

public leadership in challenging times

Barry Quirk

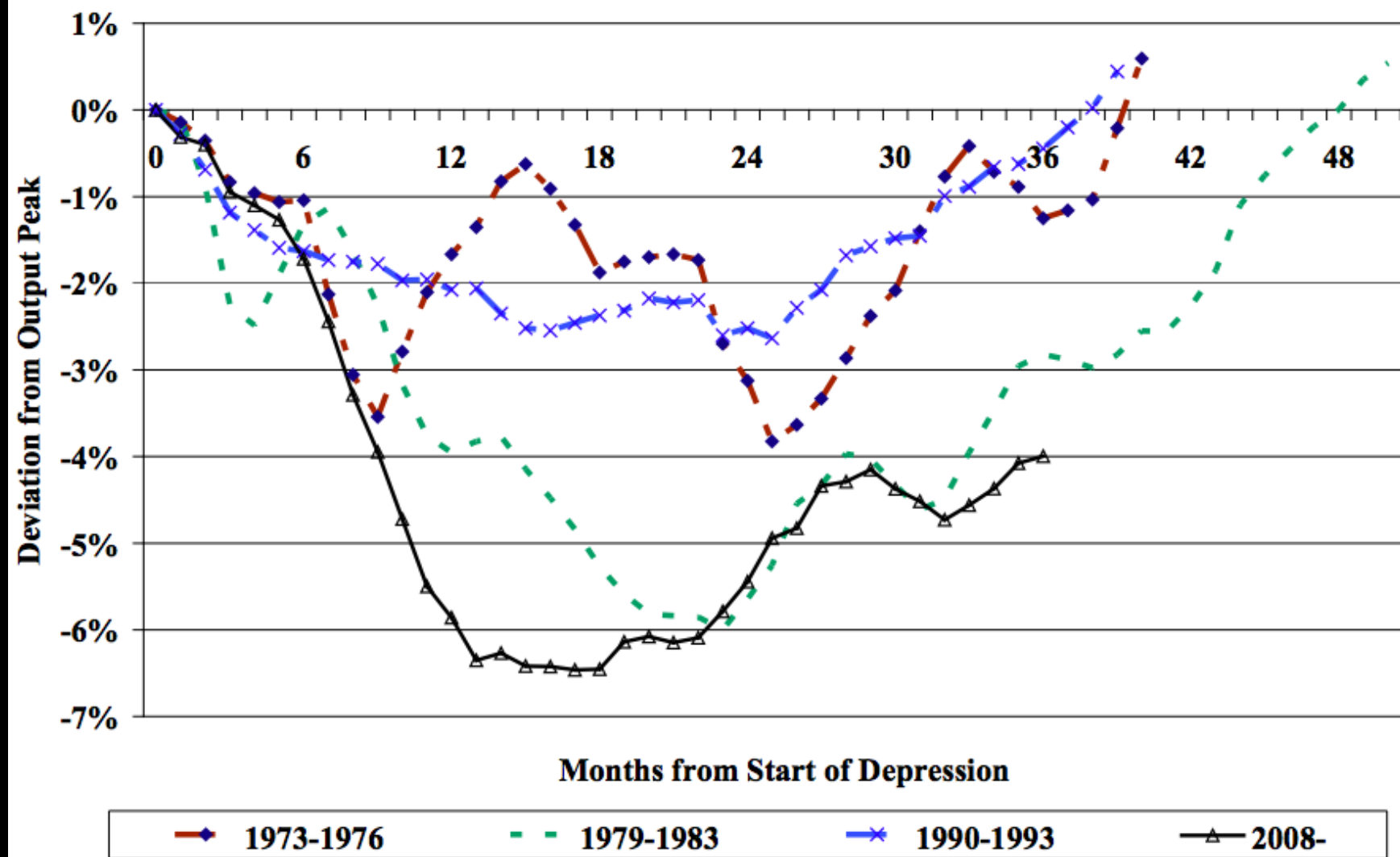
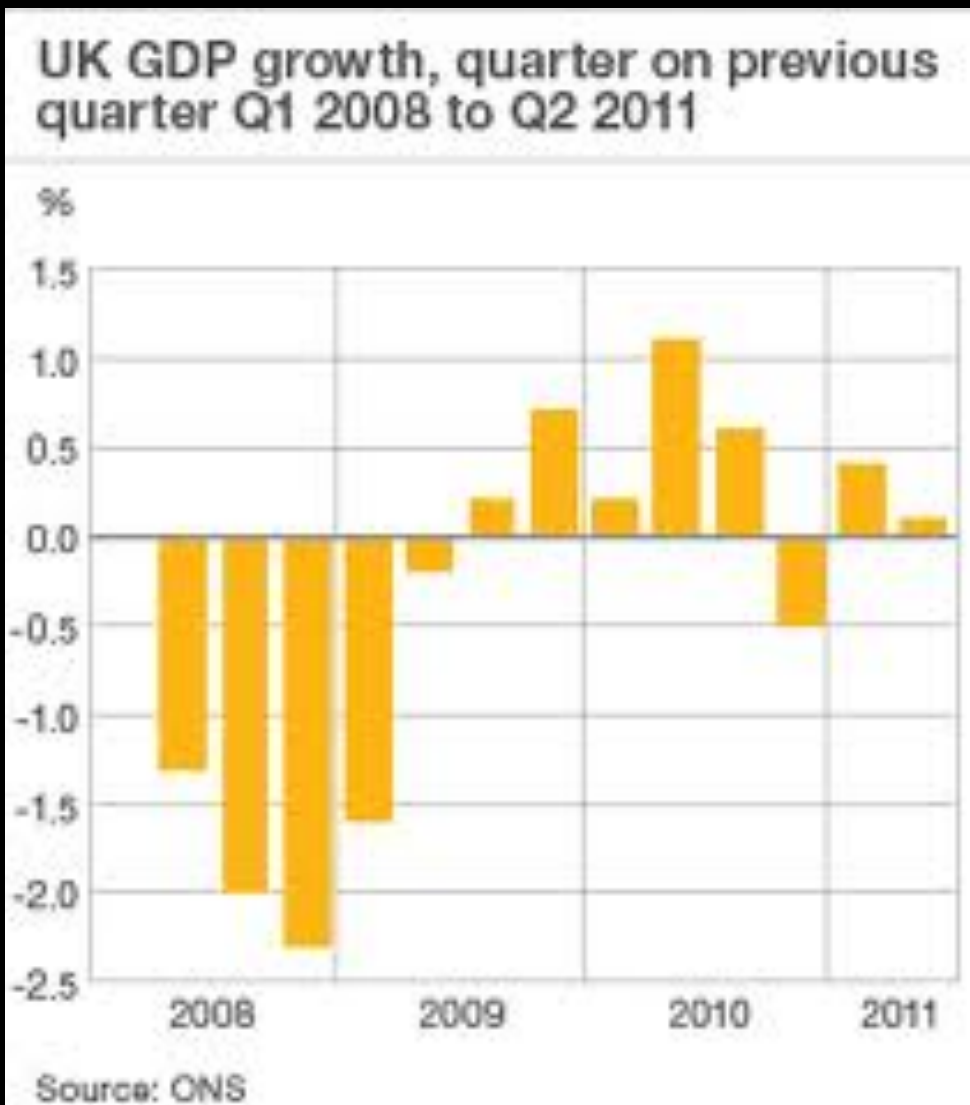


