

Blurring the boundaries

An examination of public sector recruitment

July 2007



Contents

Foreword	5
By Nicola Linkleter – Executive Director, Public Sector division, Badenoch & Clark.	
Blurring the boundaries	6
An overview of public sector recruitment.	
Case study one	11
The Debt Management Office story.	
Case study two	12
The London & Quadrant Housing Trust story.	
Attracting staff to the public sector	13
An overview of our survey, its objectives and major findings.	
The results	14
In-depth analysis of the survey results.	
About Badenoch & Clark	19

Foreword

Here at Badenoch & Clark we have been aware for some time that the general perception of working in the public sector is a long way from the reality. However, we are equally conscious that a simple range of thoughts, opinions and experiences are equally tenuous: we wanted to ascertain the true picture. That's why we have commissioned both quantitative and qualitative research and produced this white paper.

Our research reveals some surprises: we expected that the private sector's ability to pay greater salaries to be a barrier to public sector recruitment, yet found that many thought that to be a misconception. Yes, people already in post would like to be paid more but there was also a recognition that the public sector offers a flexibility that many private sector firms would struggle to emulate. However, there is also a sense that the public sector is evolving, that the boundaries between public and private sector are not as pronounced as they once were. Indeed, one of our interviewees described the UK's public sector at the start of the twenty-first century as 'exciting'. Perhaps that may be a surprise, perhaps not: certainly there is a sense that changes to the public sector are bringing new opportunities to marry the best of both public and private sectors. For us as specialist public sector recruiters, that too is an exciting prospect.



Nicola Linkleter

Executive Director, Public Sector division, Badenoch & Clark

Blurring the boundaries

All change

Convention dictates that the public sector is rather like some Jurassic sauropod: slow, lumbering and difficult to manoeuvre. In contrast, the private sector is more of a velociraptor: swift, agile and quick to respond to changing circumstances. There are two problems with such simplistic imagery. The first is that neither was ever entirely correct and the second is that stereotypes have an adhesive quality which long outlasts the reality. In the case of public sector employment, the continued presence of Yes Minister and Yes Prime Minister in the top ten listings of the nation's favourite comedies perpetuates the idea of political machinations, the ideal hospital being devoid of patients and that it takes twenty-three thousand administrators to administer the administrators. The delight with which the politicians of the day, particularly the prime minister, received the series somehow confirmed suspicions that this might not be so far removed from the truth. Perhaps it created a popular cultural suspicion of public sector employment: only those with Machiavellian instincts need apply...

But a reading of both Baker and Gershon, with their emphasis on efficiency, indicates that ideas have changed. The end result of providing service may still be the same but the manner in which it is provided has been undergoing a quiet revolution. The public sector has been targeting private sector experience as an enabler for understanding the differences in operating practice it must espouse. While permanent positions have their part to play, a significant factor has been the rise of the interim manager. Then there is the new generation of school and university leavers, the so-called 'Generation Y'. Not only does this generation not remember a pre-computerised time, its members are concerned with work-life balance and 'putting something back into the community' in a way their parents were not. For Generation Y, the public sector is a natural hunting ground for a career that offers more than money. Finally, changes in policy mean the public sector has moved away from the traditional central government-local government-NHS model. As a result, new public service providers have been able to act as catalysts for change and candidates see nothing unusual in moving between public and private sector workplaces.

