



# DECODING THE DNA OF PUBLIC AND PRIVATE SECTOR LEADERS

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FROM GREAT PEOPLE TO GREAT PERFORMANCE®



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# Agenda

- Study background & methodology
- Results
- Conclusions & discussion

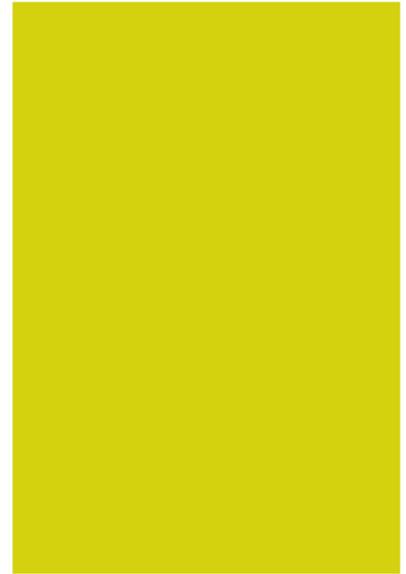
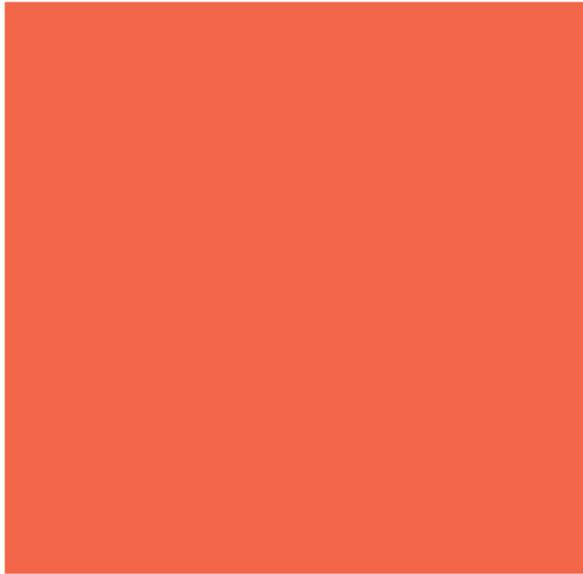


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# BACKGROUND & METHODOLOGY



# Background to Hudson's new study

In our work with public sector clients, the following question often arises:  
*“How alike or unlike are senior leaders in the public and private sector?”*

Extensive research exists on the differences between public and private sector organisations but less attention has been paid to differences in leadership behaviour.

The objective of our study was to explore differences in leadership traits between public and private sector senior managers.

This study was conducted by psychologists and talent management specialists from our Hudson R&D Centre.

# The public sector: some controversial issues

- There are many different views about the public sector:
  - Public sector organisations are clearly inefficient.
  - Public sector organisations are governed by rules and regulations that make effective management almost impossible.
  - Resistance against change is so strong that it is almost inconceivable to think of a public organisation as a modern structure that uses up-to-date technology and state of the art management methods.
- These prevalent opinions are largely based on bad press over occasional instances of inefficiency in the public sector, but to what extent are they representative of actual performance in that sector?

# The public sector: some controversial issues

- Here's how one of our interlocutors put it:
  - “Unlike the private sector, no-one ever appreciates the public sector. No matter how hard you try or how good your results, doing a good job in the public sector is never noticed by the public. People simply expect perfection. The slightest mistake however is always a source of frustration, is covered by the press and increases the common prejudices people have about the public sector”.
- We therefore decided to put all prejudices aside when conducting this study and to look at the sector in an objective way. We based our hypotheses on the available data and abundant scientific literature and we kept our observations as neutral as possible.

