

DEVELOPMENT OF A WELSH PUBLIC SERVICE

Collaborative Leadership
Welsh Public Service Managers
Acting In Concert

Stephen Prosser

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IWA - Y Sefydliad Materion Cymreig Ty Oldfield Heol Llantrisant Llandaf Caerdydd CF5 2YQ

Ffôn 029 2057 5511 Ffacs 029 2057 5701 E-bost wales@iwa.org.uk Gwe <u>www.iwa.org.uk</u>

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IWA - Institute of Welsh Affairs Ty Oldfield Llantrisant Road Llandaf Cardiff CF5 2YQ

Tel 029 2057 5511 Fax 029 2057 5701 Email wales@iwa.org.uk Web <u>www.iwa.org.uk</u>

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PREFACE

My purpose in writing this paper is to encourage people to debate the further development of the Welsh public service. I write as a supporter and an enthusiast, but I also believe that far more can be achieved if all parts of the public sectors actively seek opportunities to work closer together. Public sector administration should pursue collaborative leadership, based upon shared values, and ensure that it works in concert.

I want to thank the Institute of Welsh Affairs, particularly its Director John Osmond, for asking me to write this research paper. My thanks also go to civil service, public sector management and academic colleagues for the way in which they shared their views and information with me. I am particularly grateful to the following:

- Colleagues who participated in a workshop, held in April 2003, where we pulled together the experiences of those who have worked in three or more public sector organisations.
- The civil service colleague who collated the non-attributed comparative information referred to in Chapter 1.
- Former NHS colleagues and current University of Glamorgan colleagues for their invaluable comments on the first draft of this paper.
- The participants in an IWA invitational seminar, listed in the Appendix, held in May 2003 to discuss a draft of this paper.

My main area of expertise rests in leadership and organisation development (the principal focus of this paper) and I want to record my thanks to Janet Newman and Richard Parry for their papers on wider aspects of the public sector.

In true public sector management style I must declare an interest: for almost twenty years I have worked in a triangle of public sector management, academia and the civil service in Wales and England. I know most of the people quite well and have the utmost regard for their dedication to the cause. That does not mean that I am blind to some of their failings - which are mine too - but it does mean that I am a supporter of them.

Where I offer criticism or recommend greater collaboration, it is as a critical friend. I write as someone who has experienced, to a greater or lesser extent, all three sides of the public service triangle.

I have adopted a style of writing to appeal to people from various backgrounds: public and private sector managers, civil servants, academics, the general IWA reader, and, possibly, some members of the National Assembly. Therefore this is not an academic paper, a civil service drafted policy document, or a management document, although I hope it is thought provoking to all those groups. The ultimate danger, of course, is that I fail to satisfy any of them: managers may find it too long and somewhat polemic; civil servants may find many of the comments to be unguarded; and academics will frown at the lack of evidence for a number of my assertions.

Inevitably, I have had to erect some boundaries around the issues I have covered. I have said nothing about politicians, although I recognise the key role they play in public leadership at the national and local level. The appointment of Sue Essex, the Minister for Finance, Local Government and Public Service, with responsibility for "the development of the strategic approach to the delivery of public services" is to be welcomed. I also recognise the importance of the productive relationship between politicians, civil servants and public sector managers although I am not naïve enough to recommend that collaborative leadership can extend to all parts of the political process. That might even undermine the very nature of the democratic process. My self-imposed boundary has also stopped me saying anything about the Welsh language and issues of equal opportunity but that does not mean that I do not see them as key points. They, and many others, should be issues for further research papers.

Finally, I know there will be some people who read this paper and come to the view that it is over ambitious and written by an academic who will have no responsibility for taking it forward. My response is simply to quote one of my favourite poets, Robert Browning:

"Ah, but a man's reach should exceed his grasp, Or what's a heaven for?"

Chapter 1 **LEANING ON AN OPEN DOOR**

"We will review the existing structures and workings of Assembly officials to ensure they are in tune with the reality of political devolution. We seek to move towards an increasingly independent and Welsh-based civil service — investigating ways of introducing an Assembly 'fast-track' programme to attract and retain high quality staff."

Putting Wales First
A Partnership for the People of Wales
October 2001

"We need to invent a new form of public service in Wales, in which individuals are able to move far more easily than now between one form of organisation and another. Local government employees, Assembly civil servants, health service administrators, ASPB staff should all be able to map out career paths which move between these bodies, developing expertise and cross-fertilising from one place to another ... When I visited Australia earlier in the autumn, the top educational civil servant in the state had been a professor of education and had entered the government service from being the vice-chancellor of the local university - and had moved into academic life from a career in public administration. Zigzagging your way up the promotional ladder in civil service and academic terms seems entirely healthy to me and particularly suitable to postdevolution Wales. It is completely consistent with the principle of innovation rather than imitation. We need a Welsh public service, rather than a Welsh civil service ... I am drawing attention not simply to the advantages of a new flexibility in the way in which individuals can flow between academic and public careers, but also to the intellectual power which our higher education institutions are able to mobilise, and which I wish to see better harnessed to the benefit of the citizens of Wales"

> Rhodri Morgan AM First Minister Swansea, 2002.

"... the Assembly is in danger of offering too narrow a career path for aspiring Civil Servants. To counteract this, and to help promote a healthy infusion of new experience and new blood into the Assembly on a regular basis, I am currently giving leadership to what is being described as our 'public service management initiative'. This will seek to build on the fact that the Assembly is very largely drawing upon a Welsh labour market. If successful it will involve the establishment of common leadership and management training for staff working in all parts of the public sector in Wales - the Assembly civil service, the National Health Service, Local Authorities, Sponsored Bodies, and other Civil Service Departments. This should mean that over time Wales will develop its own cadre of public servants with experience in and understanding of different parts of the public sector in Wales. They should also have an established network of contacts in different parts of the Welsh public sector. This, coupled with the policy on open recruitment, should mean that there will increasingly be a common set of values and experiences amongst staff in the Welsh public sector."

Sir Jon Shortridge, Permanent Secretary Evidence to the Richard Commission

"An integrated public service would include public servants working for local authorities and other public bodies, including the health service and ASPBs, as well as the Assembly's own civil servants. This would make possible the creation of career paths for public servants within Wales, broader experience of government at all levels, and strengthen mutual understanding between those levels. It would entail the establishment of a National Public Service College. This development would open up opportunities for exchanges with public/civil services in the different nations and regions of Britain, as well as secondments/exchanges with the European Commission and indeed administrations in other European nations and regions."

Plaid Cymru The Party of Wales Evidence to the Richard Commission

"An independent Welsh civil service should support the Welsh Government... we support a fully independent and impartial Welsh civil service with clear lines of accountability and responsibility to Wales, with a greater capacity for specific Welsh policy-making. We propose to create a Welsh Public Service Commission with a remit to ensure political neutrality and appointment on merit. The Commission would report to a Welsh Senedd Committee. Every civil servant's first duty would be to a written UK Constitution (which Liberal Democrats propose) rather than a Senedd Ministry or Minister."

Welsh Liberal Democrats Evidence to the Richard Commission

Timing is everything. Ask any tennis player or cricketer and they will tell you that one of the key factors that separates the great player from the mere mortal is their ability to time the impact of the ball with their racket or bat. This principle of timing holds true with most other sports as well and, similarly, is a key factor for any organisation wishing to introduce a new strategy or significant change. An experienced manager will know that there are times when an idea will work but that there are also times, no matter how good the idea and no matter how much effort is put into making it work, when the required change will not occur. The timing is just not right. The experienced manager will know when to launch a particular strategy and when to keep it on the 'back-burner' for a later date.

For many years, managers, academics, politicians and civil servants have put forward the view that Wales is small enough, and large enough, for the various public sector bodies to engage in a greater degree of collaboration to realise the potential of the 'whole being greater than the sum of its parts'. More than ten years ago, I attended a seminar at the King's Fund in London, along with a collection of Welsh chief executives and a chief constable, to discuss the establishment of a Wales public sector leadership programme. The programme had many merits but the time was not right and little happened.

Some time later, during the development of a health and social care strategy, a social services director entered administrative folklore with his apt observation that "collaboration is the core Welsh public sector management competence." In reality, little changed although there has been a patina of collaboration concealing a much deeper preference for independence.

Now things are different. The establishment of the National Assembly in May 1999 has led to a fundamental change in the working environment of the public sectors in Wales. Devolution has brought with it consequential changes in the role of civil servants and to the wider systems of governance. The National Health Service is being reformed and new governance arrangements are developing in local government. Above all, the changes associated with the Assembly itself provide an opportunity to reflect on the very meaning and future of public service leadership in Wales.

The need for closer partnership working is well recognised. One only has to read an official document, or attend a conference, to be encouraged to seek 'whole-system' solutions or to remove oneself from organisational 'silos'. Equally, the need to improve the overall quality of leadership, and reduce barriers to partnership working, is accepted at least in principle by all of the major stakeholders.

There is also a need to create a more open employment market for public servants thereby offering wider career opportunities for those people who want to spend all or most of their career in Wales. One of the keys to offering these broader career opportunities is a lowering of the barriers that exist to movement between the different parts of the public sectors – the National Assembly, health service, local government, sponsored bodies and the wider civil service and public sectors. Another important issue, perhaps the most important issue, is the need to develop common understanding and a set of shared values within and between the different sectors. As quoted at the opening of this chapter, the First Minister wishes:

"... to invent a new form of public service in Wales, in which individuals are able to move more easily than now between one form of organisation and another..."

