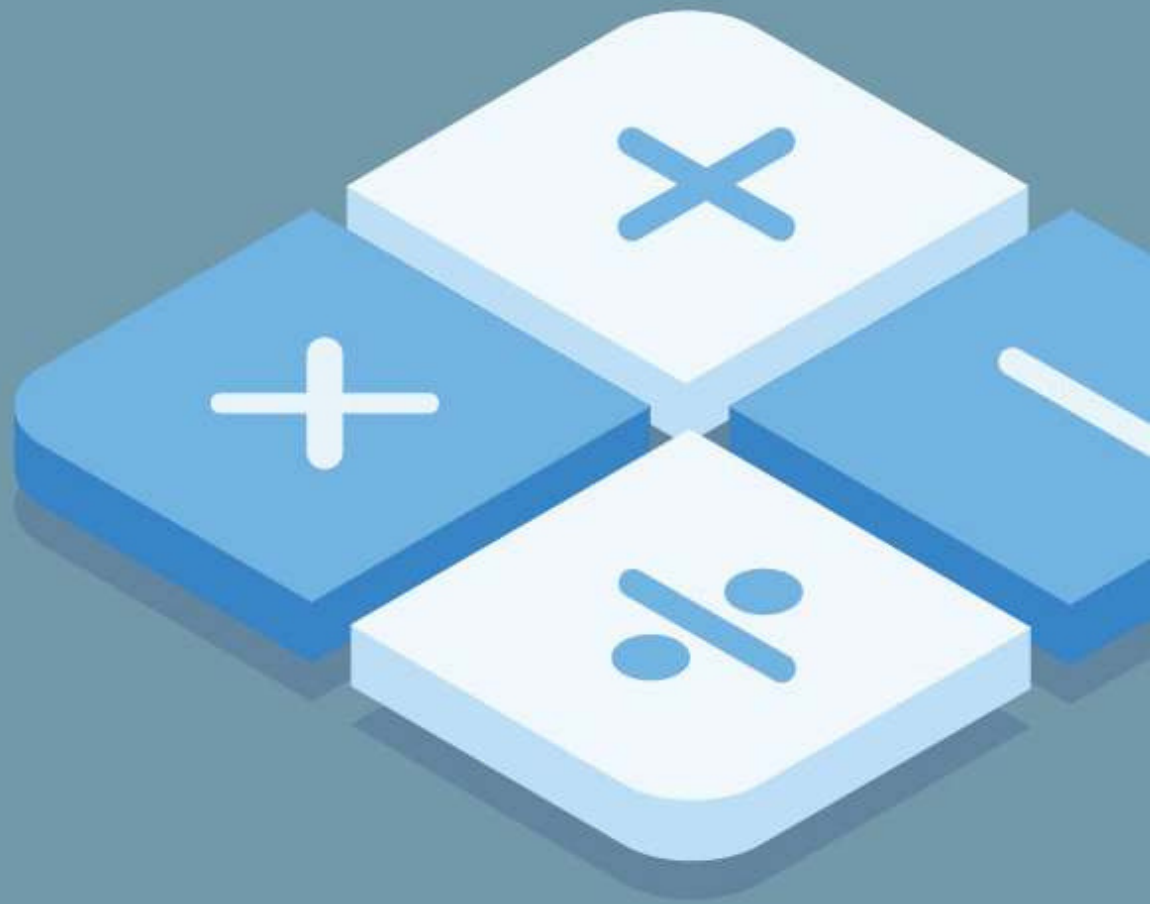# Leadership in Public Sector

Complexities and Competencies

Leadership in PSUs at a glance

Public Sector Undertakings (PSUs) contribute signi cantly to the growth and economic development of any country. This study explores the key managerial challenges faced by the leaders and managers of public sector organizations. We interviewed 42 senior managers of PSUs from various industries representing 12 Indian states representing all the regions of India. Speci cally, three key managerial challenges emerged in our study: political interference and lack of autonomy, rigid rules and HR practices, and lack of employee motivation. Positive leader personality, communication skills, change- and relation-oriented behaviors, HR skills, and decision-making emerged as top leader qualities. Staf ng, training and development and performance management emerged as the top priorities of HR departments of PSUs. Public-service motivation, job security and work environment were the top reasons for continuing to work in PSUs for Indian leaders. Implications for theory and practice are discussed.

Public organizations experience more turbulence, interruptions, and con icts in their decision-making than private organizations (Nutt, 2006; Geetha-Taylor & Morse, 2013). Formal rules, multi-layered hierarchies, organizational silos, lack of economic incentives, and divided political leadership at the top of public bureaucracies tend to sti e innovation in PSUs (Gupta, Chopra, & Kakani, 2018).

In many cases, public enterprises have few rivals in provision of their services, and even

if present, public sector managers enjoy a dominant position in the market (Boyne, 1998), while the private rms face competition. Public sector monopoly is assumed to result in poor performance since of cials have little incentive to keep their costs down or to look for innovative methods of service delivery (Boyne, 1998; Okubo, 2010).

They

rely on excessive formal procedures that hamper innovation; they seem to have the counter-productive obsession with rules and structures (Gupta et al., 2018). Also, PSU leaders have lower managerial autonomy than their counterparts in private sector (Boyne, 2002).

Synthesis : Leadership Practice and Complexities

Since the country's independence in 1947, Indian PSUs have been the focal points for policy-making, and have also shaped the economic, social, and political developments. Especially in an emerging economy like India, their contribution is critical in balancing the development of all sections of the society. Because of the lack of private capital early on, the public sector was seen crucial for establishing self-reliance, regional balance, equal employment opportunities, and infrastructure development (Jain, Gupta, & Yadav, 2014). The Nehru-led socialist policies, especially the Indian Policy Resolution 1956, envisioned PSUs to lead the economic and industrial development of the nation (Makhija, 2006).

