

## THE RESULTS OF AN OPEN INQUIRY\* BY THE PUBLIC LEADERSHIP INQUIRY, ON 19 OCTOBER 2010, ON THE EVE OF THE COMPREHENSIVE SPENDING REVIEW

### Headlines

*“Localism and Big Society, plus reduced spend, mean that we will have to do things differently.”*

*“People will need to be enterprising to achieve objectives in tight times.”*

*“It is like playing chess without seeing our opponent’s pieces. So we have to put faith in our individual and collective agility to find a way through the challenges, driven by a clear collective vision of how we can create a viable and successful future.”*

Agility is top of mind for senior public service leaders as they reach for significantly different responses to a drastic change in context. They are not alone in this exploration. Many people and organisations across all sectors are exploring how to become more agile. Agility is a metaphor - a frame of thinking - that acts as a stimulus to think afresh about how to respond to a set of circumstances that, for many, amounts to a ‘crisis’ that is both *personal and organisational*.

The need for increased agility in public service organisations is driven by five main forces:

- Accelerating social, political, technological and economic change.
- Increasingly fluctuating and high profile agendas, often pursued under significant media spotlights.
- The growing need to be ever more alert and responsive in pursuit of policy development and delivery.
- A changing delivery landscape (Big Society, localism).
- Significant cuts in public spending.

As public service leaders currently ponder how best to lead their organisations to become more agile, they are fearful that the current crisis facing public servants will, if it is allowed to take hold in a negative form, only encourage attitudes of self-preservation, risk aversion and silo mentality that will strongly militate against the agility that is so strongly needed.

The plans that some public service leaders are forming in the interests of greater personal and organisational agility involve:

- Continuing to strengthen a leadership approach that reshapes the psychological contract with their people; encourages their organisations to be as dynamic as possible; stimulates an 80/20 approach to getting work on the move fast; makes more use of the leadership tools and mindset shaped in crisis management; and encourages high quality, strategic and creative conversations across their teams and beyond.
- Reframing the current crisis as an exciting opportunity to achieve hugely demanding and worthwhile outcomes in significantly different ways, leading their people to adopt and enjoy radically different approaches.
- Shaping appropriate forms of agility for different types of policy and delivery work.
- Raising the temperature in their organisations so that everybody is stretched beyond their ‘comfort zone’ but not as far as their ‘panic zone’.
- Continuing to develop strong supporting systems and processes in the interests of greater agility, including flexible resource pools, learning and development approaches and performance management/reward processes.



## Open Inquiry and the PLI Approach\*

The strength of the PLI approach is that is underpinned by evidence from a range of sources, both theoretical and empirical. PLI draws on state of the art thinking and tests this against ‘on the ground’ experience, using it to develop new insights for both theory and action. It is thus an iterative process, where theory is tested against practice, which is, in turn used to develop models and solutions. Sources used in this document are cited at the end.



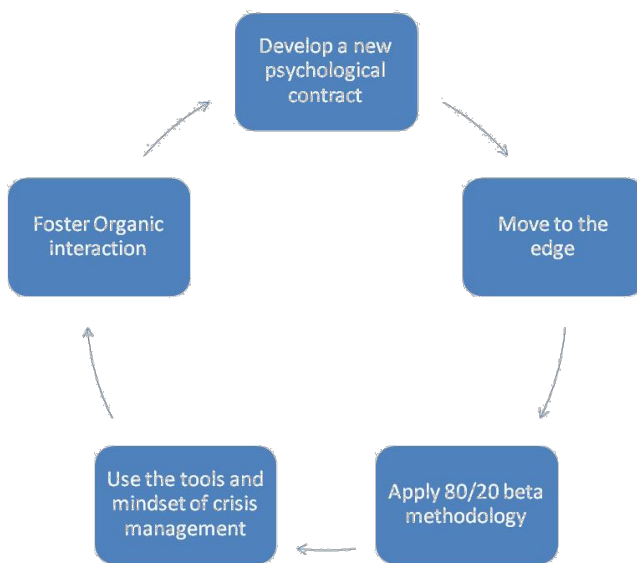
# “LEADING AGILITY”

## Inquiry Process

These are the headlines from our second Open Public Leadership Inquiry held on 19 October on the eve of the Comprehensive Spending Review ('CSR').

