

# *Leaders of the future in government*

Value-based, authentic & in-real time

A publication by PwC  
Middle East Public Sector  
Institute



# Introduction

*As a result of rapid globalization and the increasing multi-polarity of the world, governments around the world, face multiple unprecedented challenges.*

Citizen needs and expectations are continuously evolving and becoming more sophisticated. More is being expected from the national, regional and local governments. Simultaneously, ubiquitous information technologies are strengthening citizens' voice and changing their role vis-à-vis the decision-making process.

On the other hand, the recent financial crisis has reduced government budgets all over the world. This cost-consciousness combined with the change in the role and expectations of citizens makes it necessary for governments to innovate and prioritize learning. A key challenge impacting levels of innovation and learning in government, is organizational culture and public sector adversity to change. Leadership has an important part to play in this regard, as it provides a vision and cultivates an organizational culture that embraces positive change towards the achievement of that vision.

In order to maintain the fine balance

between the creation of public value and achieving greater efficiency, government leaders are required to combine strong personal commitment and passion with out-of-the-box conceptualized thinking. While learning from best practices in the private sector is important for drawing applicable lessons, government leaders need to recognize the fundamental differences between public and private organizations and their intended outcomes.

Future government leaders must have a clear understanding of the performance anatomy of the public sector along with a strong vision for the future that is citizen-centric in all respects. While the former will allow future government leaders to navigate public sector organizations, employees, citizens and stakeholders; the vision will ensure that the end goal is clear and not lost in the journey. Furthermore, future government leaders must recognize the increasing level of collaboration between different sectors of society and leverage on multi-stakeholder partnerships to create public value.

In this Talking Point- opinion piece, we explore the characteristics that distinguish leadership in government from leadership in the private sector. We then comment on the importance of new

conceptualized thinking and a strong vision; as critical success factors for future government leaders, and consider the different leadership approaches, future government leaders can adopt, to achieve their vision. Finally we identify the key global trends altering citizen expectations, and potentially posing challenges for government leaders in the future.

*Strong personal commitment combined with new conceptual thinking is a core expectation of future government leaders*

#### *Summary*

Leadership in government is different from leadership in the private sector and needs unique motivation and skill, based upon the fact that welfare (independent of who is providing the service – private or public) and building a society of trust which includes all sectors of society, are the key objectives.

In the present world, societal trends are evolving continuously. Most of these trends are based upon social intelligence and constant open dialogue, which has been made further possible by the increasing prevalence of social media at the individual and corporate level. In this scenario, we need leaders who can navigate through these trends and interact in an uncharted territory. These future government leaders must have visions and values energizing and creating meaning, not only for the people working with them in government organizations, but also for citizens and stakeholders. They must find new personal ways to combine a strong vision with passion for creating the government of the future today in a trusted, sustainable and collaborating society.

Strong personal commitment combined with new conceptual thinking is a core expectation of future government leaders. With regard to conceptual thinking, these

*Leadership in government is different from leadership in the private sector and needs unique motivation and skill...*

leaders must embrace a new model of governmental capitalism and should be able to communicate new arenas for collaboration and dialogue based upon a holistic view of a sustainable society including all strategic resources and capitals.

In order to enable talents and entrepreneurs from all sectors of society to collaborate on a higher level for the creation of better wealth and welfare in society, these leaders must have a passion for creating the new playground for growth. A “Glocal” mindset which implies finding the right balance between international (global) and local government, is a critical success factor for future government leaders.

On the organizational level, government leaders of the future need to mature and manage themselves, as they are the ones who care for people in organizations in society and are brave and bold enough

to have a point of view and stand firm for solid sustainable development. These leaders must interpret the leadership task as a strategic cultivating process; integrating speech, thoughts, actions, attitudes and values and transferring these to the new generation of government leaders, together with an openness for new social, economic and technical innovations (for a better future). In addition, these leaders must be capable of leading and managing diversity at all levels.

A “Glocal” mindset which implies finding the right balance between international (global) and local government, is a critical success factor for future government leaders

Government is different

In order to conceptualize leadership in government, it is important to understand that government is genetically different from the private sector in terms of the public environment and goals, means and external focus.

