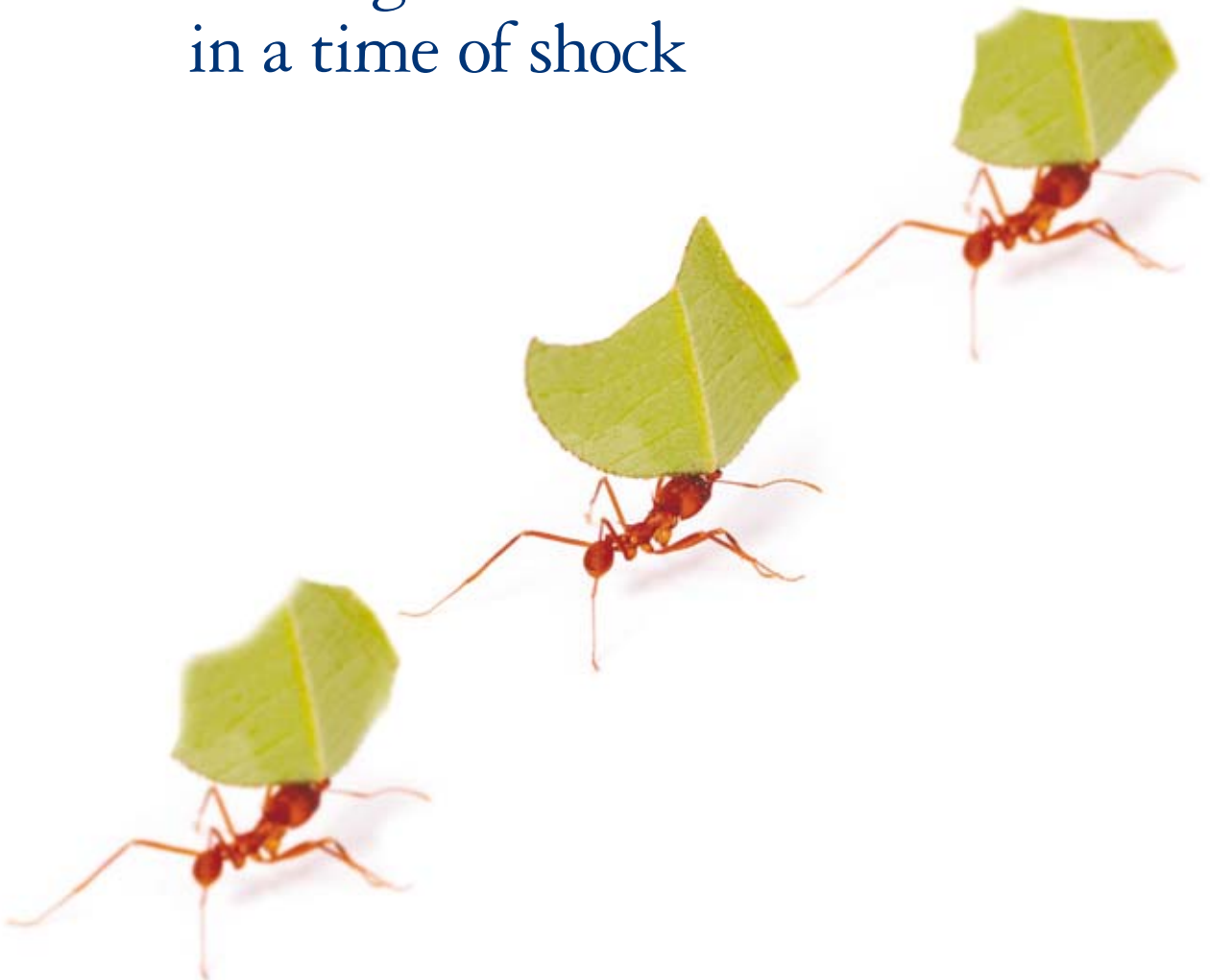


Resourceful leadership  
Leading for outcomes  
in a time of shock



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# Executive summary

Public-sector leaders are experiencing a series of ‘shocks’ unparalleled in modern times. The triple drivers of unprecedented funding reductions, radical policy reform and localism are forcing the public sector to transform itself at a much greater rate than in recent memory. These shocks are putting public-sector leaders under continuing stress.

