Leadership and Creativity in Public Services:

An interview with Lord Michael Bichard, Chair of the National Audit Office

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Abstract

This interview with Lord Michael Bichard, one of the most distinguished public sector leaders in the UK, explores his ideas around the relationship between leadership, creativity and innovation. A champion of place-based approaches to public services, where citizens are actively involved in service design, delivery and appraisal, Bichard advocates the need for inclusive and supportive leadership that enables the emergence of the kinds of creativity required to respond to the financial challenges facing the public sector. Bichard’s ideas resonate with recent research on creative leadership and provide a practical illustration of place-based and systems leadership in the public sector and beyond.

Keywords

Creativity, Innovation, Leadership, Culture and Climate
Leadership and Creativity in Public Services: An interview with Lord Michael Bichard, Chair of the National Audit Office

Introduction

The United Kingdom, like many nations, is facing a crisis in public sector funding. The National Health Service (NHS), for example, despite the allocation of an additional £10 billion in the November 2015 Spending Review is facing a real-terms reduction in public funding for health services of 20% over the next five years (Nuffield Trust, Health Foundation and Kings Fund, 2015, BMA, 2016). Local government is facing even larger reductions, with planned cuts to council budgets of 40% (LGA, 2014). A similar picture can be seen across all publicly funded services and, despite attempts to achieve cost-efficiencies without reducing the availability or quality of services, organisations across the public sector are struggling to cope.

Lord Michael Bichard, has had a long and distinguished career during which he has served at the highest levels in local and central government. He has long championed the devolution of decision-making and accountability to local service providers in order to better meet the needs of clients and citizens. The ‘Total Place’ approach (HM Treasury, 2010) arose out of his work on the Operational Efficiency Programme in 2009 to identify potential cost savings and efficiencies across the UK public sector (Dhar-Bhattacharjee et al., 2010) and, despite the change in government in the 2010 election, has become a key pillar of public sector reform ever since (although the terminology has changed and the principles now incorporated into other initiatives).

At the heart of Bichard’s view of public sector transformation is the reconfiguration and integration of services around the client – something he suggests requires creativity, leadership, delivery and community ownership to achieve (Bichard, 2000). As he argues:
“Total Place is not just another Whitehall initiative. It is about giving local providers the incentive to work together in new ways for the benefit of their clients and citizens – and the opportunity to tell Government how it could behave differently to make this kind of collaborative action more likely.” (Leadership Centre for Local Government, 2010)

In this interview, based on a public address at the University of the West of England in January 2016, Bichard outlines his views on the relationship between leadership and creativity and the opportunities this promises for the transformation of public services. He draws on over 30 years experience as Permanent Secretary of the Department for Education and Employment, Chief Executive at Brent and Gloucestershire Councils, Vice Chancellor of the University of the Arts London, Chair of the Design Council, Chair of the Legal Services Commission, Chair of Shakespeare's Globe and Chair of the National Audit Office.

The interview begins with his observations on the nature of leadership and creativity in the public sector before considering his recommendations and advice for leaders and organisations seeking to develop and embed a culture of creativity and innovation. He also comments on the management of risk and the wider application of these ideas beyond the public sector. The paper ends with a brief commentary, identifying key themes and their relationship to contemporary issues in the academic literature.

**Interview with Lord Michael Bichard**

*So, you’ve asked to talk about creative leadership, why do you believe this is such an important topic?*

Creative leadership is not as topical a subject as it should be, and while vitally important is often overshadowed by an emphasis on building success and successful organisations with a focus on control and cutting costs, shareholder value and dealing with reducing overheads,
risk avoidance and in the public sector to minimising the risk of political reputation. So creativity has not been up there very often, but I would argue that creativity is what makes the difference.

Creativity for me is the key to achieving sustainable success in both the public and the private sector and I have now worked in both. In the private sector, creativity helps to distinguish a company from its competitors, giving it an edge on how its products are branded and marketed. In the service sector it gives an edge by way of a well-designed customer journey and ensuring that innovative ideas continuously surface. Despite recent publicity surrounding Apple, for example, I remain impressed by them because of what they have done. Many of us have iPhones and iPads and now the iWatch – all designed around the way we think, work and behave. Apple products are designed to fit with the way we operate, are well branded and tend to stay one-step ahead of the competition.

*How about creativity in the Public Sector?*

In the public sector, in a time of austerity and resource constraints, creativity or innovation, is the only route to delivering better services at less cost. Continuing to do things in the same old way but cheaper is not the answer. When, as a local authority, you are facing reductions of 30% or more in your budgets you can’t just carry on doing it but do it cheaper. You’ve really got to think innovatively about why you are there, what are your priorities, how you can do things in different ways.