social relations & politics ...

“On or about
December 1910,
human character
changed.”

Virginia Woolf (Mr Bennett and Mrs Brown, 1924)

changing economic realities ...



Mitchell, Solomou & Weale (2011)
Monthly GDP estimates for Inter-War Britain

beware Greeks bearing debts



European debt crisis
Eurozone problems generally
exposure of British banks, hence
the British economy



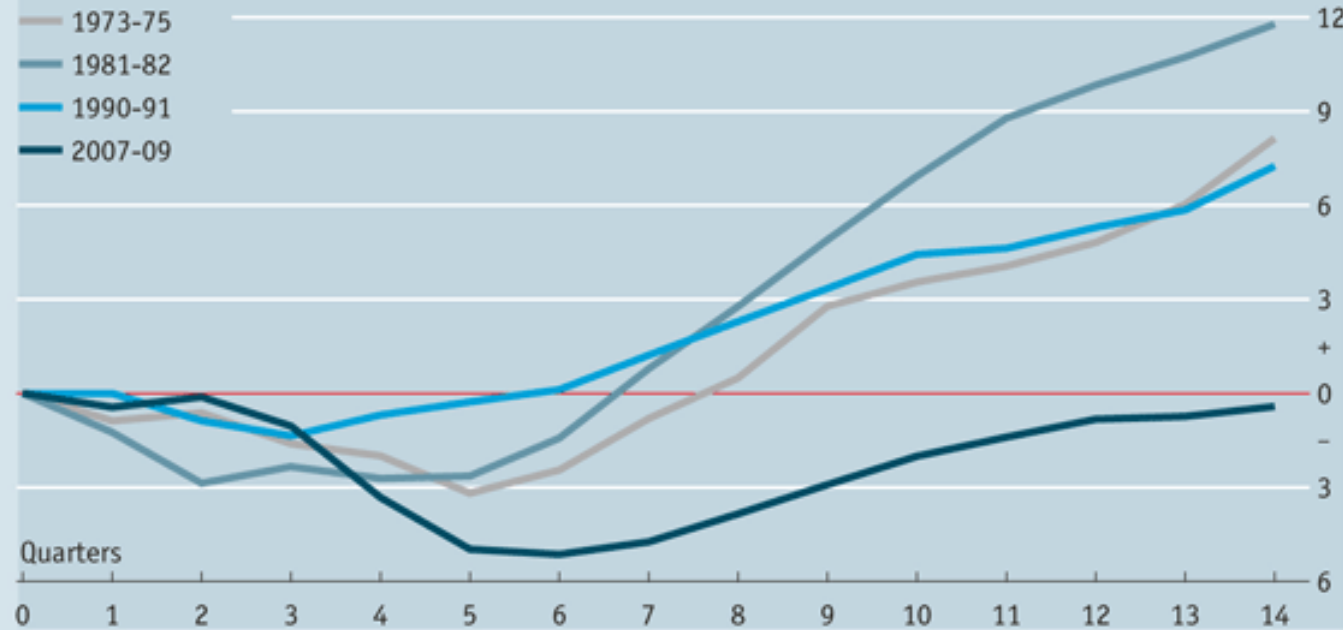
Trojan Wars
c3,200 years ago
Virgil's Aeneid Book 2, 19 BC



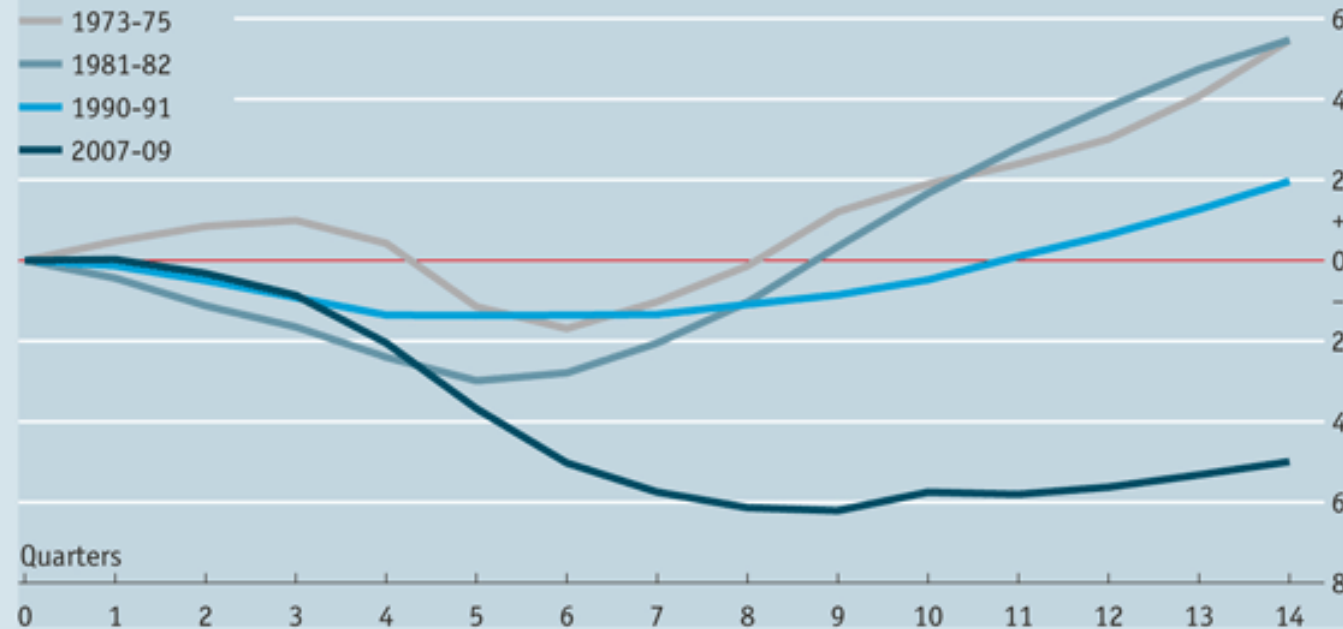
USA still has a heavy cold: jobless recovery and housing market insecurity