# Methodology

Hudson's Business Attitude Questionnaire (BAQ) was used as a basis for this study

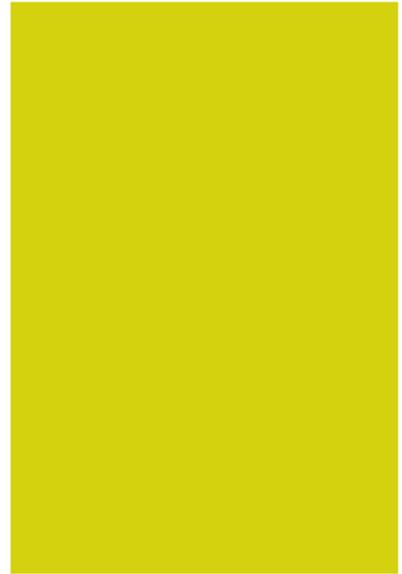
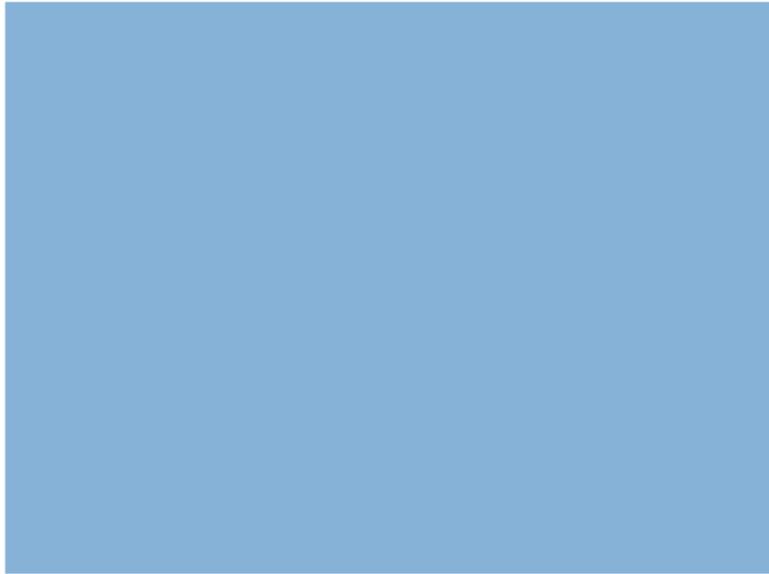
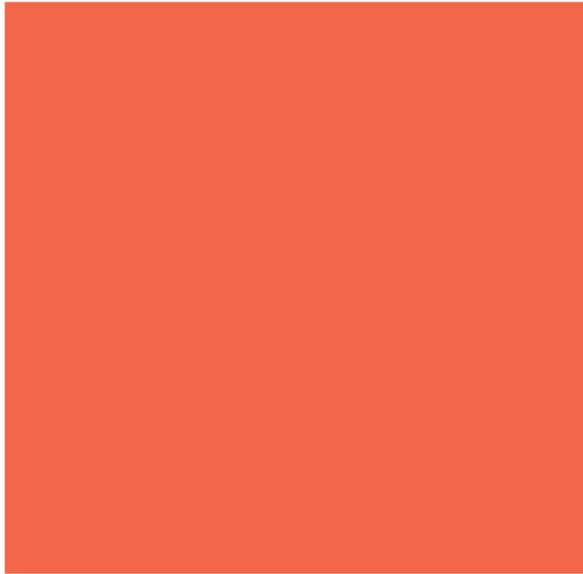
- Hudson R&D developed the BAQ based on the widely recognised 'Big 5' personality model, which measures 25 aspects of an individual's personality
- This questionnaire has been proven to predict professional performance through hundreds of assessment and development centres worldwide



