

It's about being highly adaptive ... So that you are scanning all the time. You are constantly looking at not just the borough but the city you are in, its needs and the environment.

Lessons in Leadership

Having looked at what our pool of chief execs say, what can we observe after analysing 20 hours of discussion? The lessons seem clear, and interestingly, wholly consistent with what the structured interviews with staff in 2003-5 are telling us. Top performers give us the following list of “must-dos”:

1. Communicate, Communicate, Communicate

A key to being a successful leader is to communicate:

I think for me leadership comes through the ability to communicate and to have a vision and the ability to communicate the cunning plan.

Almost everyday wherever you are, whoever you are speaking to, you've got to be using words that provoke an intellectual response. To get people to be creative and full of ideas and join you in journeys about what the future could be like. It's amazingly important – and don't worry too much about joining all the dots in between.

Our interviews suggest that effective two-way communication is much more prominent in excellent/good authorities, especially with the third or fourth tier of the organisation:

A lot of my time is spent talking to staff.

You see, I think many of the characteristics of leadership are about communication and the ability to articulate where you're going.

2. Know when to let go

Chief Executives at the highest performing councils appear to recognise this – they instil a clear vision and then let staff get on with what they're good at:

So how do I operate? Principle number one is high degree of delegation – decision making should happen at the lowest level so I let go.

I am aiming at a can-do culture where people don't ask permission to innovate.

I'm happy to trust others and be available to them – I am not a control freak. I am not sending emails at two 'o' clock in the morning.

I would say I am good at managing change – affecting people's hearts and minds. I'm good at inspiring people to change the way they do things.

It's about creating this vision then standing back and letting others manage it – hands off, not on, managerial style and recognising you can't do everything and as a result, letting managers manage.

I believe in distributive leadership and whoever is best to lead on something, because I am absolutely bloody awful at a lot of things.

3. Communicate tone, not plans

In this small and therefore solely anecdotal sample, the weaker authorities are more often led by transactional leaders who use more traditional, less people friendly management styles and better ones have a more people orientated management style. Many top performers aim to spend about 30%-40% of their time just talking to people within the organisation, and partners:

I spend a third of my time on partnership and relationships, a third on visibility, communicating the message, getting our stories across, what we stand for, who we are, how we want to do it, and what's our style. And I spend a third of my time on grot.

15% time for communications business with leader, 20% directly managing staff, 10% meeting staff and allies, 55% problem solving and sorting out things.

Others *setting tone, culture, purpose, vision and trying to personalise it, bring the thing to life, as impersonal leadership doesn't work.*

Fewer successful leaders want to be more hands on and transactional, paying attention to every detail. Many of those interviewed said they began their role in a more transactional style, where they focussed on results and the details, before coming to see the importance of culture, above all:

When I started this job, I had no idea that the main thing was going to be setting tone, getting it right, recognising and rewarding staff – now I know it's the most important thing I do.

If I have one regret it's that I should have done the softer stuff earlier – brought in a range of talents earlier, rather than just the hard stuff of driving targets etc – but I had to be tough because of the place – but if I had my time again, I would have trusted people earlier.

I was doing quite a lot of hands on and a lot of performance stuff to try and get the performance (of the council) up. I do spend a lot of time on performance management, looking up papers, checking league tables...

However, some leaders are a mixture of transformational/ transactional, with one saying, *I think I am able to do both of those (task oriented and getting the vision right).*

4. Get the culture right

So culture, as in any organisation, seems integral to success. Positive cultures, where people feel empowered, and part of the greater scheme of things, are the more successful. Common elements of culture that can be seen in high performing councils include *a can-do culture where people don't ask for permission to innovate* and a *buzzzy* culture that is recognisable, and *generally up beat and positive*. The ability to *re-invent, re-energise and keep meeting and communicating* as well as having a *friendly, supportive and high performance culture* are also common elements.

There needs to be the belief that we can do great things, interesting things with warmth and humility.

It's not about being the "best council in the world", but wanting to be the best we can for our community.

One of my jobs is to make sure that we have a culture of innovation, which we do so that the culture itself can cope with the implications of failure, when some of these innovations don't work.

I am aiming for a can-do culture where people don't need permission to innovate.

It's (council) buzzing, we've got a buzz - people say that when they come here. My people - our team - have got a buzz about it.

5. Passion matters

Chief Executives/Leaders of successful councils tend to show more passion about their organisation and are stronger advocates of it to the outside world.

I had a big picture of this really attractive woman bending over and looking out at sea with the Borough crest tattooed just over her bottom. I said I want people to feel so passionate about it that they want to tattoo the borough crest on themselves.

Once the vision is established, passion and motivation shown by the leaders keep the momentum going. It is clear that leaders in any environment don't have to be the same, but they have to have one common denominator - energy.

Organisations do not tick over through structures – it's through relationships.

You've got to keep reinventing, re-energising. It's no good sitting back thinking the culture is there now – you have to keep innovating.

And only once during the interviews did we hear, “*at the end of the day Ben, it’s just a job*” (fair performer).

6. Accept some risk

To truly empower people, staff need to be able to cope and deal with failure.

Not succeeding is an inevitable consequence of trying to change and improve, as things don’t always work out as planned.

People need to feel empowered to make decisions – and get on with it. But you can only innovate if you are willing to cope with failure. In a climate of innovation, the culture itself must be able to cope with failure, and this includes the Chief Executive. If a Chief Executive seeks to empower their managers to manage (a key to organisational success), then they in turn should encourage feedback on their performance too.