We were joined by some 25 senior public service, third sector and private sector leaders to inquire into ways in which public service leaders could encourage their teams and organisations to become more agile in the months ahead.

Figure 1: PLI Model of Agility



To stimulate the Inquiry, and based on research, we offered a Public Leadership Inquiry model of agility for discussion and further development. In advance of the Inquiry event, we undertook some research; we consulted our 'Heartbeat' Panel of senior civil servants across Whitehall and summarised the resulting insights for Inquiry participants. On the day, senior leaders from the Department for Business Innovation and Skills(BIS) shared their experiences and learning from their Department's encouragement of more flexible working in the last few years. We also examined a wide range of sources for insights into agility – from the private sector, the public sector, sports and other physical activities, IT and software development, the science of complex systems, and theories of agile leadership. (See Appendix 'Summary of Data Insights', for further details). Figure 1 shows the model of agility

developed by PLI from data collected and modified in response to discussion at the Open Inquiry.

## Key Areas for Leadership Attention

The Inquiry highlights five key areas for leadership attention in supporting public service organisations to become more agile:

### 1. Leading Agility

Public service leaders recognise that it is their leadership that will play the pivotal role in encouraging their organisations to become more agile. Building on what they have been doing for some time already, they emphasise in particular the importance of:

- Providing active strategic leadership that encourages fast course adjustments in response to changing circumstances.
- Mobilising their people with the capability and confidence to move fast to new challenges.
- Developing the structures and platforms that support this increased flexibility (indeed, there is a strong plea to make faster progress in developing the tools and processes that support more agile and flexible working, both within Departments and across Government).

During the Inquiry, public service leaders used the Public Leadership Inquiry model for agility to shape the following leadership actions to foster more agility in their teams and organisations in the coming weeks and months:

### DEVELOP A NEW PSYCHOLOGICAL CONTRACT

*Treating staff as 'associates' or even 'volunteers'. Reframing the relationship – engaging in common endeavour and empowering. Designing roles to be fluid. Developing 'serial incompetence'.*

“Set out a new sense of vision and direction.”

“Hold a different conversation with my people about why we need to be agile and what's in it for all of us.”

# “LEADING AGILITY”\_

“Stretch our people to solve tough questions, treat them as ‘volunteers’ in this enterprise.”

“Engender strong sense of pride, focusing on outcomes, achieving great purpose.”

“Benefit from being smaller, losing some less agile people along the way.”

“Invest in boosting our people’s intellectual agility – wider experiences, wider responsibilities, wider horizons.”

“Send our people out to other organisations to see and experience other models.”

“Recruit only people capable of performing a wide variety of roles.”

“Raise the sense of fun and excitement.”

## MOVE TO THE EDGE

*Holding the tension between order and chaos. Inspiring and coalescing people towards Big Hairy Audacious Goals (‘BHAG’). Recognising the dynamics of an organisation, not rushing to structural solutions (exclusively). Being ready to break existing business models and processes.*

“Set the Big Hairy Audacious Goals with a call to arms...AND the reachable near term objectives to build the momentum.”

“Provide our people with a ‘jumping off point’, a platform, with ‘crash mats’ to support them if they fall.”

“Make bigger requests of our people, trust them to achieve more.”

“Provide active strategic leadership that supports fast course adjustments in response to ever-changing priorities.”

“Always underline the message that the future is going to involve major change and uncertainty.”

“Introduce a regular ‘Moves Around’”.

## APPLY 80/20 BETA METHODOLOGY

*Thinking beta versions and prototypes. Accepting that 80% is good enough. Then testing, refining and improving. And moving quickly.*

“Break some of our love of perfectionism.”

“Let’s deliver rough and ready more often.”

“Good enough is good enough.”

