The Adaptive State

Strategies for personalising the public realm

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the adaptive tier of governance

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The pressures on politicians from a hyper-demanding citizenry match the pressures for public service improvement from consumers. People want better, quicker and cheaper public services; and they want public institutions and politicians to be more responsive, more sensitive and more accountable to their increasingly diverse needs and concerns. These twin pressures for change – for more personalised and efficient public services and a more responsive politics – permeate all tiers of governance.

Such pressures require a high level of adaptive response from public institutions and politicians. Generally, adaptive responses are characterised by being more attuned to changes in environmental context than conventional command-driven change management approaches. Change that is shaped by, sensitive and appropriate to the dynamics of context is the opposite of the institutionalism underlying the current orthodoxy, in which public institutions are in thrall to their own intrinsic needs and bureaucratic demands and act principally to capture public value for their own purposes of growth and sustenance.

By contrast, adaptive approaches start with the context of customers, citizens, clients and communities and not the content of organisational strategy. At face value, this implies heavy reliance on a 'living systems' or naturalistic approach to policy implementation. But it would be a fallacy to apply the blind logic of natural systems

evolution to the purposive management of change and progress in the world of human affairs and organisational change.[1] Instead, public policy must use adaptive approaches to render public institutions more sensitive to their context and more appropriate in their delivery of purposive change. Their aim is to turn institutions outward in order that they can better transform their operating context.

In this piece I argue that the local tier of government offers the best prospects for successful responses to these enormous pressures. This is not because solving problems locally is the easiest or the most convenient – it is simply where solutions to persistent problems and continuing under-performance are most likely to be discovered.

The nature of change

We all know that technology changes at a pace far swifter than our ability to adapt our own behaviour (how fast can you text message?), let alone that of our organisations (how many staff in large organisations have truly flexible work arrangements supported by modern communication technologies?). However, social and economic changes occur in an even more complex and differentiated manner. Some social changes seem driven by our greater economic interdependence and connectedness – by the impact of greater flows of money and people across the world. Other changes appear to reflect relative social and cultural insularity. Some communities remain characterised by relative social homogeneity while others experience increasingly radical diversity, not simply of ethnic origin, but of culture, family composition and household type.

Another key feature of social and economic change is that it is highly reflexive in character – the changes impact on themselves and therefore tend to accelerate, redouble or further complicate the underlying or precipitate change. This is why we need to beware the seduction of simple solutions; usually a tangled web of causation underlies complex problems such as differential patterns of employability, ill health or criminal behaviour.

Whatever their provenance, the predominant pressures for change

are not simple, predictable, linear and synchronous. Even those with simple origins have become horribly complicated over time through the multiple interactions of people and institutions. For in social policy and organisations, complicated problems (which are difficult to solve) often develop into complex problems that may only just lie with the domain of the soluble – placing a premium on pragmatism of politics and practicality of management. Understanding the diverse and complex nature of these pressures for change is therefore the first step in improving the effective performance of public services and in regaining public confidence in the trustworthiness of public institutions.

Purposeful adaptive responses

In these circumstances, conventional 'command and coordination' approaches by public organisations (adopted to imitate the industrial production model of organisation developed in the late nineteenth century) now appear inadequate over anything more than the very short term. It is only really feasible to command actions (before the event) when the external environment for action is highly ordered and predictable – a relatively uncommon feature in public service.

Increasingly, 'experts' tasked with specialist roles within large organisations are self-organising and operate collaboratively across organisational boundaries in professionally styled 'communities of practice'. Maths teachers, neuro-surgeons, planners and auditors each work for a single institution but they seldom owe their sense of personal purpose and mission to one institution – more usually they have diffuse loyalties to the public, their client, their professional community and their employer. They therefore seldom operate only in the context of strict hierarchical coordination mechanisms within organisations.

The need to shift from a governing dynamic of mutual adjustment and informal cooperation to one of planning, control and impersonal authority has usually been viewed as being a function of scale and numbers. Consider the case of driving. In small numbers, there is simply a need to mark the road and leave well alone (drivers' deal

with each other through a process of 'tit for tat' cooperation); with rising numbers of motorists and road intersections, the impersonal authority of traffic lights becomes necessary. And at some point when negative externalities of traffic begin to weigh heavily against the positive personal value of mobility through car usage, road pricing and restricting mobility shifts swiftly into consideration.[2] In fact, I would argue that adaptive approaches are more apposite when the number of cases and interactions are very high. Mass-scale systems need new learning capabilities if they are to offer services differentiated on the right basis; adaptive approaches are necessary for such learning to occur.