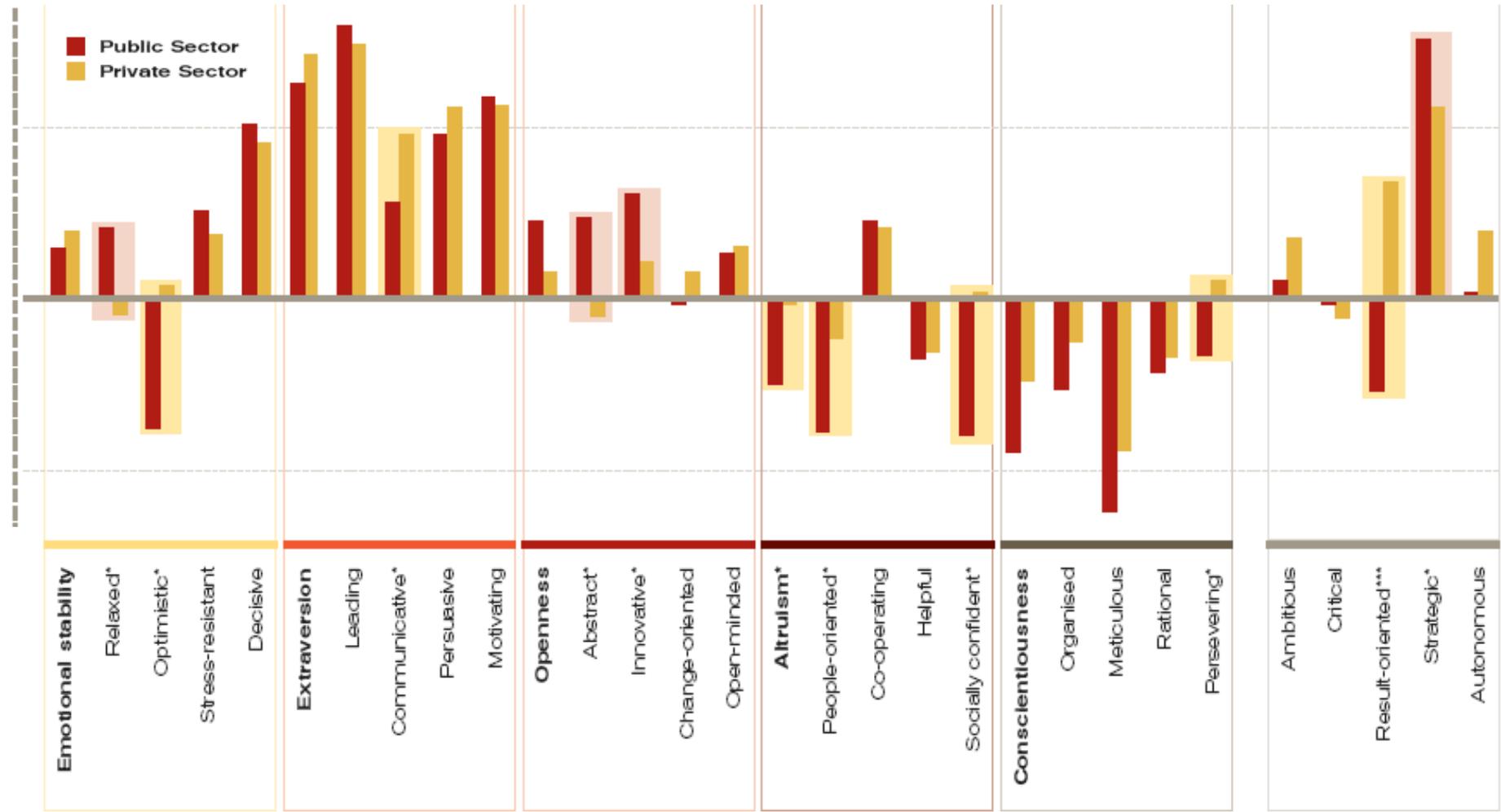
# Methodology

- Sample population (European)
  - Senior leaders (N, N-1 or N-2): 1,185 (700 private versus 485 public)
  - Public sector middle managers (N-3 and N-4): 955
  - The average of over 64,000 individuals is set as benchmark
- Focus on comparing
  - Senior leaders: public versus private
  - Within public sector: men versus women senior leaders
  - Within public sector: senior leaders versus middle managers
  - Within public sector: age 40- versus 40+ senior leaders