US recessions and recoveries

GDP, % change from peak

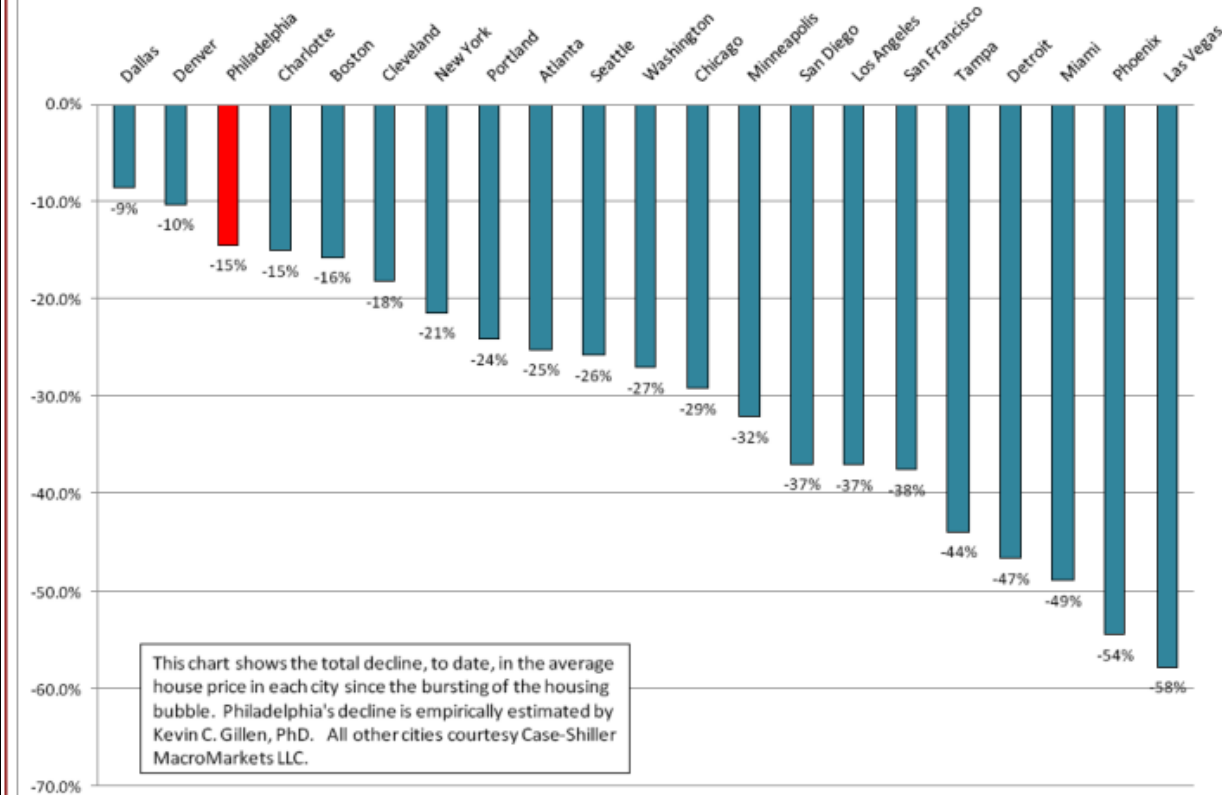


Employment, % change from GDP peak quarter



Sources: Bureau of Economic Analysis; Bureau of Labour Statistics; Thomson Reuters; The Economist