Figure 1: Leadership in Government is Different

	Public Sector	Private Sector
Goals	<b>Business</b> Profit in Service & Benefits	<b>Money</b> Profit in \$, £ or €
Means	<b>Money</b> Taxes, Fees	<b>Business</b> Service & Benefits
Focus	Citizens, Customers & Stakeholders	Customers & Stakeholders

Government leaders need to think of different target groups. Most important of these target groups are citizens, who like to responsibility in the local community. Moreover, in order to ensure that public services match the standards of the very best, another dimension that the government needs to consider is people as consumers. In essence, this implies that while it is necessary for future government leaders to be inspired of leading people through cutting costs and redesigning organizations, it is not sufficient. We need leaders in government who truly understand the role of government as a platform for solid society

- development including:
- The balance between free market and regulation
  - The balance between global and national regulation (international organizations vs. The national government)
  - Law and order, legal and human rights for individuals, including freedom of speech and religion
  - Open and transparent political dialogue with citizens and stakeholders
  - Setting the scene for future collaboration and growth for all sectors

This requires “*society entrepreneurship*” or a different type of motivation coupled with a more traditional approach of leading towards effectiveness and efficiency in an organization.

*Energizing the people while navigating on uncharted territory*

To address these changing demands of today’s world, we need leaders with a clear compassionate mission together with visions and dreams that will energize, move and inspire people. Leaders of the future in government need to energize people in their surrounding – staff, customers, citizens, stakeholders – in many dimensions.

Some examples of these fundamental dimensions are:

- Professionally – knowing what to do
- Intellectually – using the “opportunity glasses”
- Socially – creating harmony
- Emotionally – true empathy

In order to facilitate the energizing process, government leaders navigate people towards a shared future vision and create a bigger opportunity for civil servants and citizens. This requires an open mind and authentic leadership.

The rapid change in our society creates a need for strategic development that offers constant innovation and renewal of government’s worldviews and mindsets. It is important that government leaders are able to see things with “new glasses”. These leaders must conduct strategic social analysis to learn from the past, define the present reality and understand the likely direction of the future. Strength development and weakness elimination can be then done to create a vision and a strategy for the future.

Leading a government towards an uncertain future is like navigation of a ship. The crew and passengers comprise the citizens, employees and customers. The main concerns are current strategic position, destination and course and speed that need to be adopted to reach the destination. Thus, the navigation process is dependant on how we consider our position today and what kind of approach we will use to reach our future vision.

The following are four different approaches to navigating in relation to the surrounding world:

*We need leaders with a clear compassionate mission together with visions and dreams that will energize, move and inspire people...*

- **Inactive** – no interpretation of trends
- **Reactive** – responding to the agenda of others – always behind
- **Proactive** – making detailed plans for the future and set trends – take the lead
- **Interactive** – constantly shape and respond to emerging and changing trends

The leaders of tomorrow must adopt the right approach to the journey as they try to understand and adapt their course to

trend forecasts for the future. For this process, knowledge navigation and the development of a “mental gps” based on intelligence gathered from a variety of sources are critical.

*Vision – the ticket to the future*

Getting the right vision is the “sustainable ticket” to the future. Without a vision, the navigation process will be an opportunistic approach which goes through the “wind of opinions and political correctness”. To achieve this, leaders have to analyze from outside in (global trends and tendencies) and inside

out (visions for the government and its citizens, customers, stakeholders and organizations).

However it must be noted that while strong visions of the future increase the opportunity space for people and talents, action is critical. National governments and international organizations need to communicate their visions to the citizens to inspire people with what the government and society can achieve through them. The multi-mutual benefits for strong visions are:

- **Motivating** people by inspiring hope and belief for the future
- **Giving** them a strong “buy-in” regarding organizational direction
- **Agreeing** on a common description of a desirable future
- **Providing** inspiration for new challenges
- **Providing** a strategic position in marketing, communicating and branding of the city/region/central government

Leadership is based on relationship. The primary task for today’s and tomorrow’s leaders is to “put people first”. This is done by developing a leadership style that not only addresses the needs, but also considers the visions of employees and citizens. Good leaders inspire and empower the people around them by creating and developing an energizing

culture. The paradigm of future government leaders requires leaders that can show leadership in a number of different ways. These different leadership roles include:

- **Chief/decision maker:** be on top and decide
- **Model/standard bearer:** be in front and show the way
- **Servant/coach:** be under-carry and care for the organization
- **Re-establisher/limit settler:** be the one who sets limits and uses the brakes

Good leaders integrate the different leadership roles and attitudes to suit the needs of each unique situation. Moreover, they have an ongoing dialogue with the people they are leading based upon trust. This enables them to make decisions regarding future directions for the short and long term and also to set limits when needed, even at the risk of being unpopular. In order to personalize leadership role according to the needs of the situation, leaders must manage themselves and understand their personal leadership style: who they are and why. The most important thing is to lead from who you are as a person – to be authentic and real.