# STUDY RESULTS



# Public versus private sector senior leaders - Small differences, big impact.



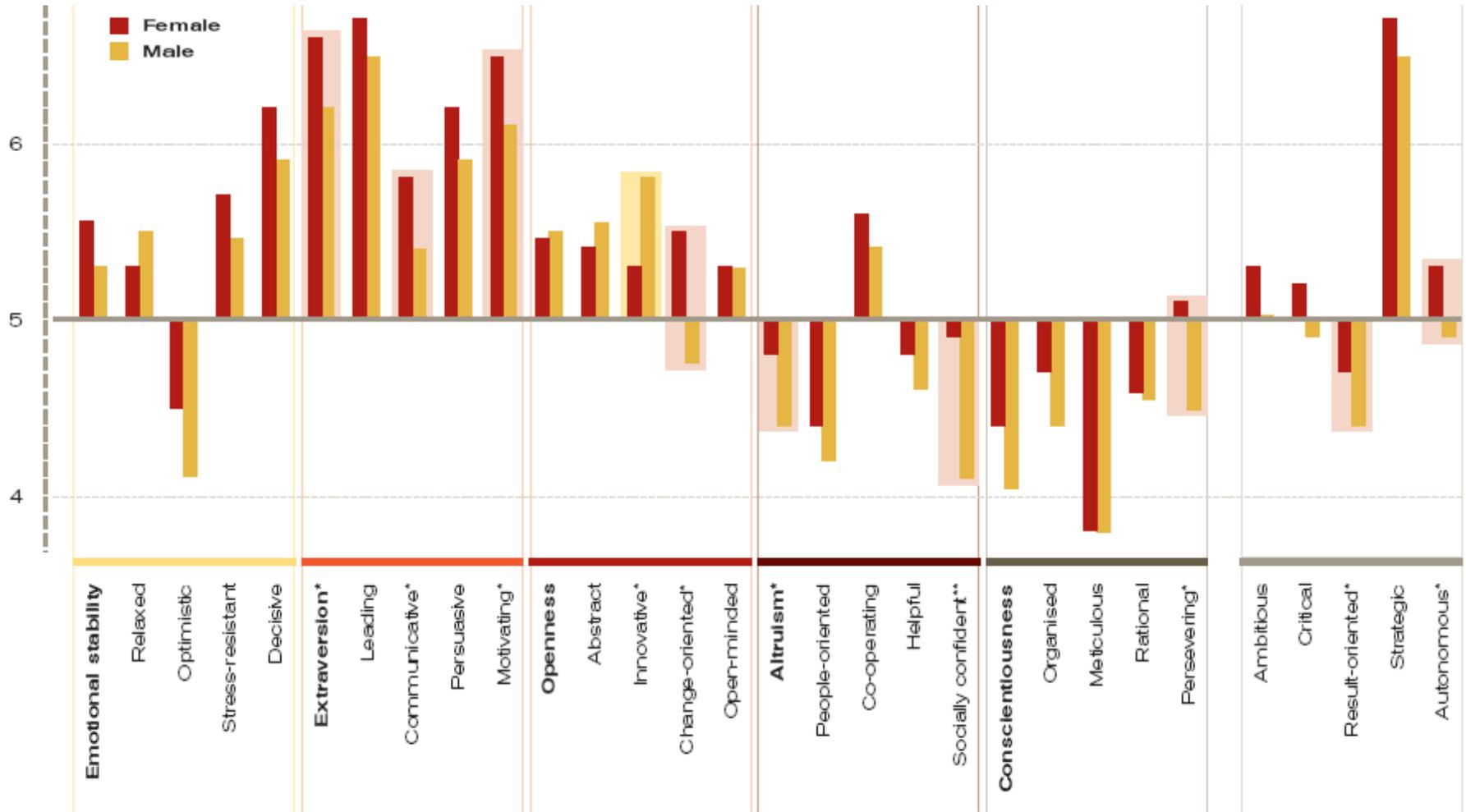
# Public versus private sector senior leaders - Senior Leaders in the Public Sector:

- Are more focused on monitoring rules and procedures and feel they have less freedom in the way they can manage
- Are more focused on long-term policies and on finding innovative and conceptual solutions and less on short-term results
- Act in a less competitive way and do not pay so much attention to relationships and networks
- Are more inclined to “monitor” and less inclined to “facilitate”
- Are more inclined to “control” rather than to “believe and trust”
- Are more focused on “creating a long term strategy” than on “winning in the “short-term”



**Public sector senior leaders are more mindful,  
private sector senior leaders are more result-oriented**

# Public sector: men versus women in senior leadership positions



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Women senior leaders show a more outspoken profile compared to men:

- Women focus more on extraversion and especially on “Motivating others” and on adopting a more open communication style.
- Women pay more attention to social relationships

**BUT** compared to the average female population women senior leaders in the public sector score lower on “Altruism”. They appear less warm than other women.

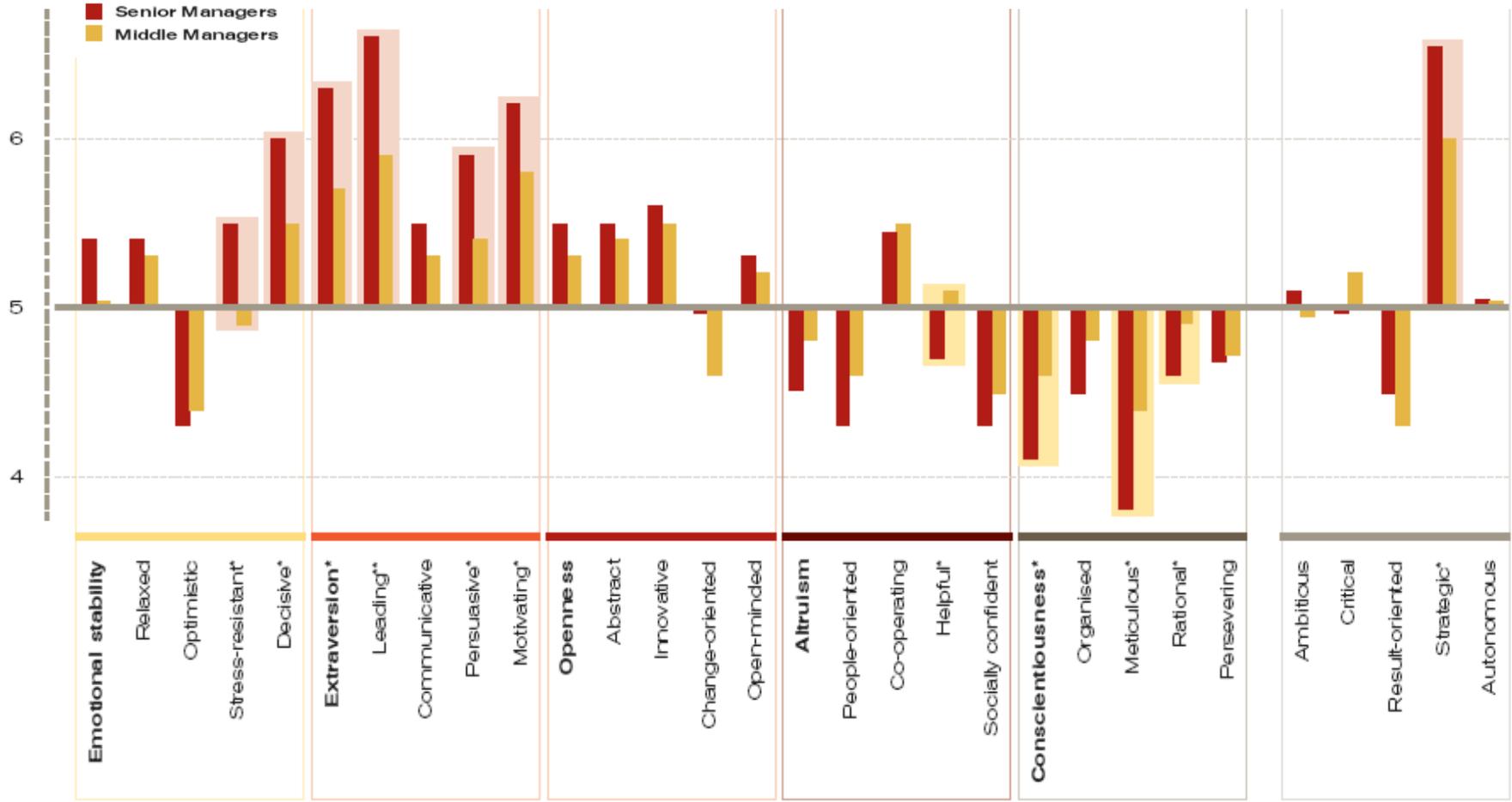
Both male and female senior leaders show a certain degree of thought leadership, with:

- Women being more open to changes induced by the organisation
- Men being keener on exploring innovative approaches



**Women senior leaders seem to adopt a more mindful and warm leadership style compared with their male counterparts**

# Public sector: senior versus middle management



# Public sector: senior versus middle management

**Middle managers and senior managers are the same in profile, although middle manager's leadership traits are less pronounced.**

- Middle Managers seem to be prepared to progressively take on leadership responsibilities

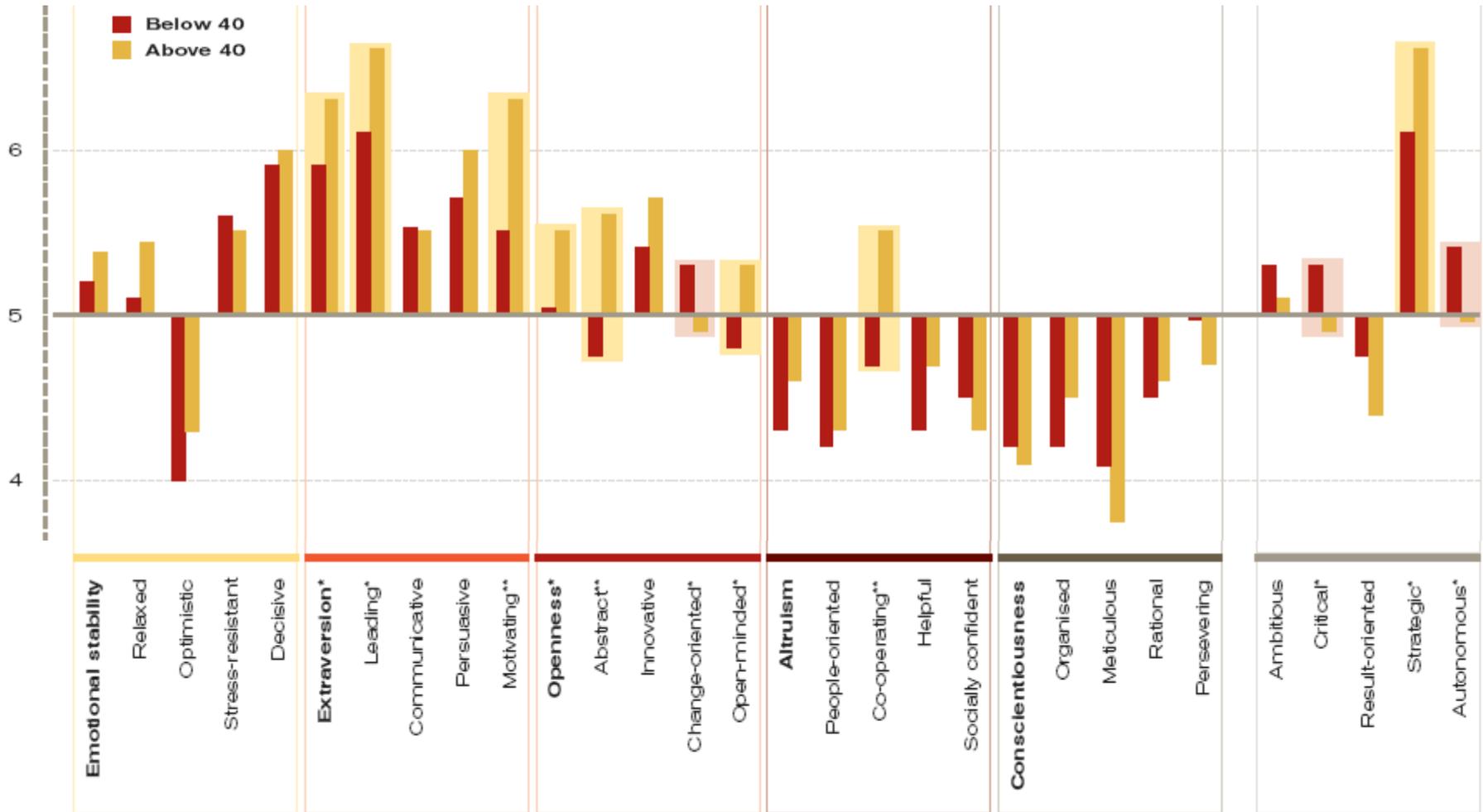
**The following difference can be observed:**