They [the managers] spend time telling me why they disagree with me and the trouble is they’re often right. Acknowledging I don’t know it all and giving others the opportunity to lead is important as it inspires them, motivates them and gives them more initiative.

The leader and I used to sit together and laugh about X, because he was so mad and think ‘when shall we sack him’ but actually as a big Country Council, quite frankly we have loads of dull and worthy people, so we need someone a bit off the rails.

7. Charismatic leadership might matter a bit

While most prefer not to see or admit that their style is charismatic, many of the more successful leaders have a charismatic personality or style.

You can’t say whether you’re charismatic – only other people can tell you that

For example, another denies charisma matters, but says, tellingly;

Having a personality and a sense of humour and also enthusiasm. It’s the ability to enthuse other people

8. Focus on delivery

High performing and respected leaders demonstrate a drive to deliver. They are least interested in being “good administrators”, and more interested in wanting to “challenge the status quo” – not necessarily be innovative, but shaking things up. They pay most attention to big projects, not every detail, and chase down delivery through a clear management chain, optimising results and time management – and delegating.

9. Invest in developing people

As we have already seen, the more satisfied managers are, the more likely a council is to perform highly. This suggests that delegating to them and investing in them is important – and the best realise. Successful Chief Executives/Leaders are more likely to be enthusiastic about training, capacity building and using mentoring as processes of skill development and to enhance productivity.

What I try to do is communicate with the third and fourth tier in particular, because they're the people that make a difference.

Well, we've got a lot of leadership training with the cabinet, now spilling out of the council as a whole. A lot of leadership training with the top 30, which is now spilling out and cascading through the organisation.

We spend half a million on performance management training specially developed for us.

We have mentoring programmes, dozens at a time. We also have confidence and capacity building programmes.

It's a Hard Life – An Epilogue

During our interviews, many leaders and chief executives commented on the particular local challenges they faced, and indeed the general combination of place, politics and personal histories that seem to combine to help success. We think they are worth reflecting on.

1. Particular challenges in particular places

Different authorities pose different degrees of challenge:

- Some authorities are more ungovernable than others
- Socio-economic conditions are more challenging
- Politics are more or less stable
- Long – standing cultures can be hard to change

The underlying picture is that some Chief Executives can feel they are tight-rope walking in an unstable environment; *without real control this place would revert to chaos in a year.*

Things need to be *settled and clear.*

Whereas for others, more settled political weather makes it easier;

Now we have the culture right, it wouldn't matter if I went under a bus tomorrow – people know what good looks like.

I spent 10 minutes a day only with the leader. We both know where we are going.

2. Politics matters

The bleeding obvious, but true. One of the issues that emerged as people talked about their roles was, of course, their relationship with their politicians and/or chief officers. While for politicians this seems less of an issue, for Chief Executives, developing an effective relationship with their politicians, and meeting their differing expectations, is often a major issue. In some more traditional authorities, a large amount of the chief executive's time is devoted to “serving” members. They often seem to have a culture where chief executive is expected to be around, available and to follow up members' issues:

I am expected to be there, present, in my office at least three days a week and available to Members – it makes doing the visible leadership thing very difficult.

Considerable managerial leadership gets invested in politics where control is tentative, and there is infighting within a ruling group or a hung council:

Means a constant battle for stability.

3. You don't have to be posh

Compared to the Civil Service, local government's top performers are surprisingly diverse in terms of their backgrounds. Most of the Chief Executives and Leaders have come from a junior operational role, and have worked their way up the ladder. One of those interviewed said *I am not middle class. There's no middle class from Lancashire*, while another interviewed referred to their humble career beginning;

Yes, I am a chartered engineer. So I spent the first few years of my career just designing, building out at site, muddy boots, on your head and all that sort...

While the research suggests that junior operational experience is key, there is no clear career path for the top performers, some seeing themselves as not having *many choices after college*, while others found they studied for a degree that wasn't necessarily essential to them getting where they are now, with one saying I studied for a *French and Politics (degree at University)*, *which was no bloody use to anybody*.

Past work experience is also influential with regards to a leader's approach. For example, someone coming from a customer service role approaches their leadership role with an emphasis on customer service and its importance in making the council successful. One of those interviewed said, *I did lots of work around customer service and customers and where people had a choice about the quality of service.*

There is also evidence that leaders from a HR background, tend to place a greater emphasis on staff motivation, and career development and fulfilment, while another Chief Executive/Leader, cited their management experience coming from a non-work related environment;

My management training actually came from the fact that I was the player/coach of a basketball team that won one of the national titles. And I actually got as much really from being a player/coach of a successful semi pro team.

4. The importance of "Terroir"

Just as some of the best food and wine seems to reflect the unique climate, soil and local conditions it is produced in, one of the issues that emerged in the

interviews was the importance of really knowing one's authority – and for around half – being 'of your authority'.

It feels like my place – I know it and love it.

If I wasn't from South London I would have been punched.

I am very passionate about London, I'm from this area, and that's a big difference because a lot of people aren't I've grown up on the bomb sites, my family's been here for three generations.

Conversely, others prefer being apart and having a sense of distance, but these seemed to be the more average performers in our sample. It may simply be important to be passionate about place, and this might be more likely if you grew up there, but that it is not essential:

I grew up all over the place, my father was in the army ... I think the moving around has helped me enormously. I am constantly remembering and relating to previous places and experiences. That's what gives me great strength.