We have carried out a year of research into the behaviours of successful leaders in this period of immense change. The research was commissioned by the National College for Leadership of Schools and Children’s Services and C4EO and took place during 2010 and early 2011.<sup>1</sup> The research period therefore spanned cuts introduced by the Coalition Government immediately after the 2010 General Election, a broader programme of cost reduction initiated by the 2010 Spending Review, as well as specific policy reforms that have begun across a number of public services.

We expected to find that leaders in higher performing organisations with a more supportive and reciprocal corporate and political leadership would be more effective. We were wrong. What we actually found was that the most resourceful leaders shape the environment around them, regardless of context, to deliver outcomes effectively.

Our research found that:

- **Context is not king.** Leaders are sometimes said to be constrained by, or even the victims of, the context within which they lead. But our research showed that while context is important, ‘resourceful’ public-sector leaders can shape their context as well as being shaped by it. Resourceful leaders can create the environment within which effective public services can be delivered by identifying, and seeking to widen, the pool of resources available to them. Alliances between other local leaders – both political and corporate – are a vital resource to build on and draw from.

- **There are eight core behaviours of resourceful leaders.** Part of the skill of ‘resourcefulness’ is both to develop these behaviours (in effect, broadening the internal resource pool), and to select the right combination of behaviours for a given situation or problem. One way in which leaders can increase their own resourcefulness is to develop the knowledge, skills and attributes that underpin these behaviours.
- **Shock can be managed.** Contrary to what might commonly be expected, public-sector leaders were responding positively to the series of shocks, often viewing each of the three drivers above as an opportunity to reform the way services and institutions are configured. These public-sector leaders valued pragmatism over ideology, and ruthlessly retained a strong focus on improving outcomes for service users, often by widely reaching out to potential partners as a means to manage the funding shock.

This report summarises the key findings of the research. The full findings are available in the published report *Resourceful leadership: how directors of children’s services improve outcomes for children*, available at [www.nationalcollege.org.uk](http://www.nationalcollege.org.uk) or [www.c4eo.org.uk](http://www.c4eo.org.uk). The research was undertaken by a team from Deloitte LLP, Navigate Group and the University of Oxford and the subjects of the research were Directors of Children’s Services and their senior leadership teams.

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We have carried out a year of research into the behaviours of successful leaders in this period of immense change.

<sup>1</sup> See: [www.nationalcollege.org.uk](http://www.nationalcollege.org.uk), [www.c4eo.org.uk](http://www.c4eo.org.uk)

# Defining ‘resourceful leadership’ – context is not king

This research revealed an important dynamic that marked the leadership of children’s services and existed across the case studies. The dynamic was between:

- the behaviours of a resourceful leader, that is, how they use knowledge, skills and attributes to work on outcomes; and
- the contexts they were shaping to ensure effective delivery of local services.

Most of the leaders interviewed for this research described ‘journeys’ they had made that allowed them to improve their local systems and develop additional leadership capacity.

These journeys can be summarised as:

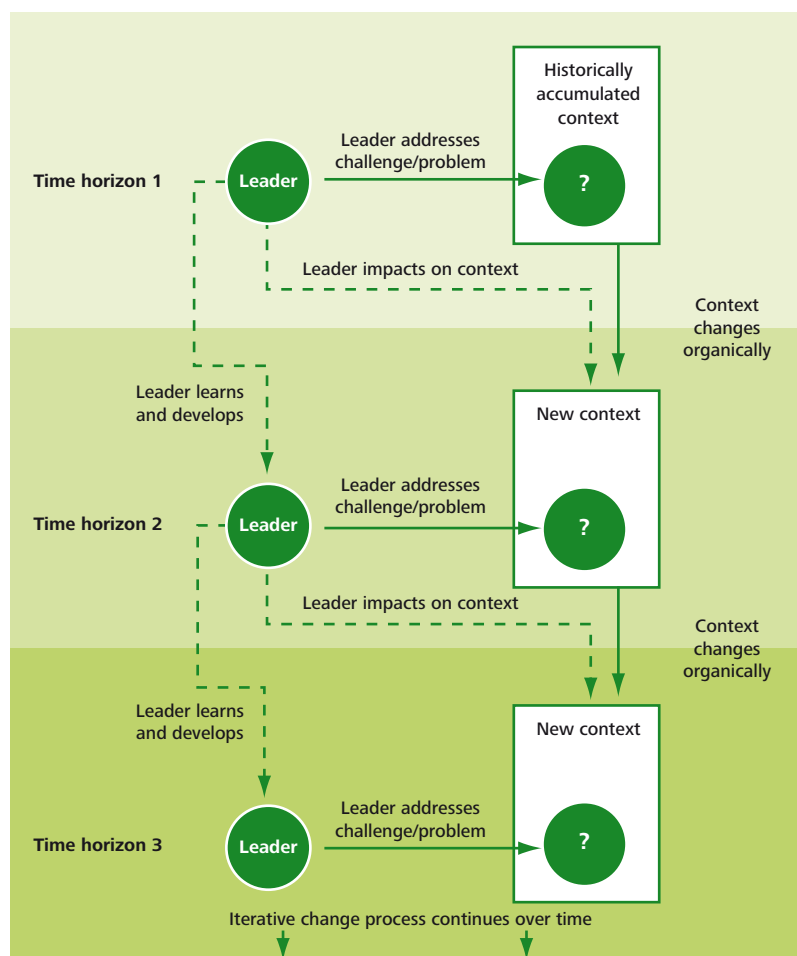
- reviewing and understanding local practices;
- assessing the existing resources that can make the local system more effective deploying existing or creating new resources to ensure good outcomes for children and young people.

These leadership practices we characterised as ‘resourceful’. As well as using the personal resources of leaders, they involved using a wide resource base from across the local authority and partner agencies. Figure 1 illustrates how the resourceful leader:

- identifies the resources available to them, both internally – for example their own knowledge, skills and attributes; and externally – for example their senior team and personnel, the evidence base for the service they commission or provide, or the partnerships available to them locally;
- seeks to broaden and deepen this pool of resources, for example through continuous self-development and learning, seeking alliances with other local leaders and actively developing partnerships with other organisations and stakeholders;
- decides which mix of resources to apply to a given situation, and which behaviours will be most effective; and
- decides on a course of action, and sees it through.

While this model recognises context as an important factor, it also stresses that context is not a given and can change over time. Even more important, resourceful leaders can themselves be agents of that change. For resourceful leaders, context is not king, but over time it can be moulded and shaped to help serve the leader’s needs.

Figure 1. Resourceful leadership practices



Source: Deloitte LLP, 2010

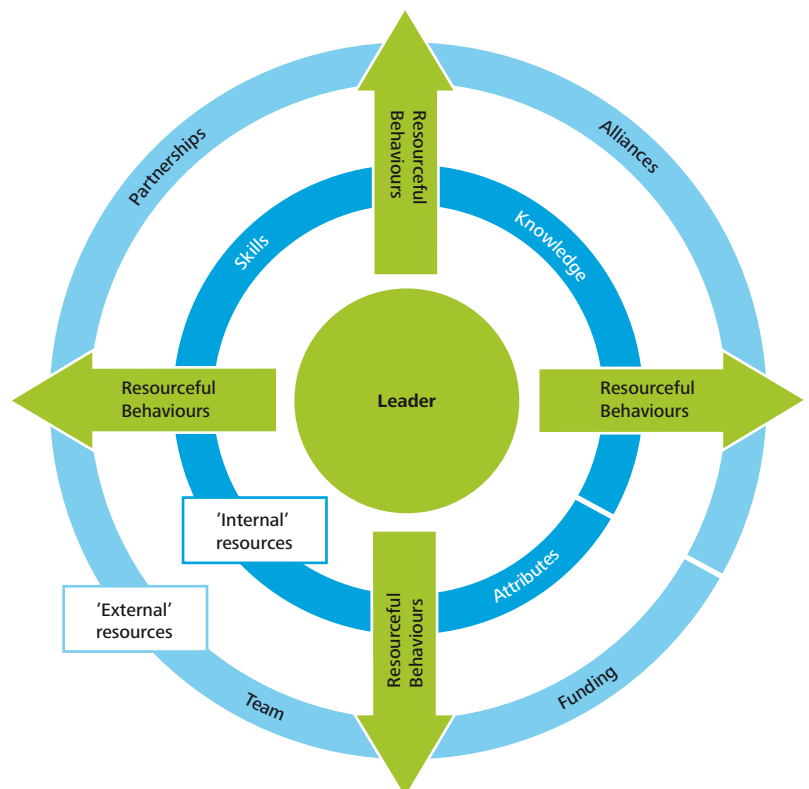
# Enabling resourceful leadership – the eight core behaviours of resourceful leaders