For a long time, however, the Indian PSUs have been criticized for lacking ef ciency, mired in corruption, and offering poor quality of services (Khatri, 2016). Especially in a developing country like India, where their social and economic importance is high, they need more attention than has been given in research till date (Gupta et al., 2018). Roberts (2017) noted that literature has not paid enough attention to those parts of the world in which governance falls below expectations.

While ndings on public sector from research in Western countries may be applicable to India to a limited extent, the unique Indian political, social, economic, and cultural context dictates research studies of Indian public sector undertakings in their own right.

Researchers (e.g., Gupta et al., 2017; Khatri, 2011, 2016; Orazi et al., 2013; Roberts, 2017; Šiugždinienė, 2006) have noted that leadership styles depend more on contextual

factors such as the cultural and social environment in which the public sector organization operates, and also called for country-wise studies on private and public sector leadership.

Regardless of the sector, leaders and mangers hold a vital role in shaping the organization and delivering results. In general, leaders carry critical responsibilities such as managing organizational change, developing the organizational culture, strategizing, and managing crises.

Leadership Challenges

In the Indian context, leadership is hence very crucial to the development of an organization. Leadership behaviour in Indian public sector is found to have signi cant bearing on job motivation, industrial relations, and internal motivation of employees (Talukdar, 2013). The senior-junior exchanges have an emotional basis, where the supervisor nurtures and looks after the subordinate's well-being, at the same time, the subordinate displays loyalty, gratitude, obedience, and respect towards the leader (Khatri, 2011). Paternalism is one of the prominent characteristics of Indian organizations in general (Aycan et. al, 2000), and public sector enterprises in particular. There is asymmetric distribution of power, and decisions are unilaterally taken by the boss (Khatri, 2011).

The top themes that that have emerged from the studies are :

1. Political Interference and Lack of Autonomy

2. Rigid Rules and HR Practices

3. Lack of Employee Motivation

Leadership Qualities Required to Lead Public Sector Undertakings (PSUs)

While there are many skills and competencies that are essentially the same, some more are needed considering the ne balancing act one has to and also manage within the given resources and structures. The Core qualities that the are needed are :

Balancing Multiple Work Priorities: Challenges having to do with time management, volume of work, delegating, or setting priorities

Boundary Spanning: Challenges having to do with the need to or the dif culty of crossing hierarchical, functional, organizational, geographic,generational, cultural or other boundaries

Building/Leading a Team: Any challenge having to do with creating a new team, integrating people into an existing team or combining teams, or improving the team process.

Creating, Changing, or Maintaining a Culture: Challenges that specifically have to do with leading or managing a culture change in the organization.

Interpersonal Conflict with Peers or Superiors: An unresolved disagreement of a negative nature that is personally concerning or impactful to the leader and involves a peer(s) or a superior(s).

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Leading a Team in a Context of Change: Challenges have to do with helping others with a unit or team to understand and cope with change, redesigning group processes or policies due to change, coping oneself with the crisis while also leading others through it.

Leading/Managing Organizational Change: Being accountable for leading or managing a major organization-wide change or aspects of that change, or working inside the unhealthy culture.

Additional Competencies needed to deal with the nuance of Leading in Public Sector Enterprise are :

Coaching and Mentoring skills: Ability to focus on the development of subordinates during the time they spend and be able to provide feedback in a way that builds them rather than make them feel small. Imagine if every interaction leads to learning.

Influencing Skills: Should be able to by design and thought, be able to take steps to in uence hearts and minds towards the decision making and implementation.

Executive Presence: Is ability to demonstrate gravitas and communication inability to expression himself or herself in the room.

Case Study: Project Sarthi is driven by IiPM (Indian Institute of Petroleum Management) supported by Coachwale.com as a partner, for Leadership Development.

Key people driving Sarthi: Shri C.K. Tiwari (ED & Head), Smt. Urvija Bajpai (ED), Shri V.K. Jain (Chief GM) and Shri S.Sashi Kumar (Dy. GM)

Need for Sarthi: As the name suggest, the motivation was to build key leadership competencies for core leaders spread across the organisation. Indian Oil in its endeavor to provide continuous learning opportunities towards capability building & leadership development has been introducing many path-breaking initiatives in the HR space. As part of the organization's focus on 'Investing in Our People', taking the learning & development initiatives a notch higher, IndianOil is now venturing into "Sarthi", a One - on-One Executive coaching intervention, which has been conceptualized and designed with the objective of developing future leaders by unlocking their inherent potential & aligning their progress with the corporation's vision, mission and objectives.

Competency-Based : The entire One on One Coaching process was designed in way where coach helps integrate the existing framework, Job Role Expectations and Individual's need to grow and be influential in the process. The project design ensures alignment with IOC's Expectations and Individual Aspirations. Coaching as a practice has confidentiality that is needed for Senior Managers not only to express themselves and explore the domains and skills they had hesitation to acknowledge in general.

The interim review is showing very promising feedback, (Two way, Coach to Client and Vice Versa) and IOC may evaluate the project ef ciacy to broadbase to larger audience.

We shall be very happy to share our experince and details of expertise to help build a Coaching Practice in your organisation too. Connect with us at : ridhi@coachwale.com or call on +91 81300 22586 to schedule a no obligation call.

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