Echoing this, the Permanent Secretary has declared a commitment to Wales developing:

"... its own cadre of public servants with experience in and understanding of different parts of the public sector in Wales..."

The response by the Assembly Government has been to establish a public sector management initiative (PSMI) project. In true civil service fashion, the development of this concept is being overseen by a project board, under the chairmanship of a senior group director and with a membership drawn from the Presiding Office, various Assembly Government departments, and representatives from the Welsh Local Government Association (WLGA), a county council, the NHS Directorate and an Assembly sponsored public body. It also has a civil servant project manager who is using project management principles familiar to any manager in the public or private sector. In May 2003, a senior civil servant was appointed as project director. The PSMI long-term vision is:

"To develop people across the public sectors in Wales who, working together, are confident, innovative and operate in an open and agile way so as to improve the advisory, policy and operational support provided to elected politicians in Wales and to deliver quality services to the people of Wales."

It may not be the most memorable vision statement ever written, and some of the terms have yet to be clarified. For instance, there may even be a need for a debate on the respective roles of the public servant and the civil servant. Nonetheless, subject to those understandable early limitations, the existence of this vision statement shows that there is a genuine commitment to the notion of a PSMI for Wales.

The project also recognises that previous efforts to introduce a similar initiative, by individuals in the former Welsh Office, Syniad (the WLGA development arm) and the NHS Staff College Wales, met with little success. The time was not right. Today's PSMI initiative recognises that, rather than relying on the enthusiasm and commitment of such individuals, the approach:

"... should be structured and integrated into a strategy which has partners with clearly agreed roles, responsibilities and commitment to achieve success."

This sounds promising. The civil service, acting on behalf of the Assembly Government and as members of the Welsh public service itself, has realised that there are substantial benefits in the Welsh public service acting in concert, including:

- Enhancing the reputation of the Welsh public service as progressive and innovative organisations and exemplar employers.
- The interchange of ideas and policy development at senior levels, including the bringing together of local and national priorities.
- Improved partnership and networking across the public sectors that will lead to a better understanding of each other's roles and responsibilities.
- A clearer understanding of each other's priorities, challenges and capacities that would lead, hopefully, to better targeted and achievable plans.
- Better learning and development opportunities at an individual and organisational level to allow people to contribute to their full potential.
- Improving performance through the development of public service leadership.

In the first instance, the initiative will target the National Assembly for Wales, local government, the NHS and Assembly sponsored public bodies. Thereafter, it will look to involve other partner organisations such as police and fire authorities and the voluntary sector (see Table 1 on the following page).

Underpinning these ideas is a realisation that the National Assembly affords Wales an opportunity to develop a policy agenda to meet its specific needs. There should also be a realisation that 'action speaks louder than words'. Having created a heightened level of interest in the PSMI amongst a small number of well-chosen opinion formers, the Assembly Government needs to be seen to be delivering on the substantial benefits of a public service acting in concert.

They must also realise that it is essential for all of the future partners, the broad Welsh public service, to have a clear and shared understanding of what the initiative can deliver. There needs to be clear aims and objectives on what will be achieved over an agreed timescale.

Table 1: Public Sector Bodies in Wales – Potential PSMI Partners

- National Assembly for Wales
- Local Authorities
- Local Health Boards
- NHS Trusts
- Welsh Language Board
- Welsh Development Agency
- National Museums and Galleries of Wales
- National Library of Wales
- Countryside Council for Wales
- ACCAC
- Royal Commission for Ancient Monuments
- Sports Council for Wales
- Arts Council of Wales
- Care Council for Wales
- Higher Education Funding Council for Wales
- National Council for Education and Training
- Estyn
- Local Government Boundary Commission Wales
- General Teaching Council Wales
- Police Authorities
- National Audit Office Wales
- Auditor General for Wales
- Children's Commissioner for Wales
- Higher Education Sector
- Further Education Sector
- Patents Office
- Passport Office
- Prison Service
- Court Service
- Inland Revenue
- National Statistics Office
- Job Centre+

Irrespective of the thinking behind these proposals, conspiracy theorists will have a field day. They will see this initiative as part of a wider political strategy to transform the public sector. As has been pointed out:

"The character of New Labour's social policy agenda means that a modernised public sector is critical to the government's capacity to achieve its goals. The public sector becomes the agent through which the new policy agenda can be delivered rather than the main target of the reform programme itself... But a distinctive feature of New Labour's approach has been the explicit focus on partnership as a way of governing. This focus is evident both in the strength of the partnership rhetoric and in the government's approach to the delivery of public policy ... Labour emphasised the need both for better horizontal integration (partnership working between public sector organisations, voluntary sector bodies and private sector companies) and stronger vertical integration (between central, local and community tiers of government, and between those involved in the shaping of policy and those affected by its delivery). This emphasis reflects concerns about the hierarchical, 'silo' relationships built into the UK system of government and calls for a more 'holistic' approach to governance" (Newman, 2002).

The conspiracy theorists can have their field day. This paper has only one motivation: to put forward for debate a proposition that will benefit the people of Wales. It does not have all of the answers, and probably not even all of the questions. However, it is predicated on a fundamental belief that far more can be achieved if the public sectors commit themselves to working together, a belief in a Welsh public service acting in concert.

Chapter 2 LESSONS FROM ELSEWHERE: BREADTH AND DEPTH

Across Europe, the role of the public sector is being examined and many reforms have been introduced. In the *Netherlands* the reform goals of the 1990s switched from a focus on internal organisation of production to a focus on the external environment and an emphasis on the role of the citizen (Schedler and Proeller, 2002). Their major issues of reform were the professionalisation of the civil service, the strengthening of the client orientation and productivity of public organisations.

In *France*, where traditional concepts of public management have often received less attention than in other Western countries, decentralisation to lower levels of government has been accompanied by a comprehensive modernisation of human resource policy, accountability and evaluation. In *Germany*, public administration is characterised by classical hierarchical structures, and the German Constitution guarantees the traditional principles of the civil service. Their reforms, found mainly in local authorities, emphasised the reform of internal organisation and steering systems, for example decentralised responsibility for results and resources.

In terms of the specific role and development of public sector management, the example of *Finland* is of interest. The Prime Minister's Office has responsibility for the training and development of central public services and the University of Helsinki delivers leadership and management development programmes for senior civil servants.

Further afield, in **New Zealand**, the responsibility for recruiting and developing public sector chief executives lies with the State Services Commissioner, as set out in the State Sector Act. The arrangements for senior leadership and management development have been reviewed in response to the anticipated increased demand for leaders and senior managers over the next ten years. The focus is the creation of a pool of managers of the required quality, quantity and diversity to meet the future needs of a dynamic public service. The aim is to:

- Achieve a more connected approach to the management and delivery of development resources between agencies.
- Encourage alignment of career and succession planning, and management development across the public service and state sector.
- Reinforce the public service as an attractive career option.
- Improve the quality and diversity of senior managers.

The Canadian government has established a leadership network with a mandate to "promote, develop and support networks of leaders throughout the public service of *Canada* and assist them in the continuing challenge of public service renewal and modernisation". In *Australia*, the Australian Public Service Commission has a mission to "foster the achievement of high performing, ethical and client focused public service, promoting quality management of people and work". It does this through the provision of advice and guidance to public sector agencies and has established a leadership framework based on its definition of an effective leader.

One impressive example from the *USA* is the Center for Public Leadership, set up as part of the Kennedy School of Government at Harvard under the directorship of David Gergen. The centre:

"... provides a forum for students, scholars, and practitioners committed to the idea that effective public leadership is essential to the common good. It creates opportunities for reflection and discovery, and promotes the dynamic exchange of ideas among those from different disciplines, sectors, cultures, and nations".

Its notion of public leadership is fascinating:

"... we mean all acts, great and small, of individuals and groups to mobilise others to tackle challenges that affect the common good".

Nearer home, **Scotland** has a devolved system best placed to replicate Whitehall structures and behaviour (Parry 2001). The Scottish Executive faces many similar challenges to the National Assembly in terms of developing partnership working across the public sector. It is instructive, therefore, that they have established

the Scottish Leadership Foundation, as an independent non-profit making body, to take forward the development of its senior people. It commissions development opportunities and research in conjunction with other organisations. One of the Foundation's development programmes includes senior managers from 'blue chip' companies with headquarters in Scotland.

In **Northern Ireland**, following the 1998 Agreement and the establishment of the institutions of the devolved government, it was decided that there should be a review of all other aspects of public administration. The terms of reference were to:

"... review the existing arrangements for the accountability, development, administration and delivery of public services...and bring forward options for reform which are consistent with the arrangements and principles of the Belfast Agreement, within an appropriate framework of political and financial accountability". And to "...develop a system of public administration which fully meets the needs of the people in Northern Ireland and recognises the need to maintain a dedicated, professional public service, ensuring that the public service continues to attract and retain quality staff" (Invitational Seminar 2003).

The review is being carried out in phases by a multi-disciplinary team of officials working alongside independent experts reporting to the Executive. The scope of the review covers the Office of the First Minister and Deputy First Minister, the government departments, the twenty-six district councils, the various bodies comprising the NHS, and other public bodies.

A number of common features appear to be driving the reforms in the countries cited here. They include:

- Leadership enhancement and improved management.
- Sharper focus on customers (or clients), and delivery.
- Improved collaboration and networking across the different parts of the public sector.
- Dynamic, reflective structures to deliver
- Support for personal, organisational and interorganisational development.