Resourceful leaders display eight core behaviours, underpinned by a range of knowledge, skills and attributes that they apply to expand their available resource pool.<sup>2</sup>

The eight core behaviours are:

- 1. Openness to possibilities.** Resourceful leaders maintain an open culture, where problems are worked through and solutions are found as a team. They demonstrate a willingness to see things differently, work in alternative ways and collaborate with others.
- 2. The ability to collaborate.** In the public sector thinking, acting and leading collaboratively are key skills in strategy creation and implementation. Resourceful leaders engage the senior leadership team, partner organisations and the corporate and political leaders in the organisation. Through this, a consensus can be reached and, more importantly, support from other team members gained.
- 3. Demonstrating belief in their team and people.** Resourceful leaders possess strong interpersonal skills and emotional intelligence. They recognise that working through others is crucial and that they will not be effective without a good team around them. However this is not always possible immediately. Many leaders participating in the research stressed that replacing or substantially changing their team immediately after their appointment was a prerequisite to developing engagement.
- 4. Personal resilience and tenacity.** Resourceful leaders demonstrate persistence, resilience and the ability to see things through, drawing on their own internal resources, including integrity. We describe how the significance of personal resilience is informed by the organisation's context in the next section. For example, in higher performing organisations personal resilience is potentially less important for leaders than in those on a trajectory of improvement because they have more confidence in their external resources, such as the Senior Leadership Team (SLT);

Figure 2. Resourceful leaders expand their internal and external resource pools



Source: Deloitte LLP, 2011

- 5. The ability to create and sustain commitment across a system.** This core behaviour was often demonstrated by leaders in driving the leadership team and partners to improve outcomes and keep the end user at the heart of the work. Having a strong set of values was central to this behaviour. The value commitment helped to promote cohesion in the system by creating a unifying rationale for often disparate sets of activities or objectives.

<sup>2</sup> The underpinning knowledge, skills and attributes of resourceful leaders are discussed in detail in Chapter 3 of *Resourceful leadership: how directors of children's services improve outcomes for children*, National College 2011

**6. Displaying a focus on results and outcomes.** Resourceful leaders keep the desired outcome or result in mind at all times. They approach problems and priorities with a pragmatic and positive attitude, and a 'can do', calm and direct approach to problem solving, often viewing crises as opportunities. Resourceful leaders also:

- set the corporate priorities for particular services users' outcomes;
- ensure delivery teams rigorously monitor whether results are being achieved, by collecting and analysing formal data; and
- check and challenge this data through less formal information-gathering activities, for example by visiting frontline staff.

**7. The ability to simplify.** Resourceful leaders can get beyond the detail and see the bigger picture. They are able to communicate effectively their vision to stakeholders, internally and externally, so that they can understand what the leader is trying to achieve.

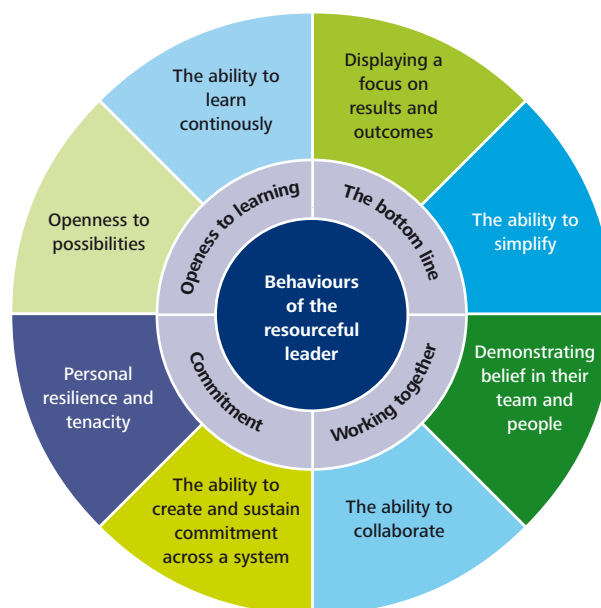
**8. The ability to learn continuously.** The resourceful leader's commitment to learning continuously is evidenced in two distinct ways: through a commitment to personal learning, focused on addressing their own development needs and enhancing their knowledge, skills and attributes; and promoting continuous learning within their organisation.

