Public value – are you ‘getting’ it?

Does your organisation ‘get’ public value? In a recent post, I discussed some key challenges facing today’s public value leaders. In this blog, I build on that concept by introducing a profiling tool that describes how different organisations approach the concept of public value. Where does your organisation fit?

There are two key dimensions to understanding the public value maturity of your organisation: public value awareness and public value achievement. Let’s take a look at each, so you can use the profiling tool.

Eyes wide open: public value awareness

Public value organisations exist to create public good. It’s important to understand that public value isn’t about inputs, like teams of good people, processes, infrastructure and business systems. And public value is also not about outputs, like prompt train services, passport production, putting out fires,
collecting recycling and building community housing. Leaders generally have a good handle on the inputs and outputs of the organisations – they are the value chain through which public good is generated, but not the public value itself.

Public value is about outcomes. Outcomes like social inclusion and families living without violence. Outcomes like a safe, healthy and educated community, a rich Australian culture and heritage, economic growth and prosperity, thriving and confident rural communities and a healthy, sustainable environment for us to live in. These are the signposts that say you’re really making a difference, and ultimately they are the reason public value organisations exist.

Looking beyond the nuts and bolts of service delivery to shape a compelling public value proposition is a strategic shift in thinking that many organisations and leaders are grappling with today.

Ears to the ground: public value achievement

If shaping an organisation’s public value proposition is hard, defining and measuring public value success is unquestionably harder. Some of my clients actively set public value goals, then monitor and measure them – they are leading the way. However, many organisations have not made the leap to public value goal setting, from which strategies can be formed, teams can be inspired and success can be measured. Why? Because setting and measuring social, economic and environmental public value goals is not easy.

• How does a fire service know if it is building resilient communities?
• How does a school know if it is transforming the lives of its students?
• How do public health providers know they have enhanced the mental and physical health of their patients?
• How does a prison determine if the men and women they have rehabilitated are making positive contributions to the community?

To truly understand the positive difference your organisation is making, defining and measuring public value success needs to be high on the agenda.

Four types of public value organisations

By placing the concepts of public value awareness and public value achievement in a matrix, with ‘low’ or ‘high’ ratings for each, four organisation profiles emerge:

Entrepreneurs

The gold standard. Deeply understand their public value proposition, set public value goals and align their business model to deliver them. These organisations are thought leaders who champion service delivery innovation and build change-ready, public value oriented cultures.

Dreamers

These organisations understand the public good they want to deliver, but their business model is not geared to achieve it. The strategies and outputs of the organisation are not driving public value.
**Drifters**

Have not defined their unique role and point of difference. The public value outcomes of the business are unclear, and the organisation lacks a compelling and motivational reason for being.

**Worker Bees**

Achieve public value by instruction not design. These organisations deliver public good by following legislation and regulation. They are technically capable and proficient, but enhancement of their public good outcomes is limited by an inward focus.

**Where does your organisation sit?**

Below are some strategies to improve your position in the model.

**Worker Bees**

Worker bees make up a large proportion of public value organisations in Australia. They are technically capable and proficient, but inwardly focused. They need more **intention** in their approach to public value.

1. **Start With Why**

Simon Sinek’s *Start With Why* (2011) explores the psychology of organisational identity and purpose, and is a terrific fit for public value organisations. The key message is to explore ‘why’ your organisation exists before defining ‘what’ you deliver, and ‘how’ you deliver it. If your organisation is a worker bee, play the TED talk to your executives and challenge their public value awareness.

2. **Critique your vision – honestly!**

Vision statements in public value organisations are often underwhelming. A vision statement should articulate an organisation’s reason for being – their ‘why’. However many vision statements focus on inputs and outputs, not outcomes. Why? Because it’s easier! Let’s look at some good and not so good examples:

**Not so good:**

- Example 1 – “Our vision: customer service excellence in everything we do.”
  Great operating philosophy, but ‘why’? What public value outcomes will this philosophy create?
- Example 2 – “To be recognised as Australia’s leading adult education provider.”
  Great reputational statement, but ‘why’? What public good will this reputation produce?