Identifying similar reforms and policies with public sectors across the world is one thing. It is quite another to see them as part of a co-ordinated approach by western governments. Rather they should be seen as similar approaches to similar problems undertaken by separate and independent governments. Having accepted that there has been no concerted approach, it does provide a far greater insight to see the reforms, at least within the UK, as part of an evolving and systematic approach to the challenges existing within the public sector.

Such a systematic approach was provided before the establishment of the Assembly in *The New Public Management in Action* (Ferlie et. al., 1996). New Public Management (NPM) is a shorthand phrase used by many writers to describe the introduction of new techniques and accountabilities into the public sector. They suggest that the public sector is being taken through a four-fold reform:

- 1. It started with, what they call *NPM Model 1: The Efficiency Drive*, an attempt to make the public sector more business-like. Core themes included:
 - Increased attention to financial control.
 - Stronger general management spine.
 - An extension of audit, both financial and professional.
 - Increased stress on provider responsiveness to consumers.
 - Deregulation of the labour market and increasing the pace of work
 - Reduction in the self-regulating power of the professions.
 - Empowerment of less bureaucratic and more entrepreneurial management.
 - New forms of corporate governance.
- 2. NPM Model 2: Downsizing and Decentralisation resulted in:
 - Organisational unbundling and downsizing; a search for greater organisational flexibility.
 - A move from a high degree of standardisation.
 - Increased decentralisation of strategy and budgets.
 - Increased contracting-out.
 - A split between a small strategic core and a large operational periphery.

- 3. NPM Model 3: In Search of Excellence is most obviously associated with the 'excellence' stream. It rejects the highly rationalistic approach of NPM Model 1 and instead highlights the role of values, culture, rites, and symbols in shaping how people actually behave at work. There is:
 - Strong interest in how organisations manage change and innovation.
 - Stress on charismatic forms of top-down leadership.
 - Identification of charismatic private-sector role models for the new-style public sector.
- 4. NPM Model 4: Public Service Orientation represents a fusion of private and public sector management ideas. It reenergises public sector managers by outlining a distinct public sector mission, but one compatible with received notions of high quality management derived from transferable good practice in the private sector. It thus confers legitimacy on the new-style public sector which claims to have broken with the pathological aspects of the past, but which retains a sense of distinctive identity and purpose.

Whilst this dispensationalist view of the world is helpful as an analytical tool, most public sector managers in Wales would claim that each option, from NPM 1 through to NPM4, are experienced concurrently in the public sector. Efficiency, downsizing and decentralisation, excellence and a public sector orientation all characterise the work of Wales's public sector managers. It is one of the things that makes it such a challenge.

The comparative analysis of other countries, and the analytical framework, demonstrates that Wales is not alone in seeking to develop its public sector. Though challenge is universal our response should be tailored to meet particular Welsh needs and values rather than one 'taken off the shelf' from somewhere else. Experience also teaches that the initiatives of other countries should be treated with some caution. Action based on the web-site claims of a particular organisation within a country, or action based on the achievements of somewhere with a very different culture, should be approached cautiously.

Within *Wales*, there are already many examples of public sector collaboration and development and these should provide bedrock upon which to establish further initiatives. The importance of the *Delivering Better Government* initiative within the civil service should not be underestimated. It is committed (some times more in theory than in practice at present) to seven key principles:

- 1. Better leadership.
- 2. Better ways of doing business.
- 3. Better ways of managing performance.
- 4. Building equality into all our policies and practices.
- 5. Being more outward looking.
- 6. Better working conditions and employment practices.
- 7. Better ways of developing policy.

This emanates from the UK Civil Service reform report (1999) and its commitment to developing leaders at all levels "who are actively committed to transforming their organisations." In local government four objectives underpinning the process of modernisation promise a contribution to the development of a Welsh public service:

- 1. To support the community leadership role of local authorities in promoting economic, social and environmental well-being in their area.
- 2. To promote continuous improvement in local authority performance, in securing and providing services as well as in its leadership role.
- 3. To widen participation in democratic government.
- 4. To provide a framework for open, accountable local government.

Finally, the NHS in Wales has achieved an enviable reputation for its contribution to leadership development and learning and its principles can be applied by all organisations in a revitalised Welsh public service.

Chapter 3 A WELSH PUBLIC SERVICE: TWO, THREE, OR FOUR INTO ONE?

Change is in the air. Wherever one looks across the Welsh public sector, the institutions are experiencing change. Within the Assembly, the modus operandi, and even the modus vivendi, of the civil service is changing markedly, perhaps not quickly enough for many people but markedly nonetheless. The health service is being reorganised and set new objectives. In local government, changes are taking place to the system of governance. The Assembly sponsored public bodies, the 'quangos' of old, are being made more publicly accountable.

Meanwhile, other parts of the 'UK public sector' in Wales, such as the police and Inland Revenue, have their own change agendas. Although many of these changes are similar across the UK, Wales is also experiencing the significant direction being set by the Welsh Assembly Government. Inevitably, the changes, along with the unifying focus presented by the Assembly, have led people to raise a series of questions concerning the very nature of the public sectors in Wales:

- Is a single homogeneous Welsh public service feasible and, if it is feasible, is it desirable?
- What benefits would such an arrangement bring to Wales?
- Can the present heterogeneous Welsh public sectors achieve similar outcomes without changing the structure of the public sectors?
- Is it possible to maximise leadership potential within the public sectors by changing systems rather than organisational structures?
- What benefits would accrue to the people of Wales if the public sectors ensured close collaboration?
- How would the benefits achieved from such changes be evaluated?

As quoted at the outset, there is a political commitment to bring about a degree of change that maximises the potential and contribution of the public sectors. This first became evident in the Partnership Agreement signed between Labour and the Liberal Democrats in October 2000. This was followed more recently by the commitment from the First Minister. The key phrases from the quotations cited at the beginning of Chapter 1 are as follows:

"We seek to move towards an increasingly independent and Welsh-based civil service – investigating ways of introducing an Assembly 'fast-track' programme to attract and retain high quality staff."

Putting Wales First

"We need to invent a new form of public service in Wales, in which individuals are able to move far more easily than now between one form of organisation and another... Zigzagging your way up the promotional ladder in civil service and academic terms seems entirely healthy to me and particularly suitable to post-devolution Wales. It is completely consistent with the principle of innovation rather than imitation. We need a Welsh public service, rather than a Welsh civil service... I want us actively to explore the ways in which you as individuals and as institutions can be part of the new, permeable public service we need to create in Wales."

Rt. Hon. Rhodri Morgan AM

Support for the notion of change within the public sectors is also clear inside the civil service itself, as the Permanent Secretary made clear in his evidence to the Richard Commission:

"I am currently giving leadership to what is being described as our 'public service management initiative'. This will seek to build on the fact that the Assembly is very largely drawing upon a Welsh labour market... (and)... should mean that over time Wales will develop its own cadre of public servants with experience in and understanding of different parts of the public sector in Wales.

Sir Jon Shortridge

Moreover, if the anecdotal evidence is correct, there is a strong commitment to acting in concert for the benefit of the people of Wales from managers in local government, the health service and elsewhere in the public sector. At the same time, however, a fundamental question needs addressing: What form should a transformed or revitalised Welsh public service take? Answers reveal three quite contrasting views.

The *revolutionary-radical view* is that the existing parts of public sector management and the civil service in Wales should be disbanded and moved into a new organisational format known as the Welsh public service. The logic of this view suggests that thousands of people would leave their current employers and transfer their employment into a new homogeneous body called the Welsh public service. Included would be local authority, NHS, ASPB and other managers, plus the entire civil service in Wales. These are employees in organisations with very different focuses and with different political accountability structures.

In their place would be one employer, a common set of employment conditions and salary structure, and a single chain of command with accountability, presumably, to the Assembly through some form of chief executive/permanent secretary arrangement. The model appeals to those who are attracted by revolutionary-radical solutions to challenges. In true Weberian style, it attracts those who appreciate the symmetry of perfectly drawn organisation charts and the smooth running functions of large and comprehensive bureaucratic systems. Those prepared to associate themselves with this proposition deploy three arguments. The first attempts to undermine the notion that there is, in reality, a monolithic Home Civil Service. So, for example, one authority has argued:

"Civil service unity is not quite such an axiomatic proposition as might be supposed. There has long been another UK public service – the Diplomatic Service – working to the same political mandate as the Home Civil Service, and a further one – the Northern Ireland Civil Service – which for most of its history has not. Closer examination reveals other civil services of the Crown, such as the Northern Ireland court service, responsible to the Lord Chancellor. There is regular interchange between these services.

"A further comparative factor is that the present UK model has no parallels in other intergovernmental systems, whether British-derived (Canada, Australia) or European federalist (Germany). In a comparative context, it would be totally normal for a devolved political system to have its own public service with full responsibility for pay, conditions and appointments – and in most cases a greater permeation of partisan appointments into the upper echelons than would be found in the UK" (Parry, 2001).

It is contended that if there is no such thing as an unified Home Civil Service, then there is no reason at all why Wales cannot have a system of public service that is fundamentally different from other parts of the UK and more in line with other systems elsewhere.