The most resourceful leaders differentiate themselves in two clear ways:

1. They are able to select the right set of behaviours for a given challenge and importantly know why the behaviours would be most effective.
2. They are able to draw on a broader and deeper set of the relevant knowledge, skills and attributes to make those behaviours as effective as possible in their contexts.

The following section discusses three contexts within which resourcefulness was demonstrated in the research.

**Figure 3. The eight core behaviours of resourceful leaders**



Source: Deloitte LLP, 2011

# Managing shock productively – how leaders can retain the focus on outcomes in times of shock

Our research developed a closer understanding of resourcefulness in three key areas.

- 1. Evolution and revolution.** Shocks can be, and are being, managed. However, the responses of resourceful leaders vary depending on the local context. Resourceful leaders in higher performing organisations tend to manage shock in an evolutionary way, in line with well established ways of working. Resourceful leaders in less well performing organisations, by contrast, cannot take such an approach because their organisation's internal resources are weaker. They are required to be more 'revolutionary' in their approach, and are often more willing to take risks. Both approaches – evolutionary and revolutionary – are resourceful and both often require a significant role for partnership working.
- 2. The entente cordiale:** Building selective alliances. Resourceful leaders are alliance builders. While the mindset of leaders can vary depending on their local context, to be resourceful, leaders need to break out from perceived constraints and approach their relationships with political and corporate peers as they would any other resource.
- 3. Resourceful leaders as astute change agents.** Resourceful leaders are effective leaders of change because they are able to conceive of change as a journey and adapt their own approach depending on the local context within which they find themselves. They need to be able to diagnose the current position, and then sensitively manage and grow their pool of resources over time as a direct means of effecting change in their local organisations.

These three key areas are explained in more detail below.

## **1. Evolution and revolution: two different ways resourceful leaders manage shock productively**

The concept of 'shock' is well understood in economics. It describes an event that, while not unforeseeable, has a deep and profound impact on the system with immediate and far reaching consequences.

We are in a time of unprecedented change – austerity, significant shifts in policy direction and fundamental reform of the delivery system (localism). For the first time in their careers, many public-sector leaders have been required to make large-scale reductions in service, with consequent redundancies.

Our research revealed that the responses to these changes demonstrated a great deal of resourcefulness in both well performing public-sector organisations as well as those on a trajectory of improvement.

This was the first of our findings that contradicted our early expectations. Great leadership was in evidence across all areas of performance. The distinguishing factor was not that leaders in improving organisations could not be resourceful, it was that resourcefulness took on different meanings depending on the context.

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**Resourceful leaders in higher performing organisations tend to manage shock in an evolutionary way, in line with well established ways of working.**

Crucially, the recent performance of the organisation generated two highly distinct but nonetheless resourceful approaches:

- an evolutionary approach in highly performing organisations; and
- a revolutionary approach in organisations on the trajectory of improvement.

A further finding was that under both approaches, partnership working was seen as crucial. This again countered some of our early expectations. Rather than seeking to retrench into core roles as a response to funding reductions, resourceful leaders were reaching out more than ever before, precisely because of the focus on delivering outcomes.

Leaders in organisations with well established ways of working tended to interpret the problem as a *manageable challenge*. They largely tackled funding and policy challenges by applying known processes through conventional plans and projects, thinking flexibly in finding solutions and scenario planning when conventional means fell short. They also sought out others (horizontally and vertically) to address the problem. In these organisations, the response to shock was measured, structured and to some degree strategic.

### **Case study 1: Leading in a time of shock in a high-performing organisation**

The overall interpretation of the funding changes by leaders in this organisation was pragmatic and evolutionary.

#### **Approaches**

Having set the goal for reducing spending, and created the expectation of a mutually supportive approach, the leader shaped an environment where the focus on delivery was exceptionally sharp. This focus was supported by an openness to considering alternative solutions, and was characterised by a collaborative and corporate approach to managing pressures.