A leader creates and affects the culture in the organization. So, one of the most important roles for leaders is that of cultivators who create a manageable,

Figure 2: Leadership Roles



creative and positive culture. But how do leaders get the most out of their employees in this cultivating process? Leaders must look beyond their own organization and learn from the experience of others. In addition, leaders must communicate and maintain the existing organizational culture, while also encouraging new ideas, which implies accepting renewal and change.

A key challenge for future government leaders is managing true diversity based upon different value bases and creating harmony through manifoldness and not rectification and standardization. Moreover, these leaders must understand and integrate the internal and external perspective offered by social intelligence into their vision for the future, encourage creative imagination and create the space for citizens and employees to innovate.

Emerging trends – needs creative imagination and interpretation

In order to strategically navigate, a leader must understand where we are and what is happening around us. The strategic agenda of tomorrow is a unique interpretation of global megatrends that create both opportunities and threats. Future government leaders must have a clear understanding of these global megatrends, some of which are as follows:

Glocalization

In today’s integrated world, global companies and economies work in local competition, within global structures. This trend is referred to as glocalization. When a big company enters or exits a city, it affects many areas of life for the city and its citizens. New international networks and cooperation between cities and regions can create significant strategic advantages. We need government leaders with a global and local (glocal) mind set to achieve progress.

Co-opetition

Today, actors on all levels and from all sectors of the economy compete and collaborate at the same time, albeit with different focuses. This is also true for international organizations and networks. For example, when gr countries agree on common actions on free trade while imposing protectionist regulations domestically, we begin to

Today, actors on all levels and from all sectors of the economy compete and collaborate at the same time, albeit with different focuses

understand the notion of co-opetition. So in today’s world, we need leaders that are able to see beyond the national borders on important global issues which have long terms benefits for all.

Individualistic collectivism

Individualism has become an increasingly important social trend. Today, we talk about the i-generation, which means people who are individualistic, informal, informed, interactive and international. This phenomenon has an important impact on the dialogue between e.G. The city and its demanding citizens. At the same time, people tend to enjoy fellowship and get together when rootlessness develops in society. Catering to evolving needs of the next generation



*Performance management is a key driver for the strategy-focused organization*

will be a critical challenge for future leaders.

*Acceleration*

Ict development has increased the pace of life. Citizens and customers want online access to all public and private services and the “democratic political dialogue” increasingly demands rapid exchange of information between the government, companies and citizens. Future leaders will be required to accelerate speed of response and feedback through e-government and respond to citizen needs instantaneously. The government of the future never sleeps.

*Hi-tech*

Technological developments have implications for the delivery of all existing services. In the future, the public sector, along with the private sector, will employ technological solutions to public service delivery. Transaction costs will decline and government processes will become more effective and efficient. The biggest opportunity for the leaders of the future in this area is the increased and more effective citizen dialogue.

*Hi-touch*

In the modern society the “hardware” of technology must go together with the “software” of emotions (visions, dreams, nostalgia, etc). The environmentally friendly, safe, secure and aesthetic government is imperative for modern civic and social corporate and personal pride. Achieving this balance will be a significant challenge for tomorrow’s government leaders.

*Ageing*

Around the world, the proportion of population above the age of 65 is increasing. Planning for and catering to the needs of an ageing population will be a key challenge for future government leaders, as ageing will affect all sectors and industries within an economy.

However, in the case of the middle east, 50% of the population is below the age of 25. This in turn requires governments of the region to address this issue and create millions of jobs (*approximately 80 million new jobs*) for the young university graduates within the next decade. Fostering entrepreneurship and nursing smes are among several measures governments throughout the middle east must focus on to ensure that available jobs meet the increasing demand; thus shrinking unemployment and ensuring that the innovative youth are the dynamic

force/face of tomorrow’s economy.