## USE THE LEADERSHIP TOOLS AND MINDSET OF CRISIS MANAGEMENT

*Freeing up good will and generosity, tapping overtly into public sector ethos. Releasing energy and commitment, a sense of ‘can do’. Thriving on flux. Allocating roles based on talent and knowledge. Rallying all functions to the cause.*

“Ratchet up the sense of “can do””.

“Avoid the ‘default mode’ of a crisis. Reduce the anxiety levels and create the safe space for ideas to grow.”

“Encourage collaboration and commitment across functional boundaries.”

“Ensure that our ‘flexible workers’ become more accommodating.”

“Drive for demanding outcomes.”

“Making a habit of the communication habits of crisis management, such as regular five minute stand up meetings for the whole team.”

## FOSTER ORGANIC INTERACTION

*Framing the organisation as an organism rather than a machine. Encouraging quality conversations – strategic, creative, curious, experimental. Embracing the spirit of the start-up. Maximising intellectual capital and learning.*



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TURNING RESEARCH INTO ACTION

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# “LEADING AGILITY”

“It’s my job to encourage strong relationships, particularly across functional boundaries, so that we can have the sparky, creative conversations.”

“Mobilise our people with the capability and confidence to move to new challenges.”

“Learn to trust more that the people I do not know well will be able to deliver.”

## 2. Reframing the Current Crisis.

Our Inquiry participants look to the CSR and the changing landscape as a potent ‘burning platform’ for significant improvements in agility – the drastic changes in context require a significantly different and transformational response. Equally, they are seriously concerned that the current sense of crisis could also encourage negative attitudes that make agility all the more challenging for people. They emphasise the extent to which the current employee deal is currently under intense pressure – from increased demands (much more from much less), accelerating organisational change, uncertainty about future rewards, and concerns that the work of public servants is becoming less valued. This leads to the fear that, at a time when public servants need to be ever more agile and collaborative, these pressures might well encourage precisely the opposite – self-preservation, risk aversion and silo mentality.

“The challenge will be to ensure that increased uncertainty around job roles/tenure/terms and conditions feeds through into a change of culture/approach rather than retrenchment into Departmental silos for those who survive.”

“The (growing) sense that their employers do not value them will shift attitudes away from a sense of corporacy towards individual self-preservation.”

As we discussed in our first Open Inquiry on ‘Resilient and Confident Leadership’ on the eve of the recent General Election, public service leaders face a stark choice here. They might choose to allow themselves to revert to ‘default mechanisms’ of protectionism, silo mentality and high anxiety levels – behaviours that their people will surely follow and which will undermine

agility. Or, as the senior leaders at our Inquiry are determined to do, they could choose to ‘reframe’ the current crisis as an exciting opportunity to achieve hugely demanding and worthwhile outcomes in significantly different ways, leading their people to adopt and enjoy radically different approaches.

## 3. There is Agility, and there is Agility

The Inquiry concludes that there is not a ‘one size fits all’ blueprint for the type of agility required. Some policy areas need to be very fast moving, calling for a highly pacy, creative agility. Other areas, for instance those supporting legislation, need to conserve and deploy deep expertise, calling for agility in the process of deploying this expertise effectively and smartly in support of Ministers and colleagues. And still other areas need to be highly efficient and sharp in delivering simple administrative processes, calling for fit, well trained and highly disciplined agility. It is beholden on public service leaders to cut their agility cloth according to the different types of work falling within their ambit.

## 4. Raising the Heat

Inquiry participants point to the need to raise the temperatures of their organisations, perhaps not quite to the level of ‘boiling’ but certainly higher than a mere ‘simmer’, in service of encouraging greater agility. They do not want their people to remain safely in their ‘comfort zone’, but nor do they want them to fall into the disequilibrium of the ‘panic zone’. It is an increasingly important leadership task to get the heat level right for different individuals and groups, in terms of the learning, stretch and results expected of them.

## 5. Shaping the Supporting Structures and Systems

The Inquiry underlines the primary importance of the quality of leadership in encouraging greater agility in our public service institutions. However, it is also necessary to make faster progress in developing the tools and processes that support more flexible and agile working, both in Departments and across Whitehall. The most important areas are:

- Structures and processes, including flexible resource pools and deployment approaches.