A second argument points to the experience of Northern Ireland. Proponents highlight the approach being taken in its review of public administration and the changes that have already taken place in its civil service arrangements to free it from the Home Civil Service:

"The head of the Northern Ireland Civil Service has ceased to be a second permanent secretary at the Northern Ireland Office and a member of the Civil Service Management Board, but is free to attend the Wednesday meetings of the permanent secretaries as, in effect, an honorary member ... the Northern Ireland Civil Service has its own version of the rules in the Civil Service Management Code but it has not yet been possible to finalise a definitive post-devolution version... (and) the Northern Ireland and Home Civil Service interface in the Northern Ireland Office" (Parry 2001).

A third argument is that Wales is small enough for most of the main players in the public sector to know each other well enough to introduce an integrated, homogeneous, public service. Economies of scale would arise from such an arrangement, as well as the benefits that come from a sense of common vision and purpose. Such a new organisational transformation would produce a single team committed to the success of Wales.

The revolutionary-radical view is anothema to those who can be described as reactionary-realists, of the self-proclaimed variety. They see the proposition of a single new organisational structure, called the Welsh public service, as a costly and foolish blunder of proportions. Such behemoth nightmarish а would unmanageable unless there were to be in place the most imaginative of organisational, managerial and political separate accountabilities. The result, they argue, would be a diminution of the Welsh public sectors and would damage the ability of local authority democracy to function. Furthermore, it would severely undermine the policy of placing services closer to the 'consumer'.

The very thought of thousands of managers being transferred from local authorities, NHS trusts and local health boards, and ASPBs, and of thousands of civil servants bidding farewell to the civil service to join this new Welsh public service body is the stuff of nightmares to the reactionary-realists. They consider the Northern Ireland argument to be largely a 'red herring' as the political system, particularly at the local level, is quite different. On a practical level, they point to the administrative chaos that would follow even an attempt to harmonise terms and conditions of employment, and the hidden costs of launching and running the new homogeneous organisation. As with most reactionaries, they are so appalled by the thought of the new creature that they give little weight to the benefits that might follow such an arrangement.

Standing between the revolutionary-radicals and the reactionary-realists are the **pragmatists-evolutionists**. They accept fully the need for change - for a "new form of public service in Wales" to quote the First Minister and Wales with its "own cadre of public servants" to quote the Permanent Secretary. However, they believe that the best way to bring about this change is through a pragmatic and evolutionary approach. To support their view, they typically muster three arguments.

Firstly, they eschew the argument that change in Northern Ireland somehow necessitates change in Wales or, at the very least, produces an unprecedented opportunity to force the pace of change in Wales. The pragmatists-evolutionists see change in Northern Ireland, at one level, as being a particular manifestation of the public sector change that is occurring across Europe and in other countries.

On another and more profound level, they see change in Northern Ireland as quite distinct from the practice of devolution in other countries and regions. The pragmatists-evolutionists can also quote academics and have noted Parry's comment that:

"It will only be once the new political institutions are fully functioning and in a position to challenge the static patterns of direct rule that the lessons of the separate Northern Ireland Civil Service for Scotland and Wales can be judged" (Parry, 2001).

Additionally, one of the Economic and Social Research Council's Devolution and Constitutional Change Programme's research papers recognises:

"... Northern Ireland's unique constitutional character..." and that their "...'pre-post'- conflict situation..." means that "...if political stability is to be won, policy needs to turn ... towards a focus on integration and a strategic commitment to the emergence of a civil society... (that) will require 'constitutional engineering'" (Wilford and Wilson, 2002).

In other words, there are historical and distinctive political reasons for the approach being taken in Northern Ireland whilst the picture in Wales is quite different. Their second argument concerns the disruption that would take place to existing institutions if they were immediately brought into one new Welsh public service organisation. The civil service would experience a real or, at the very least, a seeming severance from the wider Home Civil Service. The result would be a net loss to Wales since:

"... the unity of the Home Civil Service also encompasses ... the delivery of better public service in the UK, information age government, best practice in public service delivery (efficiency, public appointments, agencies) and 'better regulation'; and also cross-cutting issues like anti-drugs policies, social inclusion and women's issues. The devolved administrations also have an intellectual buy-in to Whitehall thinking on policy-making and public management through the Performance and Innovation Unit, the Social Exclusion Unit and the Centre for Management and Policy Studies" (Parry, 2001).

Similarly, the retention of the Civil Service Code and Management Code reinforces the notion of impartiality and professionalism and, conveniently, spares Wales the huge and time-consuming task of constructing parallel new codes. Additionally, they point out that, if thousands of local authority and other public sector managers were brought into a new organisation, there would be concerns about the very fabric of local democracy. It is one thing to:

"... learn from and draw on developments arising within the public sector, to consult with its staff and include them in the development of policy..." and to recognise the "...principalagent form of relationship, in which local services are the agents mandated to deliver government policy..." (Newman, 2002).

However, it is quite another thing to see them as part of one organisation under the control of one system, be it political or managerial. They see merit in the view that:

"... democracy needs to be broadened and deepened, with government acting in partnership with agencies in civil society so as to combat civic decline ... and the somewhat trenchant observation that ... the retention of high levels of autonomy and self organisation will be important if these agencies are not to be swamped by the distorting State power" (Giddens, 1997).

It seems self-evident that the development of a Welsh public service should not impinge on the need to maintain each organisation's unique ethos and loyalties. At the same time there is a need for it to come closer together around a set of beliefs, values and common learning experiences.

The third argument, and by far the most persuasive from the pragmatists-evolutionists, concerns the substantial amount of change that has already taken place in the public sectors in Wales, since the establishment of the National Assembly. In his evidence to the Richard Commission Sir Jon Shortridge, the Permanent Secretary, showed that:

"From the perspective of the civil service, it is hard to overestimate the scale of change that the transition from Welsh Office to National Assembly represents... If the Assembly is to respond effectively to the needs and aspirations of Wales it needs a workforce that reflects the diversity of communities..."

Sir Jon used his staffing figures (see Tables 2 and 3) to demonstrate that:

"... the Assembly ... was fast becoming a 'melting pot' comprising a combination of transferred employees from the Welsh Office, totally new recruits, and the employees of the ten different organisations (or parts of organisations) which have merged with the Assembly/Welsh Office since 1999..."

Table 2: Change in Staff Numbers (Full Time Equivalents) from October 1998 to October 2002

	Net	New	Presiding	Extra	
	Staff	Tasks	Office	Bodies	Total
	Otan	racko	Omoc	Dodico	rotai
10/98	2295	0	0	0	2295
10/30	2233	O	O	O	2233
10/02	2617	324	229	582	3752
10/02	2017	JZT	223	302	3132
	000	004	000	500	4 4 5 5
Increase	322	324	229	582	1457

And he continued that the civil service in Wales is also part of a wider change programme:

"At the same time as the Assembly was created, the civil service was beginning its own process of reform which was born largely out of a recognition that it needed urgently to modernise itself."

Tellingly, Sir Jon remarks that:

"...many of the staff in these latter two groups, it is worth noting, probably regard themselves primarily as Assembly officials and not civil servants at all".

Table 3: Mergers with the Welsh Office/National Assembly for Wales

Month	Body	Number of Staff	
Nov. 1998	Tai Cymru	65	
April 1999	Health Promotion Wales	67	
7 tp:::: 1000	Welsh Health CSA	68	
Dec. 1999	Teachers Training Agency	6	
April 2000	Wales European Programme		
•	Executive	44	
	Wales Office of Research and		
	Development	8	
April 2001	Clinical Effectiveness Support Unit	8	
	Farming and Rural Conservation		
	Agency	100	
June 2001	Welsh Drugs and Alcohol Unit	7	
Dec. 2001	WDA	2	
April 2002	Care Standards Inspectorate		
	for Wales	204	
Oct. 2002	Export Association	3	
TOTAL		582	

Although the impact of the recent introduction of two non-executive directors to the Permanent Secretary's Executive Board, and the forthcoming appointment of the Assembly's first Human Resources Director, cannot be evaluated at this stage, they do provide further evidence of the changes that are taking place.

In his O'Donnell Lecture, Rick Rawlings reminds us that:

"...as every student of government knows, it is one thing to move chairs around, quite another to alter professional habits and mindsets" (Rawlings, 2001).

Rawlings recognised the significance of the development of the Executive Board (with its emphasis on leadership, results and performance) and believed that "...it may even prove a harbinger of a distinctive Welsh public service." Whether the introduction of the Executive Board is a part of an overt, covert or subliminal plan in the minds of civil servants is debatable. However, Rawlings' observation that the Executive Board and the officials supporting it "can claim much of the credit for driving forward the devolutionary 'project," and for its contribution to establishing "the building blocks of a mature Welsh polity" supports the overall point of the pragmatists-evolutionists: significant change is taking place.

Change is also taking place within local authorities and the NHS, the two giants of the public sectors in Wales, and there is also evidence to suggest that similar transformation is occurring in other public bodies. As a member and observer of the Welsh public sectors and as someone who works closely with civil servants, academics and managers, I believe there is a palpable sense of significant change. Inevitably, as in all change initiatives, the maxim "too little too late; too far too fast" is an apt descriptor of how the change is viewed. There are those who are impatient for further change and there are those who are concerned that the process is already too rapid.

The development of official statistics for Wales, exemplifies what is happening, together with the principle of collaboration in the Welsh public sectors. A draft strategy, prepared by the Statistical Directorate of the Assembly and the Local Government Data Unit Wales, a notable collaboration in itself, proposes that:

 The role of the Statistical Directorate in the National Assembly should focus increasingly on: a) supporting and guiding the wider 'statistical' partnership; and b) providing a research and analysis service for the Assembly, other partner bodies and the general public.