But also in the public sector when you are dealing with the kind of changes that we are currently experiencing in society, the environment and technology, solutions and policies that were relevant and looked half successful a decade ago are just not going to meet the challenges of the future. So in the public sector we need innovation, we need creativity. But in both sectors building creativity adds colour to the workplace and makes the organisation
stand apart from others. It makes it more attractive to the best talent and the best organisations attract the best talent. That’s particularly true when we’re dealing with the present generation - a generation that I think values the opportunity to express itself, that actually wants to work in a stimulating environment, that wants to make an impact. A generation that doesn’t just want to work to earn a penny - it actually wants to feel that it’s making a difference and adding value. So for all of those reasons, whatever the sector, for me creativity is absolutely precious. When I ran the University of the Arts I used to say to our students at graduation, you know what you are taking out into the world is a way of thinking which is different - your commodity, your creativity is what will set you apart wherever you go.

*From your experience, how is creativity developed and sustained in organisations?*

I think the good news is, that it’s not really rocket science, it’s not that difficult, it’s certainly not about putting a Picasso on the wall! The good news is I think you can develop it quite quickly; the bad news is that you can equally destroy it very quickly. Many sit in meetings where they have felt stimulated because of the way they were being chaired and facilitated, while others experience meetings where the creativity, the buzz, the stimulation have just been destroyed. There are things you can do to enhance creativity, there are things that can destroy it. There are a number of levers and activities, that I think make the difference.

The first step to success it to really believe that creativity matters – it is a precious commodity. A lot of people think it’s all a bit vague and inconsequential, a bit waffly, nothing to do with the bottom line or in the public sector the quality of the service or the value for taxpayer’s money. For example, design is seen as something aesthetic – yet it can change the world. Indeed design has changed the world and will go on changing the world.
So, the first stage is to really believe in creativity – only then will its effects be felt in the organisation.

The second step is to realise that creativity is not serendipitous; it is not something that happens by chance. I have heard people talk about their staff in terms of the extent of their creativity. Creativity is not a given. It doesn’t depend entirely on whether you are blessed with creative people or not. As a leader, you can build and enhance creativity in your team and your organisation. And if it doesn’t exist, you need to think hard about why it doesn’t exist and how you can change things.

*What can a leader do to help nurture a culture of creativity?*

For a start the behaviour of leaders makes a huge difference. I mean leaders always have a lot of rhetoric, they are always encouraging people with words, but they all know actually that what people notice is not what you say it’s actually what you do. So the behaviour of leaders has a big impact.

How do you respond when someone comes in with a new idea? Do you seek reasons why the new idea cannot possibly work – and that person goes away feeling demoralised. They won’t bring another new idea to you because they won’t think they’ll get a fair hearing. Maybe a better way is to say, let’s talk this through, let’s see how it fits with the other things that we have on the go at the moment. How does it fit in with the grain of what we are trying to do? You may come to the conclusion between you, together, that what you are trying to achieve with this idea or what the person is trying to achieve is not going to work at this particular moment in time. But you have ensured that person with the idea will bring others to you. It’s difficult to understand why people feel threatened by new ideas coming from within the organisation because actually the leaders always get the credit for it. So you want to encourage people to bring ideas to you and the way you behave has a big impact on
whether you do that or not. Go away in the quiet of the night and ask yourself, do you have a reputation as someone who tries to say yes or someone who invariably finds a reason to say no? Someone who engages and listens or prefers to tread the well-trodden path, which seems the safe, the cautious path?

*Does this link to organisational values?*

Yes, I’m a great values person because I think if you get ownership for them and use them properly, they signal what really matters to your team and to you and the organisation. I have always thought values are more important that vision and need to encompass creativity and innovation.

Values define what a company is, distinguish it from other organisations and outline the ways in which people behave. So if we believe in creativity and innovation are they featuring? If they feature, do we translate the values into the things that really matter to people like the training you offer them, the way in which you reward and recognise them? You might not be able to train someone to be creative but you can give them some training in techniques that support innovation.

When I was in the Department for Education and Employment, we used De Bono techniques\(^1\) in the management team to make sure that new ideas really got a hearing. I also used prototyping where possible - this is not well understood in the public sector because we are obsessed with piloting, which costs huge amounts of money, takes a vast amount of time and decisions have often already been made about what you want to do before you start the pilot. Prototyping is a quick way of finding out whether a new idea is likely to fly or not.

