Chapter One: Introduction

Overview

This book presents the reflections, in their own words, of leaders in the public and third sectors in the UK. The book is unique in that it provides an opportunity for the voices of individuals to be heard, who are in leadership positions in sectors, which are rarely considered in the literature. Each contributor has contributed their personal opinions of what leadership means to them and their experience of it. They also reflect on the complex challenges which they are facing, and will face, as they grapple with profound changes in the economy, politics and society. The reflections serve as an illustration of the benefit of approaching leadership through the eyes of those practicing leadership.

We have divided the book into three areas. First, we provide an overview of the themes in the literature on leadership and we offer our views on what is relevant. Second, we provide an overview of the literature and key challenges in each of the sector, followed by the individual reflections. Third, the implications for leadership in the public and third sector are drawn out in a conclusion — our contribution. This is a unique opportunity to hear from the men and women who have experience of leading public and third sector organisations, which we hope you will enjoy reading and which will provide you with an insight into the key challenges of leadership in these sectors.

Importance of leadership

In 1978, the historian James Macgregor Burns wrote that leadership is one of the most observed and least understood phenomenon on earth. Since then, there has been an explosion of interest in leadership in academic research and in practice. Some writers have observed that leadership has taken over from management as the latest buzzword in public services, and have presented it as the solution to many intractable situations (Martin & Learmonth, 2012). Although some researchers caution that it needs to be good leadership, not just leadership for the sake of it. As Mourkogiannis and Fisher (2006:149) say: “Leadership is the ultimate advantage, as when it is present, it makes all other advantages possible [while] poor leadership can turn even the best advantage into a disaster”.

The collapse of organisations such as Enron, Tyco, and WorldCom, and the financial sub-prime crises that started in 2007 and lead to a Global financial crisis and the demise of companies such as Lehman
Brothers and the nationalisation of UK banks, such as RBS and Northern Rock, have prompted speculation about the role and impact of bad leadership (Hodges, 2011). In particular, these high profile examples have blackened the credibility and ethical nature of leadership and raised questions related to the importance of leadership.

Rune Todnem By and Bernard Burnes (2013:2) point out in the introduction to their edited book on *Organisational Change, Leadership and Ethics* that:

Many leaders are arguably no more than very well-paid followers. Where is their courage, integrity, compassion, vision, contribution and ethical stance? Attending the same executive courses, utilizing the same executive mentors, networking during the same executive lunches they seem to become more and more alike — less and less leaders — all speaking the same language and very often outdated management and leadership blah blah. Many are scared of causing any upset or standing out from the crowd, as there is no guarantee that breaking the mould will have a positive impact on career progression. Therefore, let’s do what is safe. Let’s do what has proved successful for the career in the past. However, leadership is not about conforming or repeating the past, nor is it about playing it safe. It is about having the courage, values and beliefs to do what is right. What is right not just for the individual but for the majority of the stakeholders affected.

It used to be that a leader needed only to have charisma and be recognized by their peers and other key stakeholders, as having the willpower and credibility to lead. Now the spotlight is on leaders to demonstrate their leadership prowess, to have emotional intelligence, to be ethical aware; to show in thought and deed an understanding of the dynamics of how to enhance the value of their organisation; to be aware of opportunities and how to exploit them; and to be able to lead the people in their organisations through the complexity of change. This has added to the heightened awareness of leadership and why it matters. Several factors have come together to increase this interest and importance of leadership including:

- A need for leadership to solve complex problems in organisations (Mumford, Zaccaro, Harding, Jacobs, & Fleishman, 2000)
- A large number of leaders failing and more leaders being dismissed for failing to achieve objectives (Conger, Nadler, Strategy, & Governance, 2012)
- An increasing accountability being placed on leaders and the performance bar has been raised (Rus, van Knippenberg, & Wisse, 2012)
- Little leadership bench strength in organisations (Newhall, 2011)
- The need for leaders to sustain change (Hodges, forthcoming)
In order to address such issues, leadership must be a living entity inside an organisation and continue to be evaluated and reviewed (Leavy and McKiernan, 2009) and the impact of its effectiveness considered. According to George (2010), the ultimate measure of effectiveness for leadership is the ability to sustain superior results over an extended period of time. Leadership is, however, a more widely pervasive phenomenon than this. Some researchers believe that the role of leadership is best seen not in terms of its economic impact but in how it shapes the organisational context, such as goals, members, incentives and culture (Hackman, 2010). Nohria & Khurana (2010) add to this saying that the scope and importance of leadership also need to be addressed, not only in terms of their impact on performance effectiveness but, and more importantly, in terms of their influence on the life of an organisation, such as meaning, morality and culture.

So, why is leadership important in the public and third sectors?

For those bold enough to lead in this age of austerity, in either of the sectors, the challenges are immense. Seismic shifts have taken place in the public and third sectors. Political, economic, technological, and social change are driving profound transformation of organisational models, making predictability and stability elusive. The combined effects of the economic downturn and cutbacks in spending are hitting the public and third sectors hard. Organisations have to close or reduce services where demand remains high and financial resilience is reducing. The context is, therefore, extremely challenging, with many public and third sector organisations facing exceptional cuts in funding. A recent survey of charities found that more than eight out of ten said they thought the sector was facing a crisis (New Philanthropy Capital, 2013). Changes in funding and demand for services have lead local authorities to work closely with third sector organisations, not just as funders but also as allies. This is a relationship which is expected to grow in the future as the third sector plays an increasing part in the delivery of public services. In addition, across both sectors, tough choices about priorities, survival, and independence need to be made.

Given the government commitment to deficit reduction, it is certain that most parts of the public and third sectors will face reductions in spending for several more years. Even if the deficit is eradicated, there will then be a question of how to fund real spending increases at a rate faster than growth in the economy. The National Health Service, in particular, will find this length of constraint and the longer-term need for slower rises in spending very problematic. Looking ahead, the situation is only likely to become worse, with the likelihood of further cuts in public funding and further pressures on other sources of income, leading to continuing change.

Both sectors are entering a significant era of change. Although change is not, in itself, anything new,
it is the increasing pace of change that is significant. This relentless pace of change is having an impact on leaders. Leaders in both sectors have to contend with a changing environment, especially as a result of economic drivers which have triggered the significant challenge of how to achieve more with less. The resources needed to cope with the increased demands are far less readily available in the public and third sector than the private sector. So public and third sector leaders have to manage with what they have got; however, these resources are being reduced. Yet they continue to face increasing demand with decreasing resources.

There are, however, some positive developments for the public and third sectors, in spite of the challenges they are facing. Perhaps because of the funding crisis, organisations in the sectors are working more closely in partnership. Leaders are developing the courage and techniques to define priorities and beginning to say explicitly what they have to stop doing and start doing differently.

Why the need for another book on leadership?

There is a growing library of books on leadership. This literature can broadly be divided into populist and academic categories. The populist genre includes a huge commercial market in popular management books on leadership and a circuit of celebrity for those who write them. Populist books range from the hero-leader reflections and biographies to works by so-called gurus. The majority of books are written about well-known charismatic leaders, accompanied by convincing stories and snappy sound bites. These books follow a similar vein, in that they espouse the ‘I did it my way’ approach, and are often criticized for their lack of theoretical and methodological grounding. Such books provide an often longed for level of simplicity, yet there is no evidence that they enhance the learning and success of leadership.

In contrast, academic books on leadership which include student-orientated texts, critical monographs, and research studies, tend to posit leadership as a complex phenomenon and are often couched in language that the practitioner finds impenetrable. They provide the theoretical grounding but frequently fail to relate it to practical examples in the business world.

So why the need for another book on leadership?

It is true that there are a multitude of books on how to lead. Many of these make excellent reference guides and provide valuable suggestions for leading people and organisations. Despite, however, the number of books on leadership, the literature is still lacking. We know little about leadership in the public and third sectors in the UK, especially from the leaders themselves. This gap in the literature
poses a great opportunity, which this book seeks to address. The greater our understanding of leadership in different sectors, the more we will be able to appreciate leadership in different contexts. This book is about making sense of leadership in the public and third sectors.