- Middle managers score lower on typical leadership characteristics (Decisive, Extraversion, Leading, Persuasive, Motivating and Strategic)
- Middle managers score higher on more operationally-focused dimensions (Helpful, Meticulous and Rational)



**Clear leader-follower congruence between senior and middle management level**

# Public sector: The new generation of senior managers: less is more



# Public sector:

## The new generation of senior managers: less is more

### Younger senior leaders in the public sector:

- Show less autocratic or paternalistic leadership behaviour
- Show higher personal ambition to change things and do them the way they wish
- Do not tend to spontaneously involve others in the decision-making process
- Are not always very optimistic about the outcome
- Develop a personal opinion and are prepared to critically question ideas put forward by others

Note: In the public sector 10% of the senior managers are less than 40 years old versus 30% in the private sector



**Senior managers in the private sector have a stronger personality profile and appear to get more opportunities at a younger age than their public sector counterparts.**

# Our hypotheses challenged

Comparable complexity of both organisational settings



Public and private senior managers show the same global business attitude pattern

- This hypothesis appears to be correct to a large extent
  - Both groups show clear leadership characteristics that differentiate them from the global population
- But...
  - Public sector leaders score lower on Communicative
  - Public sector leaders score significantly lower on Result-oriented
  - Public sector leaders focus more on the long term
  - Public sector leaders go for more thought leadership

Despite significant historical differences, both sectors are moving closer together

# Our hypotheses challenged

Public sector context is less stable, requiring constant adaptation to circumstances



Public sector senior managers are more innovative and conceptual

- The basis for this hypothesis may be considered controversial:
  - Some public sector organisations operate in a stable context and have a tendency to be rather rigid.
  - Some private sector organisations operate in a more unstable and challenging context. This is confirmed by Boyatsis (1982): private sector leaders need higher levels of conceptualisation, oral presentations, concern for impact, diagnostic use of concepts, efficiency orientation...
- Nevertheless...
  - Public leaders are more Abstract and Innovative, looking for new approaches and solutions

Public sector leaders are risk-averse and stable in their decision-making, but show a creative and conceptual approach