Senior staff at the Department always thought they were great at policy and very creative. I am not sure that they are as creative as they need to be and by the way there is

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\(^1\) This refers to the work of Edward de Bono who developed a ‘6 thinking hats’ framework for promoting creativity within groups. For further details see [http://www.debonogroup.com/six_thinking_hats.php](http://www.debonogroup.com/six_thinking_hats.php)
quite a lot of competition from think tanks and others coming down the track. We need to be more creative.

*So, what practical suggestions do you have for what could be done about this?*

First, you need to build creativity and innovation into the appraisal and performance systems. People want to succeed in their organisations and they take a lot of messages from the way in which you assess them, appraise them and reward them. They take messages most of all from whether or not they are promoted. I can tell you in the Civil Service, when I was there, there was a sense that these innovative people were mavericks because they challenge, they come at things from a slightly odd angle, they are not easy to manage. So you either defend them and value their contribution or as too often happens, they leave. I think a lot of very creative people get frustrated, they don’t feel valued and they leave.

When I attracted people into the Department from outside one of the things that I said to them is I didn’t bring you in here just to do what everyone else has done for the last 30 years. I have brought you in here because you have got different experience, different ideas and I want you to use that. I want you to contribute to our creativity and by the way, if you find that you are hitting barrier after barrier, I would like to know about it. Come and talk to me, I want you to be supported, I don’t want you to be stopped.

Take a look at the targets in organisations. There are still quite a lot around but not just for the organisation but for teams and individuals. Take a look at the targets because creativity needs space to grow, it needs space to be expressed. And often we just set targets, certainly in the public sector, which constrain creativity by defining not just the outcomes we seek to achieve but also the way in which the outcomes are going to be achieved. In other words we dictate the process and not just the outcomes.
At a macro level private suppliers seeking government contracts are too often prevented from using their creativity by the terms of the tender because the Department, the government, have defined to the last detail how they are going to go about their work. Private suppliers are often contracted by the Government with little space to innovate, to be creative, to change the way in work is done. But it is not just at the macro level - it’s also a problem at a micro level. How many times have you been frustrated by the way in which customer service staff are prevented from doing the sensible thing for you as a client because that would run counter to their targets, to the practices that they are expected to abide by, the practices that have been set by management. So we have actually stopped people in a very direct relationship with the users, with the clients, to use their creativity.

What do you see as the key principles for fostering creativity and innovation?

One of the things that I think creativity needs, probably more than anything else, is energy. Few of us have our most creative moments when we are exhausted. It’s the same with organisations. But most organisations now face increasing challenges on their time and on their energy from all sorts of different directions: endless accountability, inspections, regulation, ever more demanding clients and citizens, shareholder expectations. Creative leaders look for ways of tackling the things that sap energy that they have some control over, that are within their power.

For example, many organisations experience information overload. What about demand from management for information which no one uses? It happens in every organisation. It happens in the governmental sector by central government constantly asking local government for information that they know is never used. So why are we wasting our time and our effort and our energy delivering this? What use is made of it?
Needless interference by senior staff in the drafting of reports is often counterproductive – leaving the author feeling demoralised because they feel they are not getting credit for the work they have done. I am a fit for purpose person, I think the longer you spend trying to achieve sophisticated perfection the more likely you are to fail. All of those things, and many others, burn energy and seriously demotivate staff. The canny leaders do something about it. They also look for new ways of energising staff. It is not just a matter of getting rid of the stuff that saps energy. How you get staff to feel more energised is often down to the leadership and the leadership is not one person, it’s the team. So we have to find ways of getting that buzz.

One way of doing this is to focus on the role that diversity can and does play in creativity. It’s been one of my passions since my time in Lambeth in the late seventies but there’s still a woeful lack of diversity in many senior management teams. Organisations and teams that lack diversity tend to think in predictable ways and rarely develop a culture where accepted wisdom is challenged from different perspectives. Gender diversity and exposure to different cultural norms enhances creativity.

New people can be a really powerful source of creativity because they bring new ideas. So firms need to ensure a reasonable flow of new recruits. There is a need to keep the balance – is your team a stagnant puddle with no recent new members or a fast flowing stream full of ideas? I can tell you that stagnant puddles tend to produce only a bad smell. So don’t leave them to fail, try and get new ideas and new people. But of course much the same can be said about individuals themselves, we can all get stuck in a rut. People who have worked in different settings and different sectors can often be the most creative because they are naturally applying a wider range of experience and approaches.

Do you think there’s a generation gap issue here?
I think, as we get older we tend to filter out the creative influences if we’re not careful. I have seen people who get rid of the friends who challenge and who are a bit uncomfortable so they have a smaller circle of friends rather than a larger circle of friends. We tend to read the same newspaper, come to work in the same way and generally filter out some of the creative influences. So I think whether you are talking about an individual, whether you are talking about team, or a larger organisation, you’ve got to find ways to staying open to new ideas and creativity.