- diagnostic approaches to understanding the range of options available were evident. A detailed review of the budget was taking place, with all members of the SLT involved in challenging which spending could be reduced;
- scenario planning was being used as a vital tool in generating alternative responses to a range of potential outcomes. This helped to anticipate and manage shocks. For example, options were defined so that if a specific grant was withdrawn, alternative ways of delivering outcomes would already have been considered;
- prioritisation of all services was also taking place, with the SLT talking with providers to establish bronze, silver and gold priorities. The leader encouraged a degree of rigour in commissioning, basing this on detailed analysis and a thorough approach to evaluation and use of evidence. To support this effort the authority's research and evaluation unit was being broadened; and
- the leader was encouraging innovative approaches to managing budget constraints, including refocusing resources on preventative and early intervention activities, consolidating workforce development and training programmes, and deeper pooling of resources.

#### **Conclusions**

In this high-performing organisation, the leader had access to a broad and deep resource pool from which to draw. The leader did not therefore need to rely on internal resources as much as might otherwise be the case. Instead, the effort was focused on arranging the external resources to be as effective as possible.

By contrast leaders in organisations that were experiencing greater change tended to interpret the problem as a *complex challenge*. They largely tackled funding challenges by undertaking less conventional activity for the organisation, including consulting more widely with partners than usual; taking quick, decisive action over priorities; and reducing headcount quickly and extensively. In these organisations, the response to shock was more extreme, or even dramatic, and to some degree tactical.

### **Case study 2: Leading in a time of shock in organisations on a trajectory of improvement**

The overall approach was one of taking some intuitive steps to find efficiencies along with some bolder moves. There was a greater emphasis on new systems and wider collaboration to achieve efficiencies in this authority than in the high-performing organisation discussed above.

#### **Approaches**

The leader focused on finding ways to reduce costs, including increasing collaboration and considering a number of bolder moves.

- improving data analysis skills and providing training in forecasting and managing budgets were identified as important by the leader and SLT. A role was created to train staff in using a council-wide system for recording performance indicators and planning;
- working with partners was also seen as a key approach, particularly with schools, although there was recognition that partnership working would be a challenge. Leaders were working with partners to identify areas in which collaboration could help achieve cost reductions; and
- bolder moves from leaders in this authority included running an alternative pupil referral unit outside the system. Greater outsourcing, maybe to the third sector, and moving to a commissioner rather than provider role were identified months before the 'Big Society' policies of the new government.

#### **Conclusions**

The contrast between the resourceful leadership shown in this authority and that in the case study above is illuminating. In the first case study the leader was able to focus on aligning the resources available within the authority and used targeted approaches to generate specific new solutions. In this authority, the approach is much more transformative and less cautious, particularly in the greater propensity to bring in external resources (i.e., partners and outsourcers) to deliver services.

The drive for partnership working, and the requirement for it to be accelerated and broadened, was a common theme of the research. This was especially true of leaders in organisations on a trajectory of improvement. This movement towards even greater collaboration was often characterised by leaders as a direct response to resist the urge to 'retreat into the statutory shell'.

This desire to embed partnership working further stems directly from the need to broaden and deepen the resource pool available to the leader. The greater emphasis on partnership in organisations with less well established ways of working may be because the leaders are less confident that the resources available to them from within their organisation are sufficient to meet the challenge.

## 2. The entente cordiale: Resourceful leaders build corporate and political alliances

Relationships with other leaders – corporate and political – are vital for public-sector leaders, and can be both challenges to solve and resources to utilise. The response of an individual leader is often shaped by the extent of their own experience of working with senior colleagues.

Resourcefulness in this context effectively boils down to senior level collaboration and the formation of alliances to tackle specific problems, for example:

- working with a political leader and the wider corporate leadership to deliver the leader’s own agenda, including anticipating political requirements and actively engaging with political leaders to shape the public agenda; and
- being a ‘corporate player’ and modelling leader behaviour to other senior colleagues to generate influence in one’s own organisation.

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“I have extended the base of my knowledge across the council – both other service areas and also within the political arena. It is important to understand what politicians want and the pressures on them.”