*Urbanization*

Rapid urbanization is a characteristic feature of the modern world. Metropolitanisation, which refers to the growing influence of large cities and cross border regions on economic health and prosperity, is also a major trend being witnessed around the world. Future government leaders will have to create an optimal balance between the costs and benefits of this rapid urbanization.

*Migration*

Urbanization is also linked to increased global migration, which is a source of concern for most governments. Increased migration poses multiple challenges (social cohesion, employment, integration), but also presents opportunities. A key challenge for future government leaders will be to recognize and capitalize on the migration of knowledge, ideas and money.

*Uncertainty and anxiety*

Natural catastrophes, epidemics, terrorism, increased crime and corruption and poverty have lead to declining public trust – a challenge that governments around the world are trying deal with.

*Territorization*

In this day and age, governments need to look beyond internal control processes and issues and get a more external focus and control. The future role of government leadership is to facilitate strategic actions on the plot of land – the territory – they have a

*Climate change and global warming are a key priority on private and public sector agendas...*

special responsibility for (city, region, and country). Facilitating collaboration between citizens and different talents for the creation of a long term sustainable society must be a key focus area for future government leaders.

*Amalgamation or merging*

Amalgamation is taking place at all levels – nations (regional blocs e.G. Eu), technologies (e.G. Bio-tech), cultures and values, work and leisure, office and home and between private and public sectors (through public private partnerships). Governments will need to understand how amalgamation is changing expectations and roles of all stakeholders and leverage on the benefits of these collaborations.

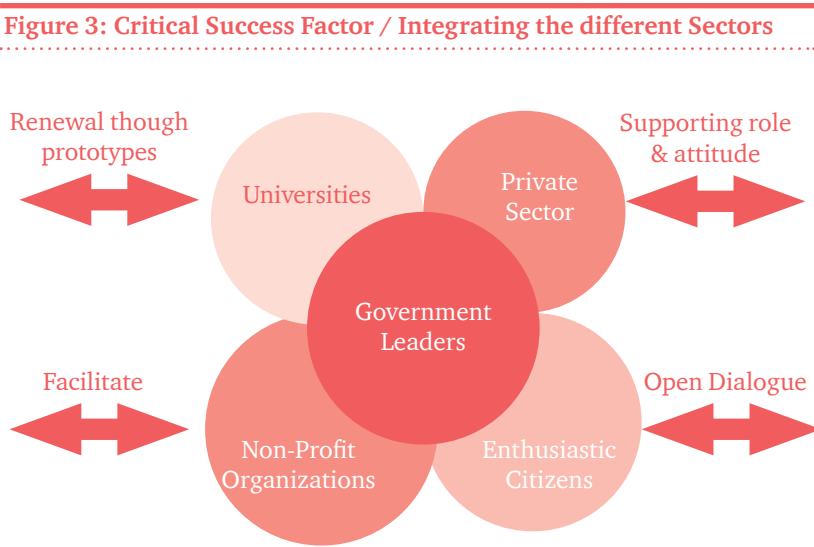
*Sustainability*

Climate change and global warming are a key priority on private and public sector agendas. Future government leaders will have to identify what constitutes sustainable development and adopt a more integrated and holistic approach for balancing growth and sustainability.

# To create and manifest new thinking

Innovation and conceptualization are core competencies for future government leaders to achieve sustainability and integrate the different sectors of society into this process. Many governments are searching for new ways to make the most out of collaboration between sectors of society. They are trying to define a new playground for growth and development, combining public trust and financial development and supporting local growth. This requires models that integrate government on all levels together with the private, non-profit and academic sectors and lay out a clear relationship with citizens, who are the key players contributing to the global development of society. The relationships are underpinned by shared values and attitudes, which are considered critical success factors.