But if adaptation requires an overarching moral purpose, then public organisations need to be adaptive to their context not simply to succeed as organisations but to enable them to transform the context in which they operate. Their aim may be to improve the public value of their services, to increase fairness and justice or to enhance the quality of life of their client group. Adaptive approaches are the means for a progressive end. Schools do not adapt to the circumstances of their pupils in order to succeed as schools; rather schools need to be adaptive to local circumstances in order for the pupils to be more able to succeed in life. It is this purpose beyond the institutional boundary that demands that schools, healthcare institutions and local authorities should be adaptive.

The morphology of public service reform

Private sector competition helps to drive continuous innovation in products and services, in the process keeping apace of the underlying dynamism of society at large.[3] In the public sector, the institutional traditions and character of delivery (based around schools, hospitals, local councils and other public agencies) requires a complementary impulse to ensure their continuing and dynamic relevance to wider society. To date this impulse has been through various reforms initiated by national government. The quasi-market approach of the late 1980s and early 1990s gave way to a more centrally directed approach to experimentation by the first term Labour government.

This was subsequently overtaken by a more considered approach based on strategic service planning and service programme delivery in the second term. This latter approach is based on a firm belief that delivery involves a drive to improve performance overall as well as ensuring that differential performance between agencies is narrowed through the converging influence of applying 'best practice' techniques to service delivery. The agenda is now focused on how best to apply the principles of public service reform to heighten the overall impact of the considerable investment now being made in key public services.

However, too frequently there is conflation at the heart of the public policy debate: the fusion of 'service performance' with 'social problems'. Patterns of ill health are not the same as patterns of variance in hospital performance, and neither are patterns of skill levels the same as patterns of variance in school performance. This is not to argue that variance in school and hospital performance is irrelevant. Tackling poor service performance requires effective managerial attention and effort; tackling persistent social problems requires much more than effective public service management – it requires a whole system approach (involving citizens, politicians, and service providers alike).

In the context of a plan-based approach to public service delivery, the diverse and complex character of social and economic change presents enormous problems of prediction and control to politicians and public managers. Intuitively we know that the future is unknowable but instinctively we are driven to control it! We would never believe anyone who said they could tell us whether it was going to rain the Thursday after next; and yet we seem desperate to attend conferences to listen to experts forecasting medium-term social and economic trends.[4]

Whether our forecast is based on pretended fore-knowledge or conjecture, the recurring theme for political leaders and public managers is that public action requires prior consideration and deliberation in the public domain. So in the public sector our conjecture as to 'what might work' becomes tested in the light of

public debate – prior to, during and then after implementation! That is why all public agencies need to build a public legitimacy to act – delivery involves citizens, it is not simply done to them. More often than not public service issues require mediation between competing claims or differing interests. Different voices and perspectives are evident in most public interest questions: in the contest over the development of land; in the recombination of services between health and social care; in the wider community use of local schools; and in the demands for increased investment in recycling our refuse.

In the design of services to solve today's problems and the anticipated issues for tomorrow public agencies need therefore to engage people from all communities. And to act as public guarantor of fairness and justice (a key purpose of state action) they specifically need to take full account of those people with least power and resources at their own disposal.

Levels of adaptive response

At the national level one key issue is how best to systematise and incentivise adaptive responses by government departments or sub-national governmental agencies. Quite regularly over the past decade or so successive governments have used, to varying success, fiscal rewards and penalties to encourage shifts in institutional behaviour. The local public service agreements, where local councils agree to heightened targets on a series of agreed national and local priorities in return for a 'performance reward grant', are perhaps the most recent attempt to construct a coherent compact between central and local government. These local public service agreements, sponsored by HM Treasury, the Office of the Deputy Prime Minister and the Local Government Association, are now maturing into a 'second generation' round focused on achieving adaptive responses locally to national policy priorities.

At the local level many local councils have recognised the need for whole-system approaches to solving local problems and one-half of all 'top tier' local councils have been evaluated as providing good or excellent services to their local population.[5] From the citizens'

perspective adaptability is required at five levels:

- O *the adaptive worker* where customer interaction is focused on providing value to the customer and is not rigidly bounded by the parameters of the worker's task role and job definition
- O *the adaptive team* where a team of workers have complementary skills and talents that are delivered in combination to provide added value flexibly (with project-focused teams being the most adaptive)
- O *the adaptive service* where service is designed with a view to diversity in demand, with a mixed economy of provision, a variety of service strategies (balancing risk in implementation by 'not putting all eggs in one basket') and personalised customisation in operational delivery
- O *the adaptive organisation* where social and environmental diversity are embraced and where internal and external organisational boundaries are irrelevant to the design and delivery of services
- O *the adaptive locality* where agencies in a local area work collaboratively to provide new combinations of value to changing patterns of citizens' needs.