Innovation is not always going to come from within your team or from your senior leadership. The best ideas often come from the front line because it’s the people on the front line who understand best what customers want, what bugs them and often how money is spent. But how often do we really listen to the front line, how often do we take in what they are saying and think about how that could influence the decisions we are taking? Too often our relationship with the frontline is one where we are trying to give the impression that we are listening. And how often do we go one step further and really involve users, clients, citizens in the design of products and services? For me the missing link in public sector reform over the past 30 years has actually been co-design. In other words we have convinced ourselves that more choice, regulation, inspection and a decent complaints procedure will lead to better public services when actually what we need to do is to invest more effort in co-design, in co-production, involving citizens in the design and delivery of services. This is not just more sophisticated consultation and participation – it’s more than that. It’s really a transfer of power where the public have a real say in how money is spent.

*What would be your advice for managing the risks attached to innovation?*

Well, one of the problems with creativity and innovation is that it brings some inevitable risk. There is no way in which you can do something new and different without some risk being
attached to it. So how well you manage risk will impact on whether people feel confident enough to innovate. And it will impact on how successful you are at innovation.

The best risk management is about experienced people using that experience to help other identify the risk. There are different sorts of risk – financial, reputational, service or political risk. Whilst it's vital to have contingency plans in place if it goes wrong, and minimise the risk, sometimes however well you prepare, things will not go to plan. The way you respond to failure has a huge impact. Let me compare and contrast two industries - the aviation industry and social work. I know this is a comparison that others including Matthew Syed have made but it is quite a powerful one. If you look at the aviation industry, how do they respond to failure, a crash or a near miss? They respond to it by examining the total system, to find out what caused this incident, and where necessary they change the hardware, the design of the plane, the software or the technology. They also change their training processes to ensure that pilots are capable of dealing with a similar incident if it did occur.

Do you remember the pilot who brought that plane down on the Hudson River? That was actually as a result of incredible training. It wasn’t a situation he had ever been trained to handle but he felt confident enough from all the training he had had from near misses that he could do it. As a result you’ve got an industry has its issues but is confident and thinks it can cope with most eventualities. It is capable of being creative when the need arises. Contrast that with social work. The reaction of ministers and the wider public to failure, a child’s death for example, is to seek to blame someone. The inevitable serious case reviews tend to have very limited impact. We don’t learn from the failure, we don’t use the lessons to change the way that we do the training or to change the systems. We don’t use it to make it less likely that something like that is going to reoccur - and the profession therefore has become increasingly risk averse; they’re having to work in a world where you can’t eliminate risk. We all talk about it as if you can get rid of the risk. You can’t get rid of risk when
you’re talking about child protection so you need to manage it. And blame is not an adequate response. Sometimes you need to apportion it but that can’t be your first and only response. But I think there is no doubt that our propensity to blame, to seek a scapegoat, makes it more difficult to encourage innovation.

Leaders have to have the courage to stand up for innovation that is not successful. When their organisation has done something out of the ordinary, they need to stand up and defend it. When the outcome has not been what they wanted but the innovation has been well managed, they need to stand up and defend their staff. Staff need to know the leader is going to protect them if they take a risk.

*How easy is this to achieve in an organisation such as the National Audit Office?*

In my current role at the National Audit Office creativity and innovation are very important because the public sector is riven with audit, regulation and inspection. Regulators need to be aware that you should sometimes celebrate innovation even when it hasn’t quite produced what you wanted and you must be careful about the terms of your criticism. We need to bear in mind firstly that putting audit before nurture is dangerous. In other words, give creative ideas a chance to grow before you start assessing whether or not they’ve been successful. And because we live in a kind of short-term environment we always want to pull the seedlings up and check out whether the roots are growing and that sometimes of course kills them off.

Secondly you should celebrate innovation even if it doesn’t deliver quite what you wanted. We should never allow audit and inspection to become a force for conservatism.

Third, we should not be auditing silos. In the public sector it is increasingly important for agencies to work together. Over the past 30 years, the public sector has become fragmented with specialised bodies with their own targets, their own budgets all delivering a
service or part thereof, which from the citizens’ point of view is very fragmented. Inspectors need to look at things more often through the eyes of the users or citizens in the context of value for money from the government generally.

*Which of these lessons do you think could be generalised beyond the public sector?*

Well, firstly we should look closely at how our organisations are structured, and not just in terms of structural reform – which causes huge amounts of disruption and often takes a couple of years to get back to people behaving exactly the same way they did before you restructured them.

