

FOUR-LEAF CLOVER: THE NEW PUBLIC GOVERNANCE

WHAT MAKES A GOOD MANAGER IN THE PUBLIC SECTOR?



JOSÉ R. PIN

Emeritus professor of managing people in organizations and business ethics, IESE

Vision, communication and ethics – these are some of the traits required of politicians and managers in the public sector. Professor **José R. Pin** highlights the four essential requirements for achieving good governance, and the need for high-quality education for public sector managers.

CORPORATE GOVERNANCE • GOOD GOVERNANCE • PUBLIC ADMINISTRATION • PUBLIC SECTOR • LEADERSHIP • ETHICS • EFFICIENCY

In the global economy, a country's companies don't just compete against each other, and nor do its workers – they compete against companies and workers from other places. Nor do they compete in isolation, because their competitiveness is strongly influenced by their country's government and public administration, its "public governance."

We've all heard that a four-leaf clover brings good luck. As it turns out, good governance has four "leaves" – functions that government and public administration must fulfill. All four are necessary for a country to run smoothly, for companies to be competitive, and for good jobs to be created. The four functions are strategy, collaboration, organization and instrumentalization.

Citizens are lucky when they have governments and public administrations that excel in carrying out these functions, something I look at in my book *El trébol de cuatro hojas. Manual para el buen gobierno* (The Four-Leaf Clover: A Manual for Good Governance). The book is a volume in the series dedicated to IESE's founder, Professor **Antonio Valero**, who dedicated part of his work to the public sector.

Leadership is the stem supporting the four leaves of the clover of public sector management. A country's pol-

iticians and upper and middle public sector managers determine the quality of its governance.

LEADERSHIP IN PUBLIC GOVERNANCE

In good governance, there are roles for politicians (elected and appointed), managers (upper and middle) and public sector employees (civil servants and contractors). Each one of these groups plays a part. Each one has a mission in defining and implementing a country's strategy.

If leaders don't have a vision for the future and an understanding of how a society needs to develop, governance lurches forward blindly. Politicians and managers in the public sector need to contribute their vision for the future at different levels. But they also need the initiative and skills to carry it out. They need to be leaders, not just administrators.

A leader has to have a vision, but not be a visionary. The leader must not only glimpse the final objective, but also envision the steps toward reaching it. The leader must also be able to communicate this vision to inspire others; good leadership encourages people and promotes action.

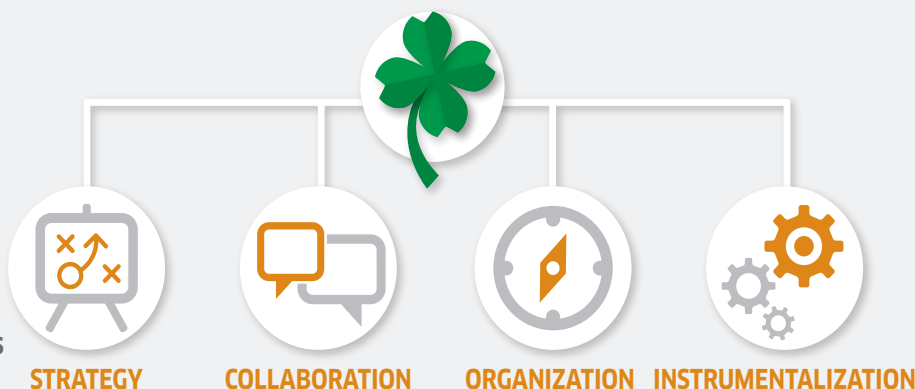
The ability to influence others is a basic skill of a good leader. Leaders must be masters of mediation: the ability to reconcile the interests of

WHAT IT TAKES TO BE A GOOD MANAGER IN THE PUBLIC SECTOR

PUTTING INTO PRACTICE

THE FOUR-LEAF CLOVER

The key is knowing how to combine the **four essential functions** for good governance



VISION

Having **vision**, but not being a visionary

Envisioning the final goal and the steps to getting there

COMMUNICATION SKILLS

Motivating the team

Stimulating action

Being able to **communicate vision**

MEDIATION SKILLS

Being able to **align interests**

Acting as a bridge between different social *stakeholders*

Rejecting authoritarianism

INFLUENCE

The ability to **gain people's trust** and get them on board to do what's asked of them

LISTENING SKILLS

Practicing **active listening**

Being able to **understand different sectors of society**

ETHICS AND MORALS

Being honest

Having **excellent morals** and **acting** as an example



If leaders don't have a vision for the future, governance lurches forward blindly

different agents. Without being able to build bridges between different social stakeholders, a leader can't successfully carry out good governance. Good governance requires being able to "listen," to understand different sectors of a society that is increasingly diverse and rich in nuances. Leaders should be socioeconomic motivators who play a major role in their societies' development.