Effective local councils have invested in adaptability – politically and organisationally. They are alert to the dynamics of local civil society and are attuned to the changing demands of local political life. They have faced the truth that local political parties need continually to be grounded in local concerns and issues of public interest rather than being consumed by the decision needs of the town hall. They have questioned their own democratic legitimacy and in some cases, such as Lewisham, have moved to systems of direct election for mayors as local political leaders.

Organisationally, effective local councils have adopted an outward-facing approach where managers are expected to act as civic entre-preneurs, raising the value of community life through the quality of

local public services (whether directly provided or partnered with the private sector). Effective local councils have a pervasively purposeful 'can do' culture where political leaders seek to animate their communities and public managers seek to generate a sense of urgency and progress in their organisations.[6]

Perhaps more generally, effective local councils have actively invested in organisational agility.[7] Specialist expertise is increasingly necessary but rigid professional boundaries or functional alignment (the dreaded 'departmentalism') is a poor excuse for organisational inflexibility. Public institutions (like local councils) can enhance their organisational agility in a number of ways; they can make use of:

- 'co-production' approaches with citizens or consumers
- technology (mobile devices, palm-top computing, collaborative software, and so on)
- external partners in the public sector (their facilities, assets and people)
- partners in the private sector (their access to expertise and capital)
- 'interim or seconded' management or staff to increase capacity to act.

Just one example of the adoption of organisational agility by local councils is the investment in tools and practices to enable flexible working among field staff. Increasingly mobile data and communication devices are being integrated into the daily working of a wide range of staff – from car parking enforcement staff to child protection workers. This investment in agility is sensible – it makes local councils more effective. But citizens want whole systems to be adaptive, not just single institutions. And it is here where effective local government has the potential to act as the adaptive tier of government.

Adaptive responses in local systems

There are numerous examples of how local responses to social problems demonstrate combined adaptive approaches from a range

of local public institutions and actors. Admittedly several of these have occurred because of the strength of external sponsorship of specific interventions (as with Sure Start early years programmes in deprived communities). However, many local responses have emerged spontaneously through effective cross-agency working at the operational level: in health and social care; in school-based community development; and in estate-based action to tackle crime. Four examples merit illustration.

Tackling crime through local crime reduction partnerships

First, tackling crime through local crime reduction partnerships (led by local councils) is a good example of how local councils and the police force have devised adaptive operational responses to local circumstances. It is possible to cite many examples where action-oriented problem-solving has occurred in multiagency and multidisciplinary settings to combine efforts and target action on issues such as street crime, hot spots for vehicle crime, residential burglary, persistent young offenders and so on. Generally, the approach is to examine local factors in the context of national crime reduction priorities and targets and then to devise operational strategies across agencies for tackling local priorities, local offenders and local offences. The point is that these adaptive responses require local councils and police force to share operational responsibility for a local 'wicked issue' and then to share public accountability for tackling it together.

Improving pupil attainment in schools

Improved pupil attainment across the school system is another example of where local councils can act as catalysts for change beyond institutional boundaries. Local education authorities are increasingly acting to establish educational pathways across the age cohorts and across institutions (schools, colleges and so on) as a complementary strategy to their efforts to improve school effectiveness. The development of a broad but targeted curriculum offer for the 14–19 year age range is one of several approaches where at the local level the

approach to increasing adaptive responses by public agencies goes beyond institutional boundaries.

Cross-agency working in health and social care

The continuum of care between traditional social services provision and healthcare is rich with examples of adaptive practice by professionals seeking to improve the quality and effectiveness of public services. Incentives for collaborative working are again a strong pressure for adaptive change. For example, the issue of hospital 'bed blocking' used to be a big problem for patients, their families and for health and social care staff. Now people are usually discharged from hospital with suitable care quickly and more appropriately. They do not stay in hospital any longer than is necessary, and long stays can increase their exposure to infection and compound their health problems. These changes in practice were triggered by externally imposed targets and a mix of fiscal rewards and penalties; but although these played a crucial part in the change, the substantive changes in practice would not have happened without local ownership and widespread professional commitment to implementation.