But the way in which we structure the organisations themselves can make creativity less likely. If you have an organisation that works in vertical hierarchies, where contributions are actually judged by status and where communication takes a long time to work its way around, then that is not likely to be the most creative place to be. So we have got to look at the way in which we structure the organisation and the way in which we free up communications, reduce status and hierarchies. Ensure that teams do interact.

We also need to build capacity. This is what an effective organisation would do. Build it in individuals but also invest in it in your organisation. Ask yourselves whether you actually work in a creative business or a creative team and what you could do to make it more creative. Bear in mind that creativity is unlikely to be found in an organisation that is hierarchical, risk adverse, introspective, process-focused and inadequately connected with clients. My experience is that people have far more potential for creativity than we give them credit for. People have got the potential for creativity if they are given the chance. So if you can liberate that potential you can achieve great things and you can ensure not only that your organisation performs better, you also ensure that people feel they have got some reason to get out of bed on a Monday morning.
Employees watch the leader’s behaviour so you need to show that you value good ideas and get behind someone who has got an innovative idea, and help them to manage the risk. This signifies to the rest of the organisation that you want more people to behave like this. So just think about the little things you can do to show that innovation matters to you. Protect it and anchor it, get behind it, defend it if it goes wrong. It doesn’t take long for the word to get out. You need people to be talking on your behalf as it’s always more powerful when they talk on your behalf.

**Commentary**

Lord Bichard’s comments give some genuine insights into the role of leadership in promoting creativity and innovation in the public sector and beyond. In times of austerity there is a tendency for organisations and leaders and managers within them to be risk averse - trying to plan, control and account for every decision - leaving little space or opportunity for innovation and creativity at precisely the time when they could be most beneficial.

For Bichard, the key to unleashing creativity and innovation in public services is to focus on client/user engagement, as he argues:

“For me the missing link in public sector reform over the past 30 years has actually been co-design […] This is not just more sophisticated consultation and participation – it’s more than that. It’s really a transfer of power where the public have a real say in how money is spent.”

Recent changes in the availability and potential of technology and social media opens up new, creative opportunities for community engagement, and changing expectations around how citizens engage with politicians and service providers. Bichard cites Apple as an example of a genuinely customer-centric organisation and encourages the public sector to learn from such cases.
For Bichard creativity and innovation are fundamental to bringing about a sustainable and beneficial transformation in public services and suggests that the answer to achieving this is good leadership.

“Creativity is not a given. It doesn’t depend entirely on whether you are blessed with creative people or not. As a leader, you can build and enhance creativity in your team and your organisation. And if it doesn’t exist, you need to think hard about why it doesn’t exist and how you can change things.”

Bichard’s interview emphasises the need to ensure that words are supported by actions. The examples he provides demonstrate the need to align HR processes with what you are trying to achieve – to ensure that performance reviews, promotion criteria and targets reflect the kinds of values and behaviours that the organisation seeks to nurture. He talks of the need for organisational leaders to create space for creativity and innovation and, where necessary, to defend staff who have taken risks that were in the spirit of what the organisation is trying to achieve but didn't lead to the intended outcome.

“Leaders have to have the courage to stand up for innovation that is not successful. When their organisation has done something out of the ordinary, they need to stand up and defend it. When the outcome has not been what they wanted but the innovation has been well managed, they need to stand up and defend their staff. Staff need to know the leader is going to protect them if they take a risk.”

Overall, Bichard’s comments resonate with the broader literature on leadership and creativity, such as Amabile and Khair’s (2008) research, which identified the importance of: drawing on the right minds, bringing process to bear – carefully, and fanning the flames of motivation.

He takes an inclusive perspective on leadership – that positions it as responsibility of the team rather than a single ‘leader’. Such an approach minimises the risks identified in
some recent empirical research that individual transformational leadership can reduce rather than enhance creativity (Wang and Rode, 2010, Eisenbeiß and Boerner, 2013, Qu, Janssen and Shi, 2015).

Bichard speaks of the importance of leadership in setting the tone within the organisation - creating a culture that recognises and rewards creativity and innovation and removes barriers/obstacles. He also speaks of the need to build collective capacity – to focus on how practices are embedded in organisational systems and processes. His call for a systemic perspective resonates with emerging theory and practice in public sector leadership and change, including place-based (Hambleton, 2015, Homes and Communities Agency, 2011) and systems leadership (Bennington and Hartley, 2009, Ghate, Lewis and Welbourn, 2013, Timmins, 2015).

Michael Bichard has been one of the most influential public sector leaders of his generation and his ability to connect and integrate ideas ensures a lasting legacy in both the theory and practice of leadership in the UK and beyond.

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Author biographies

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