Public Sector Leader

Leaders need to form alliances selectively. They should assess the potential alliances available to them and focus on those that will deliver the most value. The most effective relationships create value for both parties. Each party needs to understand the incentives and pressures the other works under, and be ready to support the other to achieve their goals.

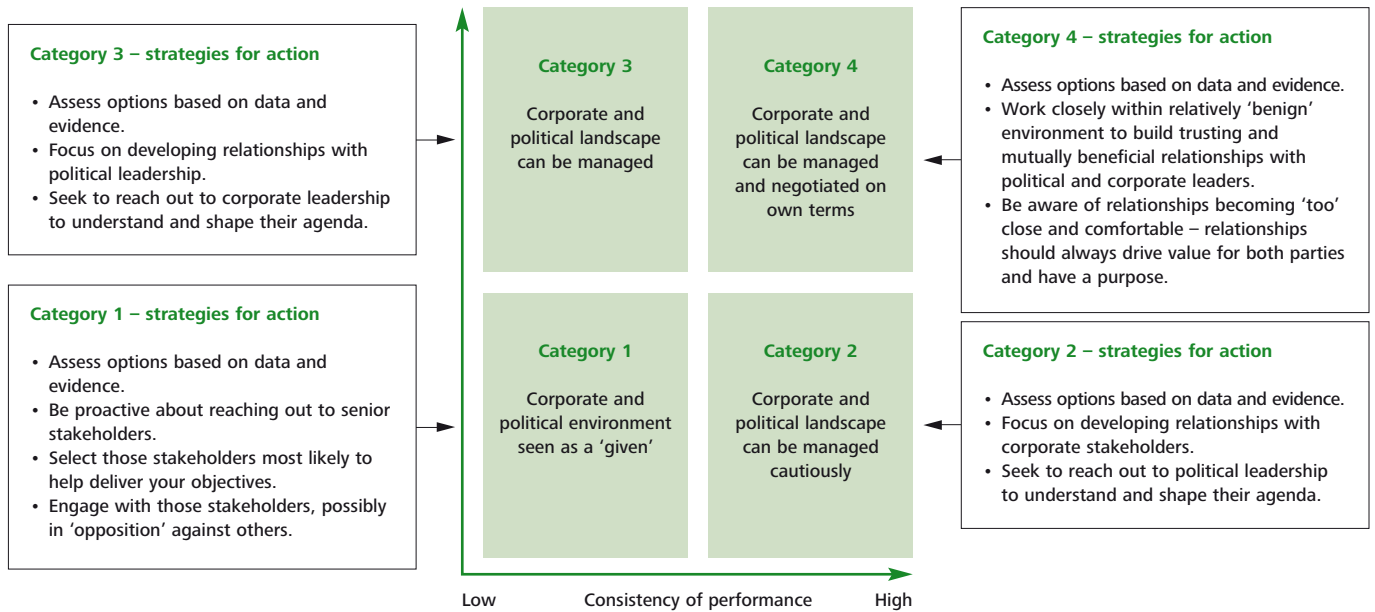
Approaches to managing the corporate and political landscape differ among public-sector organisations according to two interacting factors:

- the stability of political/corporate leadership, which is often related to how long individuals have held their positions (as distinct from whether a particular party has provided the political leadership over a given period of time); and
- the consistency of performance of the organisation.

This interaction produced four broad categories of mindsets in children’s services leaders:

- **Category 1:** consistency of performance and political stability are low, the corporate and political environment is seen more as a given, and relatively little work is done to manage corporate and political colleagues.
- **Category 2:** consistency of performance is high and political stability is low, and the corporate and political landscape can be managed cautiously.
- **Category 3:** consistency of performance is low and political stability is high, and the corporate and political landscape can be managed.
- **Category 4:** consistency of performance and political stability are high, and the corporate and political landscape is seen as one to be managed and negotiated.

**Figure 4. Mindset categories of children’s services leaders**



Source: Deloitte LLP, 2011

The distinctions in mindsets are important. Regardless of context, it is possible for leaders to have a positive impact on the development of their senior political and corporate peer relationships. To be resourceful, leaders need to break out from perceived constraints and approach their relationships with political and corporate peers as they would any other resource. Similarly, where conditions for such relationships are benign, resourceful leaders should still not neglect them, remembering that context can change.