Similarly, in mental health services local practitioners – social workers, nurses, psychologists and psychiatrists – have led the way in developing local community mental health teams. These multidisciplinary teams provide a single point of access and an integrated service for people with serious mental health problems. They are adaptively arranged around needs rather than professional boundaries. People whose care needs previously fell in the interstices between services and who are more likely be readmitted to hospital are increasingly being supported by community mental health work.

Local strategic partnerships

Finally, over the last three years and in some 90 or so of the most deprived local authority areas, local councils have developed local strategic partnerships (LSPs) involving constituent partners from the public sector and the private sector together with community

representatives. These LSPs tend to be led by locally elected politicians (directly elected mayors or leaders of local councils) and they offer a genuine prospect for encouraging whole system responses locally. Each LSP is charged with developing its own local community strategy, which could act to catalyse the adaptive responses on a concerted basis of constituent partner agencies at the local level.

Encourage cooperative styles of working

Without effective local leadership, multiagency and cross-sector working can so easily descend into win–lose, zero sum games across institutions. Moreover, the complex nature of the issues and problems being addressed can lead to collaborative inaction and inertia through 'too much knowing and not enough doing'.

Adaptive responses require cooperative styles of working between front-line workers across organisations and between professionals within organisations. The sources of cooperative endeavour have been subject to considerable research and theory over the past 20 years,[8] although there has been little attempt to link this emerging body of work with management practice. It is clear that cooperation needs to be encouraged between individuals and between groups of individuals. It should not be left to chance.

In local councils we need to devise personal work incentives and appraisal systems that encourage cooperative working at various layers – for senior managers, for professionals and for front-line workers. Incentives need to be devised that encourage cooperation between, say, two management executives with different but overlapping or interconnected operational responsibilities. Cooperation does not simply emerge through invocations for public spirited altruism or the natural process of joint working – people need to be taught the benefits to them of reciprocal behaviour with others.[9] Moreover, it may be useful to examine how to encourage cooperation between, say, neighbouring local councils, through wider systemic incentives in politics and funding.

Conclusion

From a central government perspective it often seems that local public institutions adapt national policy aims to their own local resource needs and purposes. To dampen this perceived internalised institutional bias, the government have developed considerable process controls, such as national performance indicators, and a thorough framework of institutional inspection. This may serve to converge public management practice around an acceptable norm (or towards an ideal type) or more pessimistically it may become distorted into an overelaborate process of pseudo-controls.[10] The government and the key inspectorates appear alert to the dangers of this second route; the implication is that transformation in public services demands excellence in local leadership – to build agility, pragmatism and flexibility into the design of organisations and to build alliances with citizens, public and private sector partners as well as employees and their trade unions.

This means that local political leadership is pivotal to the adaptive capacity of public services as a whole, and that it must be intertwined with equally excellent administrative and professional leadership. Adaptive leadership is about 'making happen what would otherwise not happen':[11] seeing the possibilities and opportunities to solve the real problems that face real people. And that is the real deal. Local leadership is adaptive because the problems being addressed are not theoretical. At the front line, local leaders do not invoke change, they generate it. The local tier of government is the adaptive tier because it operates at the level where things have to get done. It is the tier of governance where politicians and public managers need to focus on the discipline of operational delivery; it is the tier where real and persistent social problems are unavoidable and seek urgent resolution; in short, it is the tier where the science of the deliverable meets the art of the soluble.

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Notes

1   R Dawkins, *A Devil's Chaplain* (London: Weidenfeld & Nicholson, 2003).

2   K Arrow, *The Limits of Organization* (New York: Norton, 1974).

3   G Hamel, *Leading the Revolution* (Boston, Mass.: Harvard Business School Press, 2000).

4   P Medawar, *The Strange Case of the Spotted Mice* (Oxford, Oxford University Press, 1996).

5   Audit Commission, *Patterns for Improvement* (London: Audit Commission, 2002).

6   C Leadbeater, *The Man in the Caravan and other Stories* (London: Improvement and Development Agency, 2003).

7   R Ashkenas et al, *The Boundaryless Organisation* (San Francisco, Calif.: Jossey-Bass, 2002).

8   R Axelrod, *The Evolution of Co-operation* (New York: Basic Books, 1984).

9   E Sober and D S Wilson, *Unto Others* (Cambridge, Mass.: Harvard, 1998).

10 C Hood, 'Public sector managerialism onwards and upwards or "Trobriand cricket" again?', *Political Quarterly* 72, no 3 (2001): 300–9.

11 R Pascale et al, *Surfing the Edge of Chaos* (London: Texere, 2000).