Building on the learning from BIS and the Open Inquiry discussion, critical areas for further development include:

- Widening the remit of these approaches to extend across Whitehall, beyond Departmental boundaries.
- Continuing to sharpen the prioritisation processes at the core of successful flexible deployment.
- Strengthening the levels of trust across the affected community and breaking the understandable habit of managers sticking with the ‘devil they know’ rather than a recommended colleague they do not know so well when staffing a particular project.
- Keeping the processes as simple and fast as possible, including knowledge sharing.
- Avoiding the danger of some people getting locked into long-term projects.
- Capability development, building a strong focus on agility and flexibility into all recruitment, learning and development, and engagement processes.
- Performance management and reward processes. Continued development is needed in shaping processes that base the performance appraisal process on an anchor line manager with multi-point contributions from all managers of flexibly deployed resource, ensuring that the reward mechanisms fully recognise flexibility alongside deep expertise, and avoiding any sense that flexible deployment should carry a reward premium for individuals.

## IN CONCLUSION

We would like to thank everybody who participated in our Open Leadership Inquiry on Leading Agility. Like you, we shall be continuing to lean into this critical area of leadership endeavour, both in our support of public service leaders and in our further research on the topic, and we are very much looking forward to more exchanges.

## Public Leadership Inquiry.

5 November 2010



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**Public Leadership Inquiry Panel Insights (‘Heartbeat’ Research of Our Panel of Senior Civil Servants in October 2010 on Leading Agility)** ; we are very grateful to Panel members for taking time to participate.

- Agility is vital to the future success of public service organisations.
- Agility will be even more important beyond the CSR.
- Agility has different levels of prominence across public sector organisations.
- There is strong tension between the catalysts and blockers of ‘agility’ in public service organisations. **Catalysts** include the presence of a strong ‘burning platform’ in the CSR, the increasing strength in some areas of the cultural attributes that support agility, the sense that increasing numbers of colleagues are open to further change, and the efforts that some leaders have made in recent years to strengthen agility in their teams. **Blockers** include bureaucratic and hierarchical cultures and structures, the tendency to reward deep expertise rather than agility, passive inertia in some quarters, and the disruptions of continual change.
- Leaders will need to play a pivotal role in encouraging their organisations to become more agile.
- Current pressures on the public service employee deal could strengthen the blockers in the way of increased ‘agility’ by potentially encouraging attitudes characterised by self-preservation, risk aversion and silo mentality.
- Despite all the challenges, senior public servants are confident in their ability beyond the CSR to deliver on the responsibilities that fall within their areas. They have shaped and agreed robust work plans; they have learnt much about agility and flexibility in recent years and are keen to learn more; and they have

been preparing their people for an uncertain future, full of change.

[The full report can be found on our website, [www.publicleadershipinquiry.co.uk](http://www.publicleadershipinquiry.co.uk)]

## Insights from BIS

**Rachel Sandby-Thomas and her colleagues told us that BIS had four key aims for their work in creating a flexible staff pool :**

1. **Synergy across organisation (in the light of merger of two government departments)**
2. **Healthier workplace – people more empowered; compressed space to develop and grow**
3. **Collectivisation (no ‘my patch’ mentality)**
4. **Flexibility (debate on whether structures, behaviours or both bring flexibility – mixed views in department)**

**The pool has proved successful in many ways, especially in enabling more flexible movement of staff around the Department and a positive experience for Pool staff. and the key learning points for them are :**

- *Long-term projects can hamper flexibility*
- *Some staff will need extra encouragement to adapt to a flexible environment*
- *A clear prioritisation strategy is needed to respond to pressures on provision.*
- *A clear prioritisation strategy is needed to respond to pressures on provision.*
- *Need to consider development of those outside the Pool to avoid a dependency culture.*
- *Too many processes hamper flexibility; processes need to work with, rather than against, flexibility*
- *Developing trust is crucial.*



