

Same or Different? Universal or Situational?

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In an earlier article I drew attention to the challenge of walking and chewing gum: the challenge identifying and developing managers who can both deliver high performance in the short term, and who can reinvent their organisation at the appropriate time to sustain its longer term relevance and success. In this article I will draw your attention to another critical management challenge: what is universal and what is contextual? What management practices apply to *all* organisations regardless of industry, strategy or life cycle stage; and what practices must be developed in terms of unique contextual demands? More specifically, what will be effective across public and private sector or not for profit organisations; and when will these differences be particularly important to the selection and implementation of a particular HR policy or practice?

How often have you seen (or even selected!) a manager who demonstrated a successful record of achievement in another organisation or industry only to be confronted with their failure to deliver in your organisation? Peter Smedley was highly successful in Shell and Colonial – both relatively mechanistic organisations. With much fanfare he was appointed Managing Director of Mayne; the share price leapt in anticipation. Yet within a year it was obvious that he had a very poor understanding of how to lead and manage a health care organisation. He subsequently exited and still is in denial about his own miserable performance.

Two other organisational segments present similar challenges: the public and private sectors. Clearly organisations in these sectors have more in common than they are different. Yet an understanding of the differences is critical to effective management and leadership. Let's consider some of the special demands of the public sector that HR managers must consider.

First, organisational success is a more complex issue in the public sector. The primary source of such complexity is the not uncommon multiple stakeholder groups who have vested interests in the organisation's performance. Many of these groups can have diverse and conflicting expectations of the organisation. Even government ministers may have potentially conflicting demands: one of efficiency, another for collaboration and resource sharing, and yet another job security in the face of pressures for redundancies and cost reduction, and another of keeping politically influential stakeholders quiet or happy.. Under these circumstances managers must not only have effective stakeholder management skills, but also be able to develop and apply more complex measures of organisational performance and relevance.

A second distinguishing attribute can be organisational complexity. One source of this complexity can be a function of the demands for a "whole of

government approach" that requires tight integration of the provision of government services. A second source of complexity can be the very nature of an organisation's core business. Health and education present such complexities. And at the risk of being contentious, I wonder aloud whether we have sufficient understanding of management and sufficient management talent to deliver high performance in these sectors with the resources and management knowledge available. There may be times when success demands simplification of the organisation to match the available resources. Under these circumstances many public sector organisations are far more demanding to manage and lead than the majority of private sector businesses.

A third feature of much of the public sector is that the organisation's primary resource is its people. The delivery of services is critically dependent on the calibre and engagement of organisational members. Thus human resource management is central to organisational performance and longer term success.

A fourth attribute that must be considered is transparency. While we should expect transparency, equity and accountability from all organisations we expect higher standards from the public sector, in part because we are often recipients of their services and are affected by their decisions, and in part because we are all shareholders. These pressures attract greater attention to HR practices, policies and standards.

Finally the public sector has a competitive advantage which may be either overlooked or taken for granted. Many people who work in the public sector could earn considerably more in the private sector. But they may be there for higher order reasons, for example, to contribute to the well being of a sector of the community, or to influence the sustainability of the environment. This differentiation offers a special opportunity for managers to develop commitment and performance. It also places extra demands on such aspects of HR as job design, training and development, and recognition. To overlook this aspect of the public sector workforce is to seriously under manage its potential. A potential downside of managing people who are engaged on the basis of ideology is that the world, or the government can move on or be replaced and these employees may want to continue with a cause that is now longer relevant to the government's agenda.

In summary, all of us need to have the knowledge, analytical and diagnostic skills to know what are universal and situational ways of thinking, leading and managing. The public- private sector distinction presents one such challenge.