- The Local Government Data Unit Wales should extend its current responsibilities by progressively taking over the collection, management and dissemination of the majority of statistical information relating to local government in Wales, to meet the needs of central and local government and the public.
- The roles of the other key players (such as: other UK government departments; the NHS-based Health Solutions Wales; the National Council for Education and Training Wales/ELWA; the Higher Education Statistics Agency) in the production of official statistics about Wales are already governed by partnership arrangements of various kinds. However, they should be further discussed with, and coordinated by, the National Assembly for Wales so as to ensure a robust long-term statistical infrastructure to support public policy and provide public information on the work of government.

A major strength of these arrangements should be a common information base, accessible to all interested parties for their particular purposes, and therefore a substantial component in the development of knowledge management in Wales. While the proposed partnership recognises the statutory, ethical and practical constraints, it is a substantial move forward in terms of what it signals for the public service in Wales.

It seems to me that enormous energy can be put into arguing the merits and demerits of the various positions outlined in the previous chapter - by the revolutionary-radical, the reactionary-realists and the pragmatists-evolutionists. Instead, it would be much wiser to build upon the widespread joint commitment that exists, even amongst some of the reactionaries, to make the public service in Wales more effective and to actively encourage further initiatives to flourish. I disassociate myself from the so-called reactionary-realist view of the world. I believe Wales does have a golden opportunity to bring about meaningful change. I also disassociate myself from the so-called revolutionary-radical view. I am concerned, for all the reasons already listed, over the prospect of a single new organisational structure – the Welsh Public Service Authority, or some such name – and the turmoil it would bring in its wake.

I belong to the pragmatic-evolutionist camp, although I am a member of its impatient wing. I believe more can be done and that it can be done a little quicker.

In the final two chapters, I set out in detail what I think should take place to achieve the benefits of a Welsh public service acting in concert, a PSMI to use the Assembly term. I demonstrate my commitment to a quicker application of the pragmatic-evolutionist view. However, I want to conclude this chapter with a Welsh public service metaphor based on my observations of life in the civil service and the other public sectors.

The National Assembly inherited 2,300 civil service from the old Welsh Office in 1999. By late 2002 this number had grown to 3,800. A staff survey at that time showed that 82 per cent either 'strongly agreed' or 'agreed' with the statement that 'I am proud to work for the National Assembly'. Whilst any organisation would be glad to have such a response and use it to justify the management strategies being employed, not enough has been made of the fact that the Assembly civil service is made up of a highly diverse collection of people. Any regular visitor to Cathays Park or Crickhowell House (in Cardiff Bay) will be hard pressed to find the quintessential Sir Humphrey-like civil servant. They do exist in small numbers and provide an essential role in Wales and Whitehall, but it is far more likely that the visitor will meet personnel in one of the following four categories:

- 1. Assembly-appointed staff undertaking operational management activities.
- 2. Staff working on specific Assembly policies.
- 3. Specialist staff such as lawyers, doctors, planners, IT experts, and much more.
- 4. Security, catering and office staff who could just as easily be working for a manufacturing company or a bank.

Many of these people, whilst Assembly-based and contractually civil servants, have much in common, arguably far more in common on a day-to-day basis, with colleagues across other parts of the public sectors in Wales. Everyday life sees meaningful collaboration between: Assembly and local authority planners; Assembly and NHS clinicians; Assembly, ASPB, and private sector economic development experts; and other similar patterns.

Anyone who has attended meetings with a cross-section of these colleagues to discuss a matter of public sector 'business' would often be hard pressed to know the organisational home of each contributor, other than when they are forced to take up a position within their particular organisational silo. These areas of collaboration obviously need further work to cement the common agenda and, most importantly, to develop further a set of common values.

The Permanent Secretary's comment that the Assembly staff resembled a 'melting pot' should be seen as a virtue. Further work should be undertaken to portray the Assembly as an organisation where its employees are, in many senses, a 'holding company' made up of: some staff who work in archetypal civil servant mode; others who are technical and professional specialists, and operational managers with close and regular links with managers, technical and professional staff in other parts of the public sector. What is true for the flexible walls of the Assembly is equally true of the boundaries of local government, the NHS, the ASPBs, and elsewhere. This is the reality upon which the public sector management initiative should build. And out of this a Welsh public service should emerge.

This is my metaphor: the public service in Wales should see itself as an orchestra with an agreed score and conductor, where the various sections of the orchestra (woodwind, strings, brass and percussion) have distinctive and complementary roles. There is a wide range of skills and backgrounds and also room for improvisation and interpretation (here I am probably straying into the world of jazz). However, at the same time all have a common or similar set of values, and come together to achieve something harmonious, pleasing and rewarding. In the same way a Welsh public service ought to be able to bring together its various sections to produce a similar harmonious and pleasing outcome. The members of an orchestra may even have a diverse range of employment relationships and accountabilities but it does not prevent them from achieving a successful outcome.

Chapter 4 THE DE FACTO WELSH PUBLIC SERVICE: A CASE STUDY

In April 2003 I facilitated a meeting of senior people who had experience of working in three or more public sector settings. The delegates, who had been called together through the offices of the Welsh Assembly Government, represented experience of public service in the former Welsh Office and the Assembly, local government in Wales and England, universities in Wales and England, overseas government, the Training and Enterprise Councils (TECs), the Welsh Local Government Association, the NHS, S4C, the Audit Commission, nationalised industry, housing associations, the Prince's Trust, the National Rivers Authority, and also various private sector companies. In the light of the political commitment to develop the Welsh public service and the Permanent Secretary's leadership of the public management initiative (PSMI), the delegates were asked to:

- 1. Consider the process of moving from one part of the public sector to another.
- 2. Identify the distinct characteristics of those parts of the public sector in which they had experience.
- 3. Explore what delegates would wish PSMI to deliver in order to make it relevant to their personal development across the public sectors.

The participants discussed the main ideas behind the development of a greater movement between the various parts of the Welsh public service. Whilst supporting the general idea, they came up with five broad qualifications based on their own experience, as follows.

Firstly, whilst there were obvious benefits in achieving a
greater collaboration between the various public sectors, it
was realised that there were times when a properly
managed creative tension resulted in better outcomes.
Collaboration should be used to remove the defensive
stances that were sometimes adopted and true partnership
should be on the basis of a partnership of equals.

- Secondly, one delegate had experience of working for an overseas organisation that provided the full range of public services. He made the point, and in so doing sounded like a pragmatist-evolutionist, that having a single organisation did not guarantee collaborative working. There remained a temptation to remain in professional and organisational silos. The real challenge lay in changing values, attitudes and behaviours.
- Thirdly, any scheme to bring together the various parts of the public sectors should be aware of the dangers of reinventing the role of the generalist – the Welsh public sector manager who gives the impression that s/he could work effectively in any part of the public service. Evidence suggested that there was much benefit in continuing the move towards the employment of professional staff in specific areas.
- Fourthly, in any system where a large number of experts is grouped together, it is less likely that they will recognise the existence of relevant expertise outside of their bailiwick. If this in turn leads to a monopolistic process of policy making, then that can be unhealthy.
- Fifthly, issues of corporate governance and public accountability, especially where these are accompanied by a heightened media interest, can be seen to be a factor that encourages people to remain in areas where they possess a depth of understanding and support that will carry them through potential times of trial. Raising one's head above the parapet is seen to be a hazardous occupation.

The workshop members were then asked to identify the main lessons they had learned from moving between one part of the public sector and another. These were:

1 Surprise at the sense of liberation and freedom in moving from one organisation to another. In some cases the new environment was more freethinking and encouraged freedom of expression and thought, although actions still had to be consistent with organisational policies.

- 2 The pleasant surprise (that word again) of being valued as having skills and competencies that were relevant and of having this communicated through feedback from colleagues and staff. To be told that one added value and brought a different dimension to the work was gratifying.
- 3 Potential job and sector changes had to be shown to be a sensible part of career development. Account should be taken of the impact on the family of major geographical moves at certain stages in people's life cycles – when children reach crucial stages in their education for example. Organisations should do what they can to minimise disruption.
- A significant minus point of being on secondment to another organisation is that the 'parent' organisation tends to forget about the individual. More often than not, there is no re-entry strategy. It is essential to agree either a route back into the organisation or a clear understanding over the nature of the career path. It seems that, all too often, corporate responsibility only exists as a by-product of someone's paternalistic concern. To achieve a significant movement of staff from one sector to another, there is a need for a proper understanding of the respective corporate and personal roles.
- It is essential to have a common understanding and set of values that are explicit and shared by everyone. There has to be a 'guardian' of these values at corporate level, someone who ensures that all activities are consistent with the values. A key factor is the quality of induction and sometimes this needs to be given before someone commits a career to an organisation. There is a need to make jobs more attractive and to explain them better to prospective candidates. Induction should not be primarily about 'pensions and toilets' but should focus on the values of the organisation.
- 6 All organisations need a professional human resources function.

Next, we asked the delegates what specific advice they would give for the development of PSMI. This produced the following points and suggestions:

- It is much easier to move to a place where one has a contact. A system needs to be in place that helps secondments, including shared training programmes, shadowing, mentoring and access to learning opportunities.
- A virtual staff college should be established to help bring together people across the public service for shared learning.
- The mechanics need to be right, with close attention paid to terms of service, salaries, and pensions.
- Some thought needs to be given to whom the PSMI should be pitched. Is it aimed at senior people or is it to be for everyone? Are we attempting to create the leaders of tomorrow or are we training everyone? Is there scope for a Welsh public service management scheme?
- Notwithstanding any macro scheme, there is a need for collaboration on a micro level, for instance to meet the needs of translation services.
- There is no need for everything to be done by the centre. Organisations will have ideas to develop the concept locally.
- The skills and knowledge of academia needs to be utilised in policy making and development.
- Real learning needs to take place and all organisations need to learn from their successes and failures.
- An adequate budget should be identified.