## Range of other sources

### 1. Definitions of Agility:

- “In business, agility means the capability of rapidly and efficiently adapting to changes.” (Wikipedia)
- “Agile...1. Quick in movement, nimble. 2. Mentally quick and acute.” (Oxford English Dictionary)
- “Having the quality of being speedily put in motion. However, agility is not just about joints and limbs, but also mental quickness and acuteness” ( Samuel Johnson)
- Key words:
  - Speed
  - Courage
  - Calculated risk
  - Flexibility
  - Practice
  - Creativity
  - Nimbleness
  - Integration
  - Imagination
  - Readiness
  - Energy
  - Timing
  - Explosiveness
  - Impact

### 2. Private Sector

- Agility is at the top of the private sector leadership agenda. IBM’s latest annual survey of 1500 CEO’s worldwide shows ‘creativity’ to be their prime concern. For the previous three years, it has been ‘change’. As well as creative leadership (embracing ambiguity, disrupting traditional business models), private sector CEO’s are also placing huge emphasis on ‘customer intimacy’ and ‘strong, simple operating dexterity’.
- A look at radical product innovation shows the potential of ‘less is the new more’, focusing on

massive cost reduction in the assembly of products such as computers and medical instruments to fuel radical innovation.

Companies are driving for a huge price reduction and then challenging traditional assumptions about customer needs and rallying all parts of the organisation to the cause of developing a new product within the target price range.

### 3. Public Sector

- ‘Agile Government’ is defined as “meeting the needs of citizens as well as possible in the short term, focusing on outcomes, and building up innovation to improve public services for the longer term.”
- It is striking how the public service around the world has used the experience of crises to shape their aspirations for being more agile. For instance, the Australian public service’s desire to develop an agile culture with the characteristics of ‘can do’, ‘goodwill and generosity’, ‘collaboration’ and ‘outcomes over rules’ was strongly influenced by the way public services and other agencies responded to the terrible bush fires in Victoria a few years ago.

### 4. IT and Software Development

- The IT and software development industry has paid a huge amount of attention to agility in the last ten years or so.
- Examination of the plethora of Agile Manifestos and Charters that exist in this world highlight the attributes of ‘fast delivery and results’, ‘iteration’, ‘customer feedback loops’, ‘very close relationship with the customer’, and ‘self-organised teams taking full responsibility for work scheduling and planning’.





## 5. Science of Complex Systems

- The science of complex systems makes a number of contributions to leadership and management thinking on agility, including the notions of:
  - Complex systems making change a routine so as to avoid the trauma of not being able to respond to new challenges.
  - Order and chaos, and how minimal but careful interventions can hold the system on the (good) edge of chaos – shared purpose and vision, appropriate reward systems, and shared operating platforms.

## 6. Agile Leadership

- Scrutiny of the academic literature on ‘agile leadership’ shows that agile leaders do not lead with structural change, they use that to reinforce an increasingly agile culture. Instead, to encourage higher levels of agility, they lead with a stretching and engaging sense of purpose; they bring people together across functional boundaries by encouraging strong relationships; they drive for particular demanding goals; and they intervene to minimise conflict, appreciate talent and encourage learning.



## Sources

### 1. Earlier work

- ‘Leadership Agility’, Joiner and Josephs, John Wiley and Sons, 2007
- ‘The Agile Enterprise’, Pal and Pantaleo, Springer, 2005
- ‘Corporate Agility’, Grantham Ware and Williamson, Amacom, 2007
- ‘Building the Agile Enterprise’, Cummins, Elsevier, 2009
- ‘Stand Back and Deliver’, Pixton Nickolaisen Little McDonald, Addison-Wesley, 2009

### 2. Empirical Data

- ‘Heartbeat’ – feedback from the consultation with PLI’s Heartbeat panel of leaders
- *Case study data* – on one government department’s experience of developing new ways of working

### 3. Debate

- *Discussion with leaders* - at the PLI Open Inquiry event, of empirical data and of the new model of agility developed by PLI