**Audience**

This book presents valuable insights about the experiences and perceptions of leadership, from leaders themselves, as well as what leadership means to them individually and collectively, as well as, the challenges they face now and are likely to face in future decades. Leaders and managers in the public or third sector, whether new or experienced, will find the book stimulating and useful for their own understanding and development. It also offers insights for human resource professionals, organisational consultants, and organisational development practitioners who seek to work with and develop leaders. Academics and researchers who study and teach subjects in business and management, such as organisational behaviour, leadership, as well as change, will also find the book a rich source of data for future inquiry, as well as, perhaps a confirmation or challenge to their own speculations about leadership. The book will also be of value to students studying business whether on an MBA programme or other business degree, as it will provide them with firsthand accounts of leadership and links with theoretical models and frameworks.

**Aim of this book**

The book has a specific focus on leadership in public and third sector organisations and is an attempt at bridging the gulf between academics and management practitioners. Our aim is to try and unearth current practitioner thinking in these sectors, in order to find out what leadership means to individuals who have experience of practicing in the public and third sectors. We also aim to compare theory and practice, where applicable.

**Unique aspects**

This book is unique in three aspects. First, leaders in the public and third sectors do not usually write about leadership. The literature on leadership is dominated by CEOs from the corporate sector. The world seldom hears from contemporary practitioners—the chief doers and shapers of leadership in the public and third sectors. Admittedly, they do make brief appearances now and again in the media. We are, however, rarely treated to deep insights into their leadership thinking, or to clues on how they distinguish valuable ideas from conventional wisdom. One reason, of course, is that they are usually too busy getting things done. To quote, one of our contributors Edel Harris: “Great leaders often are the ones we have never heard of”. Second, the book is authored and co-edited by two academics,
who between them have over 40 years experience of working in the business world, in the public, third, and the private sectors, prior to joining academia. Third, the reflections in this book are written by leaders for leaders and aspiring leaders.

The contributors in this book are leaders of small and large organisations. The views they express are full of variety and reflect their own experiences. Despite the different contexts in which their organisations operate, the reflections they have contributed contain some common themes, which are outlined in Chapters Three and Four, as well as in the concluding chapter, Chapter 5. The views and thoughts of leaders from the public and third sectors are a tremendous centre of power in society. How they think, how they prioritize, how they motivate people and, how they view the vectors of leadership influences the progress and development of their sectors. As Europe and other parts of the globe trundles through recession, the socioeconomic impact of their thought becomes all the greater. This is why a broad cross sample of leaders have been identified for the book and asked to provide their candid views on leadership today and the challenges they face.

Behind the diversity of contributors and their reflections, a unity does emerge, which is a determination to deal with the challenges they are facing and a desire to achieve greater efficiency. The views and ideas shared in this book are not a fad, nor are they necessarily in vogue, but they are pragmatic. Clearly, today’s leaders in the public and third sectors recognize that the challenges they face need to be addressed with interventions that are applicable to the circumstances in which their organisations are operating.

**Format**

This unique collection of reflections focuses on the experiences, perceptions, challenges and learning of leaders. This book has 5 chapters, including this introductory chapter. Chapter Two reviews current leadership approaches including different definitions and concepts. Chapter Three explores leadership in the public sector, while Chapter Four focuses on leadership in the third sector. Each of these chapters (Three and Four) begins with an overview of the key theories and issues relevant to the sector. This is followed by the reflections of the leaders in the sector, outlining their experience and perception of leadership, what leadership means to them, the organisational challenges they face—particularly in times of austerity and change — and the leadership challenges for their sector. At the end of each of these sections there is a summary of the key overview of the themes and links, where relevant, to the applicable theory. The final chapter, Chapter Five, provides a summary of the key similarities and differences between the sectors, based on the reflections. Consideration is also given towards future research into leadership in the sectors.
References