Cumulative % Decline in House Prices from Peak



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**Of top 20 US cities, 18 had average house price falls of over 4 per cent in past year (to August 2011)
.. Only Dallas and Washington had slight increases**

Darwin's key lesson

competition for survival ...

biotic

dogs fighting over a bone

abiotic

plants and animals struggling
to survive in a drought



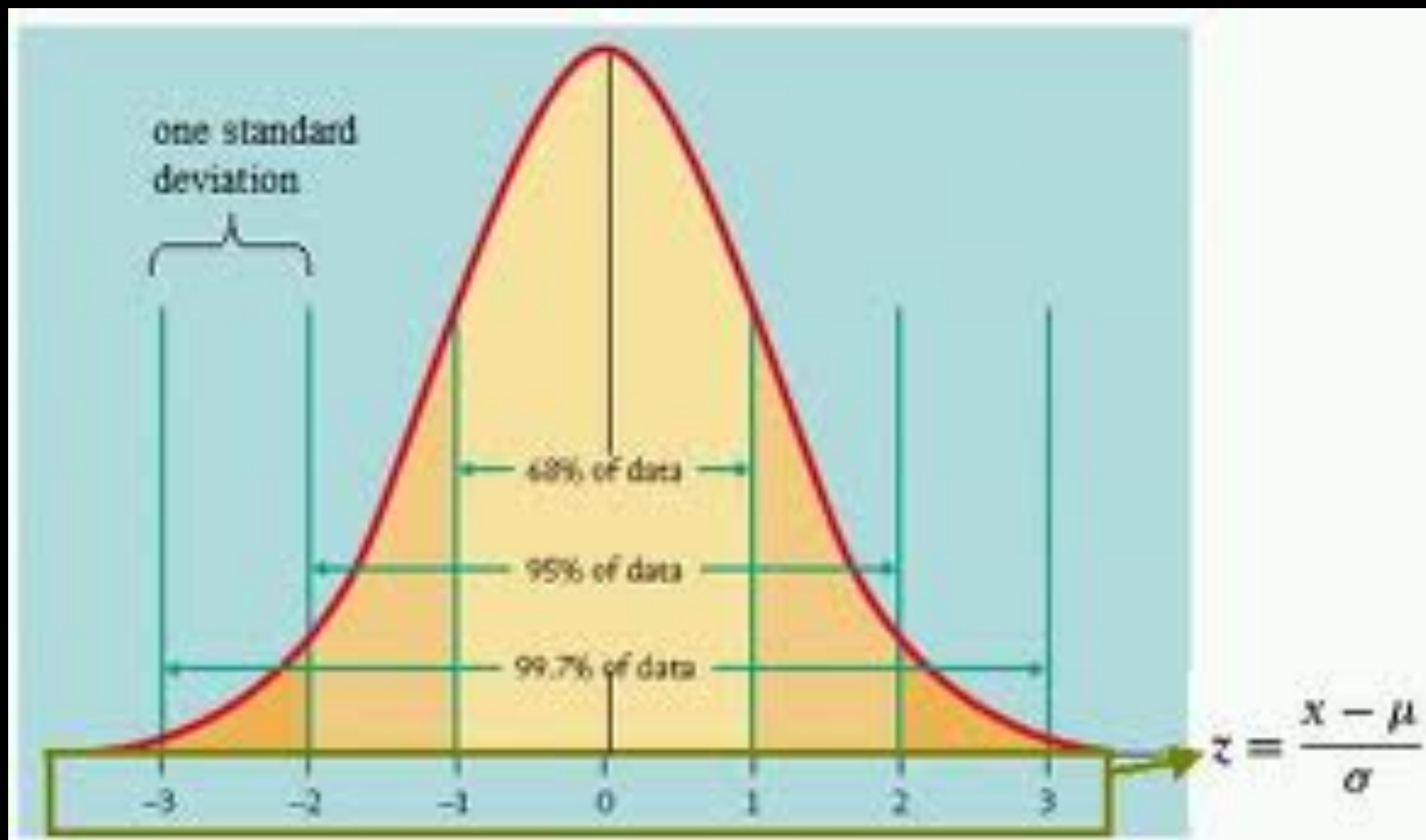
thriving not just surviving:

the challenge that we face to help our communities
successfully adapt through the worst “drought” for a century

risks and hazards ...



prevailing
mental
models:
*regularity, normal
distributions*



new mental
models:
*fractals, scaling
replicators and
irregularity*



place and locality

"Things occurring here and now are directly caused by events that occurred immediately nearby in space and time: this property we term 'locality' to reflect the fact that it is the most local events that exert the predominant influence upon us."