**Good:**

- Example 3 – “Young people reaching their full potential as community members.”
An example vision statement for a youth justice service. It looks past facilities, procedures and security to public value.

- Example 4 – “Connected and prosperous regional communities.”

An example vision statement of a transport provider. It looks past buses, trains and stations to public value.

Take a look at your vision statement. How well you have explained your ‘why’?

3. Disengage cruise control

Public value awareness needs strategic thinking. Some boards and executives think this can be achieved as a tick-the-box business planning process, with a focus on the legislative, contractual and policy commitments of their organisation.

That’s ok in a bubble, but public value organisations operate in dynamic, real-time environments, and everything around us is moving... fast. To keep pace, public value organisations must be forward thinking.

The same is true for consulting firms, aptly described in the 2013 Harvard Business Review article ‘Consulting on the cusp of disruption’ which asks: “Is your firm changing (at least) as rapidly as your most demanding clients?”. Public value organisations should ask themselves the same question as it relates to their stakeholders.

Still dubious? Try this: map your key stakeholders according to their interest and influence, and identify your ‘top 5’. Now look at their strategic plans and jot down a summary of their aspirations. Compare that to your trajectory and describe the difference. Still want to be a Worker Bee? You’ll eventually be left behind.

Dreamers

Dreamers know why they exist but have not connected their public value objectives to their business model. Here are three ways to create that connection:

1. Build the case for change

In “Leading Change: Why Transformation Efforts Fail” (HBR, 2013), John P. Kotter highlights the importance of ‘gaining consensus amongst stakeholders that dramatic change is necessary’. For dreamers, this is paramount – they must articulate the public value deficiencies of their business model, and create a compelling reason to act. Courageously define your case for change by demonstrating that the current-state will not achieve your public value aspirations, and back it up with evidence.

2. Link your value chain to public value

All organisations have a value chain, describing the lifecycle through which products and services evolve and ultimately add value to the end customer. The same is true for public value organisations, who deploy people, processes, technology and infrastructure to create programs, products and services that in turn create public value. For dreamers, the link between the value chain and public value outcomes is broken. Take the time to map how the ‘levers’ of your organisation create public value outcomes.
3. Put the big rocks in first

Dr. Stephen R. Covey introduced the powerful concept of putting ‘the big rocks in first.’ Dreamers have a tendency to design endless programs and services, and initiate endless projects, but public value outcomes elude them. It may be time to empty the bucket and start again. Explore how you allocate your scarce resources and ask hard questions about the public value they are really creating.

Give priority to your highest public value paybacks – the ‘big rocks’. Stop hoarding pebbles.

Drifters

Drifters have not defined their unique role and point of difference, and the public value outcomes of the business are unclear.

Drifters should first identify their pathway to public value entrepreneurship. If your organisation has capacity for strategic thinking, choose to firstly build public value awareness through the worker bee strategies. If your organisation has a solid technical and service delivery skill base, build public value achievement through the dreamer strategies.

Once you have moved quadrants, shift your focus to the strategies of the other pathway.

Some drifters will be able to tackle the public value awareness and achievement pathways together. The impetus for this type of rapid change might come from an external audit or investigation, a machinery of government change or the infusion of new leadership. In this case, deploy dreamer and worker bee strategies as part of an integrated plan. And order lots of coffee.

Entrepreneurs

The gold standard. Understand their public value proposition and achieve it.

Public and private sector entrepreneurs can be described as having two key traits – passion (they believe strongly in their cause) and proficiency (they have the ability to achieve it). Divergence comes in the form of the outcomes they create: profitability versus public value.

Public value entrepreneurs have harnessed their passion and proficiency to build public value awareness and achievement in their organisations. We need these people and teams to share their knowledge, tell their stories, and to bring other public value organisations together in new models of partnership and collaboration.
In future blogs, I will continue to explore the spirit of public value entrepreneurship, so make sure to subscribe to our newsletter, and follow us on LinkedIn and Twitter.