# Our hypotheses challenged

Public sector leaders face complex interactions with a multitude of stakeholders



Public sector senior managers are less focused on short term results, but rather cautious and mindful

- Public sector leaders might be expected to go for quick results to keep everyone happy...
- But...
  - The sense of urgency to deliver is not as high as one might expect
  - They maintain distance and look at problems in a thoughtful way
  - They are especially sensitive to diverse influences, looking for buy-in
  - They know that media and pressure groups have a disproportionate impact on the public sector business

Public leaders might give the impression that things take too long, but they proceed in a consistent and efficient way

# Our hypotheses challenged

Public sector leaders are strongly involved in policy making



Public sector senior managers show a stronger conceptual and strategic focus

- Public sector leaders act in an environment that is essentially oriented around high level policy-making
- They support political authorities in the development of new legislation
- Therefore, they face more pressure to adopt a long-term view when it comes to their field of responsibility
- Public sector leaders take a longer-term view and ensure stability in their organisation, regardless of political change or agenda

Public sector leaders experience less stress when it comes to deadlines and go for effective, instrumental leadership behaviour

# Our hypotheses challenged

Public sector objectives are less concrete and unequivocal



Public senior managers are less confident about the outcome of their initiatives

- Senior leaders in the public sector are significantly less optimistic about the outcome of their actions than their counterparts in the private sector
- They show less perseverance in the search for a particular goal
- They show a tendency to be less determined to consistently go for short-term results
- They do not feel as much freedom when it comes to goal-orientation

Seen from the outside, one could argue that a more daring or risk-taking attitude could result in more efficiency. Seen from the inside, rules and regulations are optimally followed and unnecessary delays are avoided

# Our hypotheses challenged

Public sector leaders have lower levels of discretionary power



Public senior managers are more oriented towards compliance with rules & less towards trusting others

- Public sector leaders adopt a leadership style that is more based on rule-following and detecting discrepancies
- Their actions are fully aligned to rather complex and intangible goals and aim at fully streamlining operations towards these goals
- But...
  - We see an evolution with younger leaders: more personal approach, drive to change things, willingness to test the limits and take more risks

This is a challenging observation with consequences for Talent Management policies!

# Our hypotheses challenged

Public sector leaders have lower levels of discretionary power



Public senior managers are more oriented towards compliance with rules & less towards trusting others

- Because public sector leaders are obliged to focus on rule-following and detecting discrepancies, they are less inclined to adopt informal relationships with others.

Once again, this is a challenging observation with consequences for Talent Management. This attitude could undermine trust in senior management, which could have a negative impact on the optimal functioning of the organisation

Conclusions: there are differences, but they should not be overestimated



The question should NOT be how senior public managers can move towards private sector leadership, but what public sector and private sector senior leaders can both learn from each other

### What public sector managers can learn from private sector managers: **wield influence, not authority**

- Huge challenge: cope with confrontation without being confrontational
- Improve the capacity to build positive, motivating relationships with stakeholders

### What private sector managers can learn from public sector managers: **mindful and instrumental leadership behaviour**

- Focus on long term strategy and the creative process of building a conceptual vision
- Strategic leadership facilitates a charismatic effect

# Leadership development for public sector



Coaching on communication, networking and building partnerships, combined with necessary organisational support



When using external coaches: massive experience with public sector is a prerequisite



Younger public managers: support and coaching in their drive to change things



Increase motivation with recognition of goals achieved.



Senior leaders learn through challenging experiences: explore possibilities of exchanging private and public sector leaders

# Finally, some questions to consider:

## **We now know that:**

- Public senior managers are more focused on the long term than the short term
- Public senior managers are more focused on creating and monitoring regulations and rules rather than on taking high risks

## **So...**

**How would our economy look today if it had been managed by senior public sector leaders?**

**To what degree should public sector leaders consider the private sector as a benchmark?**

Thank you for your attention



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