John Barrow



uniqueness amidst uniformity

- Distinctiveness of natural and physical landscape
- Unique histories of social and cultural relations
- Clusters emerge and dissipate; centripetal and centrifugal forces; and Localised "lock-in"
- Comparative geographic advantage



differing styles of corporate leadership

agile and adaptive
in order to thrive in the
"new normal"

- 1) aggressive adjustment
- 2) consolidation
- 3) "turnaround"
- 4) diversify/unbundle

Exhibit 5: Models of Corporate Management

Most corporations fall along a continuum from relatively minimal engagement with the business by the corporate core (the holding company model, at left) to a high level of operational involvement (at right). Note that companies may migrate from one model to another at times, and different businesses or groups within the same company may fall under different models; therefore, some companies may overlap two or even three categories.

	Model 1	Model 2	Model 3	Model 4
	HOLDING	STRATEGIC MANAGEMENT	ACTIVE MANAGEMENT	OPERATIONALLY INVOLVED
WHO WE ARE	We are an investment company	We are the strategic leadership of a collection of related entities	We are both management and strategic leadership of tightly linked entities	We are the managers of the business
WHAT WE WANT	We want your results	We want to know what you will do	We want to know how you will do it	We want to be closely involved in running the business
HOW WE ADD VALUE	We add value through portfolio management	We add value in the linkages and synergies between business units	We partner with business units to co-develop plans and provide expertise-based services	We create value through corporate management and control of the business
EXAMPLE	<i>Berkshire Hathaway</i>	<i>LG Corporation</i>	<i>McKesson</i>	<i>Ford</i>

Source: Gary Neilson, Etienne Deffarges, Paul Kocourek, and John Elting Treat, "Putting Headquarters in Its Place: The New, Lean Global Core," Booz Allen Hamilton white paper, 1999, and other Booz & Company research

two accounts of Government

cynicism ← → **idealism**

**politicians & bureaucrats
capturing the state and
taxpayer's resources for
their own private (career
based) interests**

realism

**elected
representatives &
public service
professionals
selflessly serving in
the public interest**

complementary roles and styles

community and political
leadership:
change in the nature of the
local economy and civil
society

**You are
here!**

professional
and managerial
leadership: change in the
nature of organisations
and work



a "guiding coalition" for change

**Mayor + Cabinet; Leader + Cabinet;
the Arithmetic of Politics and the
Accountability of Management**

**What is
desirable?**



**improved
LEGITIMACY**

**What is
feasible?**



**improved
COMPETENCE**

leadership is: position, perspective, process, personal intellectual drive and emotional labour

hardware

strategies & plans
structures
reporting lines
programmes
projects
products & services
activities
deliverables
outputs



software

ambitions
relationships
responsibility
hopes & fears
dynamism
the act of becoming
the craft of work
confidence
pride

why should anyone be led by me?

PRECONDITIONS

trustworthy
emotionally balanced
tolerant of change
energetic

Managing
Energy

Purpose

Positive
Framing

my personal and
professional
leadership
context

Connecting

Engaging

POSITIVE IMPACT
on others

politics and
the **art** of
government

the **craft**
of public
management

the **science**
(and the pseudo-science)
of public policy

politics involves - **deciding what is right**

public policy involves - **designing the right way**

management involves - **doing things right**

the Golden Gate Bridge



three layers of public interest questions

Q1 - is this a pressing public problem that needs attention more than other problems?

Q2 - what is the best and most cost-effective solution to the problem?