Chapter 5 INITIATIVE OVERLOAD

Before the final chapter, where I set out a clear role for the development of the Welsh public service and recommend a set of actions, I need to make an extremely important detour. This is involves a word of warning for those who will take forward the transformation of the Welsh public service. There is a danger that we will become prone to initiative overload.

Chris Argyris of the Harvard Business School and Peter Senge of the Massachusetts Institute of Technology are two of the world's leading experts on how organisations learn and develop. When they speak it is very wise to listen. Their expertise and perceptive comments have helped organisations across the world to face and overcome some of their biggest organisational and learning challenges. Argyris was once asked why so many initiatives, introduced into organisations to improve their performance, fail within a relatively short period of time. His comment is worth thinking about carefully:

"The pattern begins when we see a prescription for organisational reform (such as 'empowerment' or engineering') appear on the horizon. More often than not the new idea even contains a genuine insight and is supported by theory as well as stories of successful implementation. All of this gives us hope and we reach out. Almost inevitably, however, we turn the idea into a 'fix' - we condense it down into what we think is an understandable package of procedures. Too often we accompany the packages with an ideology that has quasi-religious overtones. Managers latch onto the package because they're hungry for solutions to persistent issues and tired of gurus advising them to 'wrestle with complexity' (or suggesting that they're colluding in creating problems). As the managers sign on, a bandwagon effect ensues. Then the resistance and the defensiveness show up. The top level becomes frustrated at the resistance of the lower levels. In time, disillusionment begins to appear and, along with it, cynicism. People begin to say, 'We tried that!' The change effort ceases, only to start all over again when the next reform appears on the horizon" (Argyris, 1999).

Any manager, in the private or public sector, will be able to identify with these sentiments. There have been far too many 'worthy' initiatives that have been introduced, accompanied by a fanfare, only for them to peter out within a relatively short time. They are seen as failures when, in reality, they have not been given a proper chance to succeed. Then the cynics within an organisation have an 'I told you so' look on their faces and the senior managers, immunised against the full effects of the initiative, go off in search of their next miracle cure. Equally, Peter Senge has drawn attention to the seeming inability of managers to learn from past successes and failures and to spread best practice within their organisations:

"In this era of profound change, it is hard to find organisations anywhere - businesses, schools, healthcare organisations, government organisations - that are not trying to re-invent themselves, develop e-commerce strategies, or dismantle old cultures to adapt to new realities. But their efforts are usually disappointing ... Typically, less than a third of these programmes are even still alive a year after they were announced. Those that survive rarely achieve hoped-for Obviously, sustaining change in established institutions is not easy. But what is even more disguieting is how little serious effort managers seem to muster to understand why change efforts fail. 'Try and try again' seems to be the motto, yet repeating yesterday's errors is not likely to produce tomorrow's success. What hope can there be for learning if what is actually going on is that no one wants to talk about 'failure'. If it is not safe to explore what happened when change efforts produced disappointing highly visible outcomes, these problems will be repeated.

"Undertaking such reflective self-examination takes time. Analysis can quickly become finger-pointing. So, it is also easy to see how it may seem better to ignore disappointments, to declare victory and move on — even if that means the disappointments will likely be repeated, often by some new 'change leader'. Ironically, learning from success fares no better. Because of the lack of appetite to study our history, when successful change does occur in some part of a larger organisation, it rarely spreads. In fact, the innovators typically leave rather than deal with the internal politics and bureaucracy of their former employers.

"I have come to the conclusion that the inability to learn from history is not just due to lack of will or political conservatism. Though these undoubtedly play a part, there are deeper issues. We simply do not know how to learn from history where change efforts and their outcomes, both successful and unsuccessful, are threatening. Managers are action-oriented people. They are paid to produce results not insights. Even if they are reflective by nature, which many are not, they have little help in doing so, and very few models to guide them.

Matters are getting worse, not better. With overwork and stress levels rising, what little predisposition for reflection and analysis exists is now swamped by a rising sea of day-to-day urgency. The search for quick answers results either in 'here's how we did it' books by retired or current CEOs, most of which offer little serious reflection or self-criticism, or in typical academic case studies that look at a complex change process from the proverbial '50,000 feet', summarising everything in fifteen pages. More serious academic studies of change typically take a theoretical point of view that gives little sense for the thinking of those on 'the field of battle'. Overall, we lack a genre of reflective histories that both serious practitioners and academics alike would find valuable" (Senge, 2000).

These are important insights and ones that those charged with introducing the public service management initiative in Wales should bear in mind. It is all too easy to see an important project flounder on the rocks, not as a result of someone's incompetence or lack of commitment, but because there is little understanding about learning and development.

In a study of public sector reforms in four countries, the Organisation of Economic Co-operation and Development has produced a useful taxonomy of four different approaches to institutional change:

1. The hesitant reformer: implementation of some principles but essentially old-style (or in slow transition) with a reliance on adaptation and incrementalism on a sectoral basis.

- 2. The specialist reformer: the focus is on one or more distinctive types of reform.
- 3. The ambivalent reformer: there is a commitment to general change, but cross-cutting pressures (or inertia) mean that implementation is mixed.
- 4. The comprehensive reformer: makes a major commitment to reform employing a range of reform types (OECD, 2002).

In developing our public service management initiative in Wales we should aim at the fourth category, while being constantly alert to the dangers of initiative overload.

Chapter 6 WELSH PUBLIC SERVICE MANAGERS ACTING IN CONCERT

"If we are going to make a real difference for Wales, every team needs to be thinking of the part it can play in the whole picture – not just in its immediate responsibilities ... I want to see a Wales that achieves prosperity."

> Rhodri Morgan AM First Minister Serving Wales: A Policy Map

This is the prescriptive chapter where I raise my head above the parapet and propose what should be done to develop the Welsh public service. For sake of convenience, I shall refer to the civil service acronym PSMI throughout, although I recognise that the current thinking on PSMI only covers a part of the following five recommendations.

1. Demonstrating the Benefits

Firstly, PSMI has to demonstrate on an on-going basis that the 'whole is greater than the sum of its individual parts'. It is one thing to give intellectual assent to a proposition, particularly one as attractive as all of the public sectors pulling together for the benefit of the people of Wales, and especially one carrying the imprimatur of the First Minister and Permanent Secretary. However, it is quite another thing to make that proposition a reality in the hearts and minds of extremely busy, and sometimes initiative-wary, public sector managers of Wales. It is essential that the project demonstrates that it is connected to real issues and that there is connectivity between its activities and the investment in the development of excellence in public services.

The PSMI project should demonstrate that the reality behind the rhetoric is actually making a difference to the people of Wales. This should be done through the accumulation and dissemination of incontrovertible evidence that in turn will reinforce the commitment to the PSMI principle.

Without this evidence and continual reinforcement, there is a very real danger of lip service being paid to the concept and of it withering on the vine. There is a need for the concept to be clearly defined, refined in the light of experience, and for reflection to take place on what appears to be working and not working. At the very least PSMI has to show that:

- It is resulting in a greater collaboration between the various parts of the public sector.
- Unnecessary barriers have been removed.
- Increased collaboration is producing better results.
- It is moving towards the development of a single culture, or to a greater understanding of how different cultures can complement one another.
- It is providing an antidote for the immobility of managers in and out of Wales.
- It is enhancing the reputation of the Welsh public sector as comprising progressive and innovative organisations and individuals;
- It is developing an approach to public sector management that, whilst not unique, is appropriate and fit for purpose to the specific needs of Wales.

2. Knowledge Management and Intellectual Capital

I am aware that phrases line 'knowledge management' and 'intellectual capital' resonate with jargon. Nonetheless, these two closely related concepts symbolise the revolution that is taking place in the global marketplace. In much the same way as the agricultural and industrial revolutions transformed the economy and social fabric of entire nations in earlier centuries, so the knowledge revolution is transforming the 21st Century. If Wales truly wants to maximise its intellectual power and its "accumulated knowledge and research capacity", to quote the First Minister, then developing these attributes is crucial.

Defining knowledge management is difficult. Two of its leading authorities believe it to be "intuitive and therefore hard to capture in words or understand completely ..." However, they provide what they call a working definition:

"Knowledge is a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the mind of knowers. In organisations, it often becomes embedded not only in documents or repositories but also in organisational routines, processes, practices, and norms" (Davenport and Prusak, 1998).

Organisations around the world are acutely aware that their competitive advantage no longer lies in the traditional areas of labour and capital but in their ability to manage knowledge successfully. One leading authority on intellectual capital wrote:

"Knowledge has always been important – not for nothing are Homo-sapiens, thinking man ... but knowledge is more important than ever before. Our stock of intellectual capital matters because we are in the midst of an economic revolution that is creating the Information Age ... Knowledge has become the primary ingredient of what we make, do, buy, and sell. As a result, managing it - finding and growing intellectual capital, storing it, selling it, sharing it – has become the most important economic task of individuals, businesses, and nations ... The rise of the knowledge fundamentally alters the nature of work and the agenda of management. Managers are custodians; they protect and care for the assets of the corporation; when the assets are intellectual, the manager's job changes" (Thomas Stewart, 1998).