**3. Resourceful leaders as astute change agents**

Resourceful leaders don't operate solely in the 'now'. While they interpret and respond to their context, they also proactively seek to shape it over time.

As explained earlier, there is a dynamic interplay between the context a leader faces and the work that he or she does. First, the leader interprets the context and articulates the challenge it represents. He or she then works to address this challenge and in doing so effectively changes the context for the future. Thus context is fluid and evolves in response to the actions of leaders.

Resourceful leaders treat organisational change as a journey. Each journey has a different starting point, often depending on local context, and the way forward is not always clear. At each stage of the journey, resourceful leaders recognise that they themselves are one of the key agents of change, and they astutely arrange and rearrange their resources to set the direction and navigate a course.

Resourceful leaders are able to articulate and lead distinct phases of activity which build on each other and expand the resources available for future phases. Effectively articulating the challenge is a critical first step for a leader. Through this, leaders create legitimacy for their actions and widen their access to important resources.

In addressing their challenge, the resourceful leader makes the best use of as wide a set of resources as possible. The work that the leader does changes the environment and increases the resource base available for the next phase of activity. Thus leaders in underperforming organisations with relatively few resources are able, over time, to expand their resource base and make significant progress on the challenges they face.

The research found that resourceful leaders:

- expand their resource base as far as possible – drawing in partners from outside their organisation, deepening the pool of talent available to them, and most importantly being open to new ways of doing things, driven by a dispassionate analysis of the facts and a desire to support decisions with ‘real’ data from the frontline;
- engage and gain others’ commitment to support the change process – actively seeking to develop a constituency for reform willing and able both to advocate and deliver change. Crucial to this is the articulating a clear and consistent vision, communicated in a way that not only builds buy in and consensus, but also generates advocacy from others; and
- adopt different approaches depending on the historical performance of their authority, developing and applying different tools for the bespoke problems they face in the context within which they are operating. For example, leaders in organisations on a trajectory of improvement often stressed the importance of performance management to get their teams to a ‘baseline’ level of performance on which to build further development.

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“Everything is done in a very corporate way here. We use hard data to bring everything up to the surface. Everyone is critical in the process. There’s a very strong corporate ethos here over getting savings efficiencies and better, more efficient procurement.”

Public Sector Leader

## Conclusions

This section has set out three ways in which public-sector leaders can demonstrate their resourcefulness:

- leading productively in a time of shock;
- building selective alliances with other corporate and political leaders; and
- being astute change agents.

In each of these areas, context has played an important part, but only in so far as it directly influences some of the resources from which a leader can initially draw. This research has shown that the most resourceful leaders are always looking for ways to shape as well as respond to their context.

The next section sets out some of the key questions we believe leaders should ask themselves to test whether their approach to leadership is resourceful.



# Becoming resourceful – developing your own resourcefulness

It is clear that the resourcefulness of public-sector leaders will be greatly tested in the coming years.

- change will almost certainly be required year-on-year, even for those high-performing public-sector organisations more used to doing things their own way. Leaders in organisations used to taking a more incremental approach may be required to consider a broader range of more transformative options;
- cost reductions will need to be sustained, requiring attention to detail and rigour from leaders. International evidence suggests that costs can leak back in incrementally and almost imperceptibly; and
- alliances with political and corporate leaders will be tested. The need to cut costs and streamline services is likely to change both the role of public-sector leaders significantly and the corporate environment in which they operate.

This report recommends that chief officers, chief executives and senior policymakers review their individual effectiveness and organisational outcomes by addressing the following critical questions:

## Reading local context

- What do you do to build an understanding of? What are the priorities for the different services and how are these shaped by past practices? Where are there contradictions between service priorities?
- To what extent do priorities of the different services you commission or provide reflect your strategic vision?
- Are you aware of areas of tension that are still unresolved?

## Assessing capability

- Do you have a culture of challenging assumptions, drawing on evidence to work with people to challenge their assumptions?
- Are you confident that your long-term vision is understood and advocated by others, including senior corporate and political peers?

## Identifying resources for the future

- Do you have a clear view of the priorities that cannot be compromised? What work are you doing now to ensure that these priorities are protected?
- Are you confident that you have a clear narrative about where your organisation is going and the key values it has?



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Designed and produced by The Creative Studio at Deloitte, London. 11178A

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