Q3 - who should be involved in deciding what needs to be done?

the public triangle

the demands of
public
reason



**"claims
makers"**

how to decide in the
public
interest

the need to build
public
value

balancing biases

politicians decide:

machine politics and “clientelism”

**public
professionals
decide:**

unaccountable “rent seeking” careerists

**choosing in
the public
interest**

**service
users
decide:**

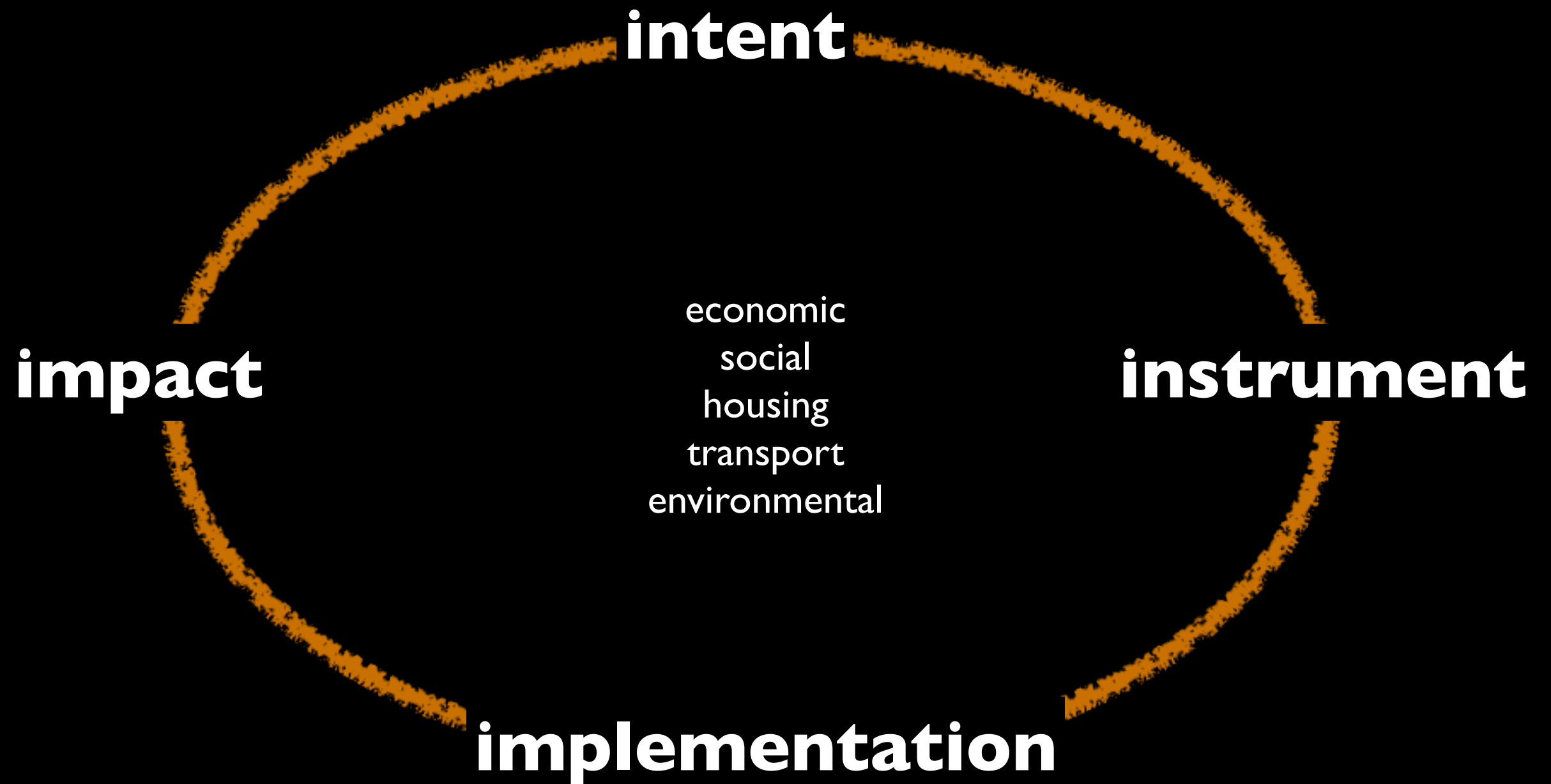
self-interested particularism

**all citizens and
taxpayers decide:**

mass populism and “tyranny of the majority”

in answer to questions

the **POLICY** cycle



management challenges

- needs are liquid while service costs are frozen in the design of delivery: in facilities, assets, patterns of service activity
- cost drivers vary: institutional costs, whole service costs, transaction costs, activity based costs - example of criminal justice system