The Assembly Government is to be congratulated for its recognition of these significant facts and the recent creation of an Information (but I wish they had called it Knowledge) Management Division. The internal report that led to the creation of the Division contended:

"Technological development should be complemented by a greater recognition of the value of the intellectual capital that resides in the minds of Assembly staff ... so-called 'tacit' knowledge that people carry with them as well as the explicit knowledge that is more readily supported by technology ...

"The first issue is how to improve our management of the knowledge that Assembly officials carry in their heads ... the case for making an effort here rests on the value of the 'intellectual capital' that is at stake and the cost of replacing it when it gets diminished ... a single initiative, called 'knowledge communities' is suggested as a way of getting substantial numbers of staff actively engaged with knowledge management."

The Welsh public sector may not be a Microsoft, where its market value depends to a large extent on its intellectual capital and to a lesser extent on traditional capital. Yet, there resides in the public sector a relatively untapped 'mind-field' of knowledge and intellectual capital that can be garnered for the benefit of the Welsh economy. A PSMI should see this as a priority and it should move the Welsh public sector from being 'knowledge chaotic' to 'knowledge aware', to 'knowledge enabled', to 'knowledge managed', and finally to a 'knowledge-centric' state (see Gamble and Blackwell, 2001).

3. Development and Learning

To say that there is a need to improve the quality of management and leadership in Wales is certainly no insult to the leaders and managers in the public sector: it is true of all countries and all sectors. Consideration should be given to the introduction of a series of leadership development initiatives. At the most senior levels, the use of coaching, learning sets, and carefully selected external courses is commended. At more junior levels, and in a deliberate attempt to demonstrate the notion of a Welsh public service manager, a graduate training programme could be introduced as a joint exercise between the Assembly, local government and the NHS. In all these new projects the needs of the middle manager, the backbone of most organisations, should not be forgotten.

As a fundamental part of this development there is a need to promote personal and organisational learning. Managers need to learn from successes and failures, to explore their particular 'mental models', to learn individually and as part of a team, and to examine their role in the public sector as part of a larger system.

Additionally, they need to collaborate in 'communities of practice' where they can share experiences, and work in a way where learning, whether on an individual or organisational level, becomes a natural part of management life.

It is essential that all development and learning is primarily based on 'values and reflection' rather than 'competence'. That is not to say that competencies, skills and knowledge acquisition do not have a place in a learning and development agenda. However, a radical change in the way the public service in Wales operates is far more likely to be achieved if the development focus is placed on values, reflection, and personal and organisational learning. Alongside this, there is a need to develop a greater openness and tolerance for debate based on a belief in the value of public services and a greater respect for other public sector colleagues and their contribution.

4. Easing Freedom of Movement

Mechanisms should be introduced to facilitate the movement of public service managers from one organisation to another. The cultural and behavioural expectations of each part of the new public service will need to be made explicit. This will require a statement demonstrating the values and 'way of working' of the new public service. Numerous personnel issues will arise. It will need to be demonstrated how the new public service is contributing to career development, though posts that become available will need to continue to be filled on the basis of open competition.

5. Research

Evidence should be the lifeblood of the public service's activities. What works, what works best and what does not work should be the essential components of its approach to management. Without these it cannot claim to be leading edge and its operation will be intuitive and lacking in challenge. Evaluation and review should also be a feature of the research agenda whose results should feed into all other areas.

A collaborative research network has been agreed in principle for the health service in Wales, an approach that could easily be extended to the wider public service and internationally. As a starting point, the PSMI project needs to visit organisations in the UK and overseas which are seen to be leading the field in the development of their workforces. Universities have a major role to play in the development of the Welsh public service. Within this initiative, they should be seen as key contributors to the research and evaluation agenda. Apart from their contribution to PSMI, they will benefit on an individual and corporate basis from the initiative as part of the public sector.

Chapter 7 ACTION REQUIRED

The usual way to introduce a new initiative is to appoint a project team. Typically this will publish a document setting out the relevant policy and strategy, hold a conference and a set of briefings to announce its arrival, invite bids for any available central funding, and monitor the application of the policy at a national and local level. There is nothing wrong with such a process in the right setting. However, the launch of PSMI should be handled differently.

It is understandable and essential that a senior civil servant be the project director and be charged with taking forward the initiative for the Assembly. This person should also be tasked with bringing coordination to the initiative across Wales. The first task should be to involve colleagues from the public sector that are committed to the ideas and values contained within PSMI. These people should be selected for their commitment, even passion, for the concept rather than merely on some notion of representative rights and/or geographical and organisational location. They must also be able to demonstrate their ability to deliver what is required. In this way PSMI can be introduced organically, rather than through some 'big-bang', top down, strategic management process. The project director should be seen as a gardener preparing the ground, spreading the seed, fertilising the ideas, pruning the dead ideas, and finally harvesting the fruit.

Although an Assembly employee is the project director, it should not be seen as an Assembly project. 'Ownership' should belong with the wider public sector. In all of these tasks, the project leader and those associated with the project should adopt a low key manner. They should certainly not raise expectations, and they should work on the basis of a minimum ten year commitment to the principles of PSMI from those at the top of the organisational tree. If PSMI is going to work then it has to be a long-term commitment, albeit one with certain expected milestones. Seven considerations should be foregrounded.

1. The Vision

The first task of this group, and most of the tasks are concurrent, is to agree a vision for PSMI, one that can be communicated easily to the rest of the public sectors. The Americans call it the elevator test: you get into the elevator with the chairman of your company on the fifteenth floor of your office building and you have thirty seconds to answer his question, "And what do you do to help this company?" As the vision is being communicated across Wales, they will identify other able people and discover existing projects and approaches that are sympathetic to what PSMI is trying to achieve. Their mission is to find cells of existing PSMI-type activity and help get the bandwagon rolling.

2. Changing Attitudes

The second task is to figure out with colleagues the best way to change attitudes and behaviour amongst public sector managers so that the aims of PSMI become a natural part of everyday life: "The way we do things around here." It is relatively easy to get public servants to speak the right words - everyone knows the latest public sector shibboleths. What is much harder is an actual transformation in people's belief systems. PSMI is not a strategy that has to be achieved in 18 months or two years. It is a long-term initiative, a marathon race rather than a sprint, that will bring some immediate but mainly mid-to-long-term benefit to Wales.

3. A Welsh Public Service 'Passport'

If 'zigzagging' careers are to become a reality, then these managers will need to be given a passport to help them cross organisational boundaries. The extent to which civil servants participate in this 'zigzagging' will need to be given special consideration. Their career aspirations are currently far more likely to be enhanced through gaining experience of the UK civil service and the multiplicity of Welsh Assembly Government departments. This is quite the opposite from public sector managers who see an attachment to the Assembly as "good for the CV". Civil service promotion will need to take a more positive view of 'zigzagging' within the Welsh public service in future.

4. Illustrating Change

The fourth task is to invite specific politicians, senior civil servants, chief executives, and similar people to declare their support for PSMI and to provide case studies of how it is beginning to change the way they 'do business'.

5. Combating Inertia

There is considerable evidence that change management projects such as PSMI cause considerable discomfort within organisations. The usually staid corporate body relates to the new venture in much the same way as the human body experiences a virus. It decides that it has to mobilise its defence mechanisms to 'close it down' and ensure that it is removed.

By this time, however, the new venture, the 'virus', has started to achieve a number of successes, fuelling the enthusiasm and commitment of those involved in the project. The corporate 'body' cannot attack qualities such as enthusiasm, commitment and results. Consequently, more often than not it disguises its attack under the headings of value for money, corporate governance, equality of opportunity, and such things. The brilliance of the attack is that any venture must demonstrate these qualities. The result is that over time the 'invading' venture is drained it of its energy and diminishes in purpose.

6. Evaluation

Evaluation must be seen as an integral part of the management process implementing PSMI. The maxim of the *plan : do : check : act* cycle must be a reality. Evaluation should be seen as an active ingredient in an evidence-based approach. It should never be relegated to an activity conducted many years later to justify former actions. Moreover, it should be conducted at three levels: (i) to ensure that the original specification is being delivered or amended on the basis of evidence; (ii) to judge the immediate impact of particular interventions; and (iii) to measure the longer term impact on the Welsh public service organisational culture.

7. A Welsh Public Service College

The final task is to open a Welsh public service college. Between January 1995 and October 2001 I was chief executive of the NHS Staff College Wales. Latterly this became the Centre for Health Leadership Wales, a successful organisation that was run as a virtual college. In the light of that experience I believe the Welsh public service needs a physical location identified with this development. There is no doubt its iconic value would be an enormous stimulus. The following Chapter explores the issues surrounding the establishment of a College in more detail.

Many other tasks will emerge over time. All of the tasks can only be achieved if the project is properly funded for a minimum period of five years. PSMI involves deep-rooted cultural change and cannot be achieved over the short-term. Neither can it be achieved with a shoestring budget.

Chapter 8 THE CASE FOR A WELSH PUBLIC SERVICE COLLEGE

A new leadership and learning centre, jointly owned by the public service in Wales, would commission programmes of study and undertake research. it would build bridges between Wales, Whitehall and Brussels and become a centre of excellence, drawing its inspiration from similar centres, colleges and corporate universities across the world. People in all sectors and in many countries would be able to see that Wales is serious about the development of its key resources in the public service.