And all of these components are laid upon an essential ethical foundation. While corruption is one of the biggest obstacles to development, it's not enough for leaders to be honest in their work. They have to be truly and deeply moral people: concerned about the ethical quality of their decisions, their impact on others, and how they can help cultivate virtue and eradicate vice.

The essence of leadership in the public sector is to properly exercise the power that a position endows and to know how to earn *auctoritas*. When a leader has *auctoritas*, he or she has little need to impose decisions on others; this is because people willingly do what a trusted leader asks. In fact, not using power when one should and using it unjustly are the quickest ways for a leader to lose authority.

THE FOUR-LEAF CLOVER

- Governance with excellent
- leadership should have well developed vision, communication, and

ethics. The public sector leader has the power to put into practice the four functions essential to good governance: strategy, collaboration, organization and instrumentalization.

Strategy is the selection of priority projects for a government. Resources are always limited; a leader has to decide which projects to support and which ones to limit or postpone. The same process occurs in the private sector, but the selection criteria are different. For government, the most important criteria are the available skills, the support of various constituencies and the value contributed. In the case of value, governments must consider not only economic value but also social value, political value (votes) and ethical value (the virtues or vices that the project encourages).

Strategic analysis helps governments take into account the total value of various projects. This in turn helps them decide how to allocate resources. Does it make sense to invest in employee and manager education in support of a given project? Should resources be invested in garnering public support for it? The strategic function encourages the administration to increase its skills and support for the programs that will have the greatest value in the future.

Collaboration consists of bringing together the public sector, a zone's business clusters and the third sector to boost competitiveness in the global economy. Each sector contributes to the whole, and good local cooperation makes up the so-called "economic community" that competes with others around the world. In a global economy, the economies of different countries don't compete against each other. Rather, local economic communities compete among themselves.

The ceramics cluster of the province of Castellón – with its companies, its public administration and its third sector – compete with the ceramics cluster of northern Italy. Each sector's ability to compete will depend on its contribution.



The government has the obligation to help the development of each economic community in its territory. For example, Spain has recently witnessed the emergence of tourist clusters across its territory; the country's high degree of public safety has been an important factor attracting international visitors.

Organization consists of establishing stable definitions of the limits and powers of the government and its administration, so that economic actors can plan accordingly. In recent decades, public administrations of many countries have carried out reforms. Well-known examples are the Westminster model in the U.K. and New Zealand and the U.S.'s Reinventing Government, spearheaded by **Al Gore**, vice president under **Bill Clinton**.

For its part, Spain has undergone decentralization, not only in administration but also in policy. Efficient, stable policies attract investors, while inefficient, unstable policies scare them away. Government must organize itself to both attract and control capital investment in its territory. Legal instability and corruption bring a country's growth to a screeching halt.

Instrumentalization refers to the use of new technologies to make public administration more efficient. The use of technology has become essential, and while there has been a lot of progress in this area, there is still a long way to go. One example: with electronic tendering, purchases become cheaper and more efficient than in the traditional system. But it's not just a question of operational efficiency; public demands for accessibility and transparency also require instrumentalization. Without new technology, it's impossible to have an open administration or to trace records as they move through administrative steps.

DEVELOPING PUBLIC GOVERNANCE LEADERS

● In many countries, schools of government have contributed at a technical level to the improvement

of public governance, especially in conveying the values that public service requires. In my opinion, one of the great tasks of responsible government is aiding the development of educational institutions specialized in this area.

This development will occur if there is healthy competition among public and private institutions playing on a level field (which has been the recent experience of Spain's business schools). Monopolistic interests that have a narrow definition of "public" complicate this task, but we must tackle it nonetheless. And IESE is already doing so.

Part of our school's mission is to help companies and their managers create the conditions necessary to be competitive and create good jobs. For that reason, IESE is concerned with creating, disseminating and teaching knowledge about how countries can develop good public governance.

IESE drives research from the Center for Public Leadership and Government and the **José Felipe Bertrán** Chair of Governance and Leadership in Public Administration, of which I am academic director and holder, respectively. These initiatives culminate in the publication of articles, cases and technical notes on this subject, as well as the Leadership Program for Public Sector Management (PLGP) and focused programs like the Communication, Leadership and Campaign Management Program; the Program for the Evaluation of Public Policies and Social Programs; and Driving Government Performance; as well as in-house programs for various administrative branches (security forces, diplomacy, attorney general's office, local police, and so on).

Some of these efforts are funded with the help of entities like the Fundación **Rafael del Pino**, which grants scholarships to PLGP participants. Others are financed through the endowment of research chairs. The project inspires enthusiasm while responding to a clear societal need.

Government must organize itself to attract capital investment in its territory

MORE INFORMATION:

Pin Arboledas, J. R. *El trébol de cuatro hojas. Manual para el buen gobierno*. Ediciones Internacionales Universitarias, 2016.