

Summary: Managing the move from the private to the public sector

Friday 11 October 2019

Event for PCF Members with Chris Banks CBE, Wanda Goldwag and Jonathan Morgan



Background

PCF members have often highlighted the challenges they face when moving from the private sector to chairing or sitting on the board of a public body. During this lively and engaging seminar, members were offered the chance to hear from people who have successfully managed the transition and shared their own experiences.

Key points raised in the discussion

The tangible difference between private and public sector

There are similarities apparent at the outset of working in the public sector compared to the private sector. However, as you settle into the role it becomes clear that seemingly small differences are in fact part of a wider cultural contrast.

The example of travel illustrates this transition: in London, do you travel by taxi or tube? While this and other examples may appear to be simple choices, they actually require a change in state of mind.

Politics of accountability

It is crucial to understand the political dimension of all decision-making one experiences as a public appointee. While bodies are notionally autonomous, one is always accountable to multiple authorities whether it be the Minister, the Department, No.10, or the Treasury.

Specific differences include the increased emphasis placed on 'conflicts of interest' in the public sector, which would often be handled more flexibly in private enterprise. In addition, one must understand the change in priorities which may come with a new Minister and get to grips with new acronyms and terms such as 'purdah.'

Relationships

"As a Chair, the most important thing of all is getting the relationships right."

Without these relationships, an organisation will not thrive. Relationships should not be sacrificed for numbers, and performance should be a priority for both Chairs and Chief Execs.

Is the relationship between Chair and Chief Executive different in the public sector? Ministers often see the Chair as the figurehead for the organisation, to be able to report on performance alongside the Chief Executive. The relationship with the Chief Executive therefore has to be carefully managed to allow them to conduct their job day-to-day, whilst appreciating that when it comes to the outward face with Ministers and media, the Chair is often responsible. This is in contrast to the private sector, where the Chief Executive would often be accountable.

Understanding the practicalities

Getting to grips with the small issues is fundamental to working in the public sector. Without grasping these, colleagues are in danger of thinking that you do not fully understand or appreciate the public sector responsibility.

Examples included:

- Smaller and rigorously documented expenses;
- Travel as cheaply as possible;
- Acknowledging that people may feel more comfortable referring to your job title (Chair or even for example Sir/Ma'am) rather than your name;
- The difficulty in receiving secure emails from your organisation, since you may not have a laptop from the organisation, and perhaps no organisational email address.

Minutes are a public record and the volume of FOI requests is significant compared to the private sector. This can result in conversations between colleagues being much less candid - particularly about staff performance.

The process of appointment is also a profoundly different experience, particularly in the length of the process. Even where private sector appointments may take a long time, there is far more one-on-one contact to sustain the prospective appointee's interest and prepare them for the role.

Style and experience

In the private sector, a leader's individuality is often one of their strengths. However in the public sector, Chairs are representing the body as a whole, and therefore care is needed to distinguish between one's own views and the views of the organisation.

Trying to do things differently, whilst feeling impeded by the existing framework, can be challenging. Chairs from the private sector, recruited with a certain set of skills, sense they are often not utilised to their full potential, which can cause frustration. This extends to Non-Executive Directors, who must be supported to realise that their contribution is valuable.

"The first thing should be to ask the Board if they have experience when it is needed – rather than seeing the Board as a hurdle to transcend."

Measuring success

Responsibilities and success measures are often very complex when compared to the private sector. It is harder to define success and usually up to the Chair to define what the output measures are. One must not fall into the trap of looking at the efficiency of the money; it is more important to track the effectiveness of the investment.

Skillset

Regards recruitment, the majority of essential criteria are the same for public and private Chairs. However, public sector boards have a higher level of exposure to public scrutiny. In addition, public bodies often recruit board members in order to tap into specific expertise – whereas in the private sector, a temporary consultant would more likely be hired.

Diversity is clearly an issue for both public and private sector, however in the private sector up-and-comers are often encouraged to take on Non-Executive Director roles as a development tool.

Closing remarks

The event was summarised with two concluding observations. The first, was the necessity for Chairs to assume an ambassadorial role within the public sector. Secondly, the ambiguity of expectation within the public Chair role is compounded by the different dashboard metrics of success beyond the bottom line.

Thank you to the panel and PCF members for their contributions.