The centre would provide many benefits: learning together; concentrating and optimising resources; providing a location where people could speak under Chatham House rule with politicians, academics, managers, civil servants and others. Away-days could be held there as could coaching sessions and programmes; research would be a key activity. It would bring internationally renowned thinkers to Wales and help to promote overseas work being undertaken in Wales.

In repatriating a good deal of management training currently undertaken for the Welsh public service outside Wales, the centre would contribute to economic development. In time, as it developed as a centre of excellence, it could also expect to attract a good deal of income from people coming to study from outside Wales.

A Wider Perspective

Twenty years ago, a large number of the major manufacturing and service organisations in the UK had their own dedicated management development centres or, at the very least, they had regular access to a generic training centre. In a fifteen-mile radius of Stratford, seen as the geographical heart of England, a dozen or so such organisations met the training and development needs of their businesses.

With the chilly economic winds of the 1980s, most of these establishments closed or were transformed into training businesses and run on a strictly commercial basis. One of the fascinating features of business life since the late 1990s has been the re-emergence of leadership centres, staff colleges, and corporate universities. In the United States, for example, the growth of corporate universities has been little short of phenomenal. Leading and internationally respected companies see corporate universities as:

"... linking employee learning to overall company strategy, and as a result corporate universities are becoming the connective tissue of organisations. At some organisations, corporatelearning programmes are even beginning businesses... In their commitment to smarter workers as a bottom-line advantage to the company, these companies have organised themselves as learning systems. They have integrated aspects of hiring, training, recognition and advancement into an educational system that is widely publicised and promoted, and in which participation is high. The resulting individual and collective learning have reinforced the original hypothesis and led to even more extensive financial investment and leadership commitment" (Fulmer and Goldsmith, 2001).

The increase in number has led to the creation of co-ordinating bodies such as the Corporate University Collaborative, The Corporate University, and Corporate University Xchange. In the UK, the number of corporate universities is limited but the success claimed by Unipart's 'U' and the potential benefits of the NHS University are worth noting.

Many other organisations are investing in leadership centres or staff colleges. The most celebrated example is Crotonville, the General Electric Centre reinvigorated under the dynamic leadership of Jack Welch, seen as central to the growth and success of GE during the Welch years. As Welch pointed out in his autobiography:

"The mission of Crotonville is to create, identify, and transfer organisational learning to enhance GE's growth and competitiveness world-wide. The following activities contribute to the accomplishment of that mission:

- 1. Educate employees focussing on leadership, change, Six Sigma, and key corporate initiatives.
- 2. Communicate and strengthen commitment to GE and GE values.
- 3. Build bridges across boundaries by transmitting best practices from one GE location to another, and by providing a setting for people in which to interact across businesses, functions and hierarchies.
- 4. Improve relationships with strategic customers and other key constituencies (quoted in Fulmer and Goldsmith, 2001).

Some organisations, including household names such as Hewlett-Packard, address leadership development and learning from a centralised head office perspective. The comprehensive approach of these organisations is underpinned by the belief that an investment in leadership development has a direct bearing on the bottom line of their business. It is a methodology that is well known to development experts across the world: one identifies the key leadership characteristics, the values of the organisation, and the key business targets and then an appropriate leadership development intervention is put in place. However, the crucial point is that the benefits only accrue when the methodology is applies across the entire business, with a long-term commitment to its application, and the provision of appropriate resources.

Options for the Welsh Public Service

To me, it appears to be a *sine qua non* that the Welsh public service needs an investment in leadership development, learning, knowledge-management and intellectual capital to match best practice in international practice. To achieve the best for Wales and to improve the standard of the services offered to its people, there is a need for excellent leaders and organisations. The only question that remains is: what is the best mechanism to meet the needs of the public service in Wales?

One option is the creation of a unit within the Assembly that would be dedicated to the development of the Welsh public service. I readily accept that such a unit would make a substantial contribution to the agenda that I have set out in this paper. This model has worked successfully in many large organisations and there is no reason why it should not work in Wales. However, there are some disadvantages to this approach, not least the fact that the unit would be seen as a centralised and probably civil service led solution. Although it could work, there is still the fundamental question of whether this arrangement would be the best solution to the needs of the Welsh public service.

Another option is to set up a small agency, comprised of specialist learning and development people drawn from various parts of the public sectors, and to charge them with delivering the agenda. This model has worked successfully in Wales on previous occasions and there is no reason to doubt that such an arrangement could work again. There would be many benefits in that it would be seen as an agency one step removed from a centralist solution and it could be shown to have a staff and overseeing management board drawn from all parts of the public service. Under such a model, it would also be possible to set up virtual colleges or centres to take forward the work and to maximise the contribution of e-learning. The potential downside is that, in the past, similar organisational arrangements in Wales have struggled to survive beyond their early years of operation. They have been seen by many to be caught in the organisational equivalent of no-man's land. They are not a part of the centre where policy and strategy formulation is seen to take place and they are not a part of the local scene where operational management - the so-called real world - is seen to take place. As such, they can lose the support of both sides. Alternatively, they can be challenged repeatedly, by means of independent review and evaluation, to demonstrate their relevance and value for money. Such arrangements can work successfully but they are not necessarily the best solution for the public service in Wales. In my view, the best option is the development of a dedicated college.

Some Likely Objections

Without a doubt, there will be objectors to my proposal. Some will see it as duplicating existing resources - criticism hard to justify when a dedicated Welsh public service facility does not exist at present. However, this concern is a serious point and the new centre would have to demonstrate that it was adding value and not merely replicating what already exists in different parts of Wales.

Others will put forward a view that all of these activities could be undertaken in hotels and other centres across Wales. I agree and, during my time as chief executive of the NHS Staff College Wales between 1995 and 2001, that is exactly how we operated. I well remember weeks when we had programmes running in Tintern, Hensol (Vale of Glamorgan), Builth and Llangollen. It had much to commend it, especially in terms of the geographical spread across Wales. Yet opportunities were lost in bringing groups together. There was a failure to concentrate our resources and to achieve synergy in terms of learning. All these far outweighed other benefits.

The cost of the proposal has to be faced head on. By cost, I mean the extra cash - 'real money' - that will be spent, and not the use of existing budgets in a different way under a new budget heading. Nonetheless, the amount of extra new money would be surprisingly small:

- The location would be an existing hotel or centre and, in my experience, estates people are surprisingly imaginative and entrepreneurial in finding a potential partner who needs the benefit of our business as much as we need the use of their premises. For example, in the early 1990s I was offered a four storey building in Cardiff city centre to house the employees of the Staff College. The proposed annual rent was £1, on condition that I put all my courses and conferences into their hotel at prices that were fair and competitive.
- The public sector already make extensive use of hotel facilities. A visit to three or four hotel locations in Wales would prove that point.

- Faculty members for the new centre could be drawn from researchers. specialists knowledge management, in strategists, and many others already employed universities, local government, the NHS, the Civil Service and elsewhere. They would work for the centre on a parttime basis and an imaginative employment and career development package would attract quality people and keep costs (new real money) to a minimum.
- Organisations in Wales already spend considerable sums on their learning and development agenda. If we assume, quite conservatively, that there are already three organisations in Wales preparing to spend £50-£100k on the learning and development of their staff, then imagine the economic and learning benefits of collaboration between them.

Further work will need to be done to identify the current spend on management and leadership development (and associated activities) in the Welsh public sectors. Only then can the real costs be identified and judged against the indubitable benefits. Some will be concerned that they might lose some of their autonomy and local control over their development agenda. That is a legitimate concern and something that should be resolved. Few problems are insurmountable. The location of the centre could be a major headache with competing claims being made by all parts of Wales and various institutions. This has to be discussed but the decision on location should not become bogged down in endless debate and the final decision should not be a compromise location. The centre must be sited at the venue that will best help it to deliver its agenda.

A further objection might question whether this investment in learning and leadership should be seen as a priority for expenditure. My response is to pose a further question: why do the leading and most profitable companies in the world invest heavily in leadership and learning, knowledge management and the rest? The answer is that they believe it has a direct beneficial bearing on their performance and bottom line. The same is true for the Welsh public service.

I have set out a vision for the college. To take it forward a research project is needed to describe in detail how the college would be established, funded and operated.

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Appendix: Attendees at IWA Welsh Public Services Seminar, 22 May 2003

Nigel Annett, Executive Director, Dwr Cymru / Welsh Water Dianne Bevan, Deputy Clerk, National Assembly for Wales Sandy Blair, Director, Welsh Local Government Association Nicola Donlon, Richard Commission Secretariat

Margaret Evans, Head of the Culture Division, Welsh Assembly Government

Martin Evans, Director of Spending Review, Welsh Assembly Government

Clive Grace, Director General, Audit Commission in Wales John Howells, Secretary, S4C

Joanne Isaac, National Health Service Directorate

Mark James, Chief Executive, Carmarthenshire County Council Marie Knox. Head of Public Health Protection Division. Welsh

Assembly Government

Jessica Mugaseth, Research Officer, Institute of Welsh Affairs John Osmond, Director, Institute of Welsh Affairs

Andrew Price, Acting Chief Executive, Centre for Health Leadership, Wales

Professor Stephen Prosser, University of Glamorgan Business School

Hugh Rawlings, Acting Director, Local Government and Culture Department, Welsh Assembly Government

Geraint Talfan Davies, Chair, Institute of Wales Affairs
John Walter Jones, Chief Executive, Welsh Language Board
Barbara Wilson, Director of Public Service Development, Welsh
Assembly Government