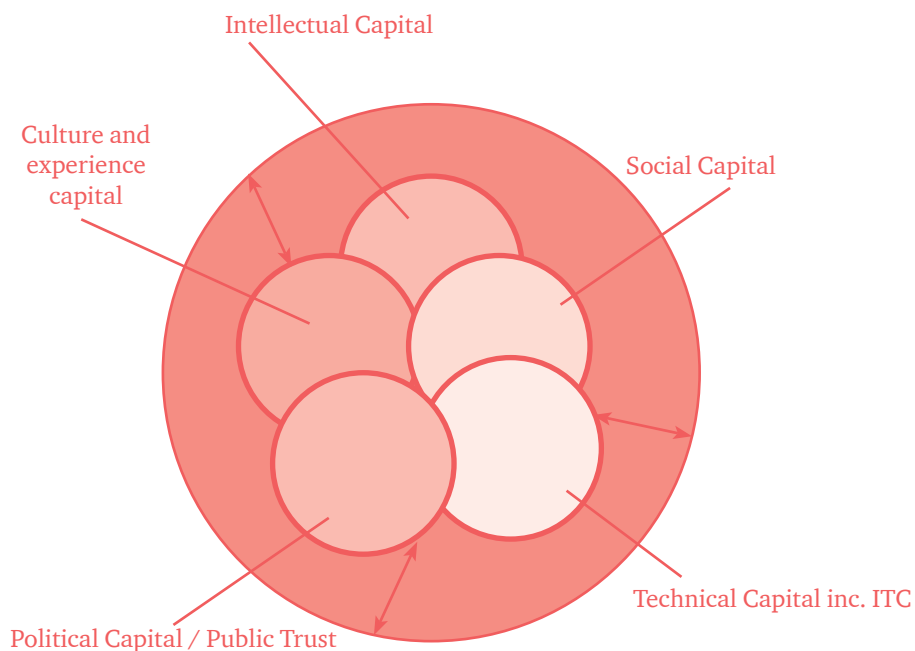
The other new core competency is the adoption of a holistic approach towards sustainability. In the post-financial crisis period, it is important for government leaders to reflect on the debate of capitalism and the government's role in creating sustainable financial systems. In doing this, government leaders will need to adopt a "new integrated capitalism" approach whereby the government creates and supports a more global and more integrated strategic resource model that encourages better corporate governance and social responsibility. In order to achieve this, future government



leaders must prioritize the following issues on their agendas:



Figure 4: Priorities for Future Government Leaders



*Intellectual capital*

Recognizing the challenge in attracting and retaining the core requirements for a knowledge economy (people, skills, and capabilities), government leaders and administrators need to become facilitators of change. Intellectual capital has to be viewed as:

- Knowledge capital: human resources and creativity
- Structural capital: the support system for individuals and the organization
- Relationships capital: the interaction with the surrounding world on an individual and organizational level

*Social capital*

Future government leaders need to create and support relationships in civic society based on trust and confidence in people and institutions.

*Political capital – public trust*

In order to create public trust and accountability, government leaders need to encourage dialogue between the citizens and their leaders (at the local, regional and national level) and identify new forums for collaboration between them.

*Global megatrends continue to alter expectations of public value forcing future government leaders to face multiple challenges on several fronts; thus they must possess a clear vision of the future, coupled with new conceptualized thinking to create greater public value...*

*Cultural and leisure capital – the experience capital*

In today’s world, there is intense competition among locations (cities, countries) to attract visitors, new residents and investment. Future government leaders need to create and ensure the maintenance of a distinctive and powerful location brand.

*Environmental capital*

Future government leaders will need to devise global and national regulations which are able to ensure the provision of a clean, green and safe environment. These leaders will have to deal with all forms of pollution and manage waste and water resources. The issue of rights to water in the future will be one of the key environmental issues that future government leaders will have to deal with, especially in eu and asia.

*Technical capital – infrastructure including ict*

Future government leaders will need to ensure that city, regional and national infrastructure is able to support the rapidly developing citizen and business needs. Provision of public transport and affordable housing and the development of appropriate technological infrastructure are pressing issues that future leaders will have to tackle in an effective and efficient manner.

*Financial capital - money*

Given the challenge of limited resources, future government leaders will need to recognize the risk-sharing and financial benefits that private sector partnerships and outsourcing arrangements can deliver. Transparency will have to be prioritized and accounting models that encourage transparency will need to be employed.

*Conclusion*

Government leaders of the future will operate in an environment characterized by growing citizen demands. In addition, global megatrends will continuously alter the expectations of public value and government delivery. Thus, future government leaders will face multiple challenges on several fronts. In such an evolving environment, while leadership styles can vary, all government leaders must have a clear vision of the future coupled with new conceptualized thinking which will allow them to create greater public value.