Catalysts in action

In May 2007, the CBI published its Comprehensive Spending Review submission to the Treasury, which argued that the public sector was ill-equipped to deal with the challenges of the twenty-first century. The CBI considered that the combined challenges of climate change, globalisation and emerging world economies, an ageing population and heightened social and global insecurity were beyond the scope of existing policies. The submission included a five-point plan for the 'radical transformation of public services'. Yet leaving aside the fifth, and possibly most controversial point about overhauling salaries and pensions, it is arguable that the 'radical transformation' is already underway. The evidence for such an argument can be found in research published by the department of Communities and Local Government in February 2007, Learning from Arms-Length Management Organisations (ALMOs): the experience of the first three rounds. The report considers the organisational and cultural change which the establishment of ALMOs has prompted, together with the relationship between them and the local authority. Just as the CBI report called for government to become a commissioner of services rather than a provider, so the Communities and Local Government research concluded that the relationship model between the local authority and the ALMO varied from one where the local authority considered the ALMO to be a new organisation with a clear voice, to one where the ALMO acted as an agent, taking a brief from the local authority: effectively being commissioned to provide services. In addition, ALMOs have a clear brief to include tenant representatives in their processes, thus meeting another requirement of the CBI report – to make services more responsive to the public.

In most cases ALMOs were established to take advantage of the money available under the Decent Homes programme for which local authorities were not eligible. But as the Decent Homes programme comes to an end, ALMOs have been forced to look ahead. In many instances that has involved the distinctly private sector operation of establishing business plans and consequently installing the type of organisational structure which can support the business plan rather than the traditional structure

which reflects the working patterns of former housing departments. The completion of the Decent Homes programme has effectively left ALMOs operating in a competitive market as they seek survival strategies. It would not be beyond the realms of possibility to envisage ALMOs combining to share back office functions such as IT and HR in a bid to remain competitive. Both a competitive marketplace and shared back office functions are included in the CBI's vision for the future.

Interestingly, the Communities and Local Government research comments on the changing culture within ALMOs saying, "Culturally, they see themselves and are seen by tenants active in the ALMO, as 'different' from the council." As many of the original ALMO employees are former local authority housing department members, this changing culture has led to remaining local authority employees, particularly junior members of staff, feeling they have been left behind. As a result, it is arguable that ALMOs are exposing remaining local authority departments to the need for change.

ALMOs are not the only vehicles which are operating as catalysts for change. NHS Foundation Trusts are fulfilling a similar role. Indeed, a specific legal status – that of public benefit corporations – was created both to acknowledge their responsibilities and to accentuate their discrete position. Exempt from central government control, Foundation Trusts' experiences mirror those of ALMOs in many ways: greater connections with, and the ability to shape their services around, the needs of the communities they serve; plus the need to develop business plans, although in Foundation Trusts' case this is fuelled by the capacity to both borrow money and reinvest surpluses. In terms of a comparison between their former incarnations and their current status, somewhere between public and private sector, both ALMOs and NHS Foundation Trusts might be tempted to borrow from LP Hartley's famous opening line: "The past is a foreign country, they do things differently there".

The interim manager as an agent of change

Although the above institutional changes have gone some way to blurring the boundaries between public and private sector another factor has been the 'human touch', personified by the interim manager. The use of interim managers is not confined to ALMOs and NHS Foundation Trusts. Central government and, particularly, local authorities appreciate the benefits an interim manager can

bring to a role. The typical interim manager began his or her career in the private sector and has little difficulty in bringing that task-focused mentality to the public sector. That focus on the task in hand will often see the interim manager working extremely long hours and often they will take long breaks between assignments as recompense for the extensive time commitment. In addition, the financial rewards a good interim manager can expect to receive are commensurate with private sector rates. As such, it is incumbent on the employing organisation to use the resource efficiently. One of the interviewees for this paper commented that in his experience local authority ratings were in direct proportion to the speed of establishing an email account. The best performers would provide notification on or even before his start date; the worst could take up to two weeks to set up an email account – and therefore would be paying him for working at less than full capacity.

One of the interviewees for this paper commented that in his experience local authority ratings were in direct proportion to the speed of establishing an email account.

Many interim managers use their commercial experience to implement change management programmes within specific time scales. Apart from implementing the change, they will also instigate appropriate communication and training and leave adequate resources to enable the person who will be responsible for managing the change in future to assume control with the minimum of difficulty. However, the problems of recruiting at a senior level mean some organisations may ask them to remain as a temporary manager; alternatively, an interim manager may be specifically recruited in a 'caretaker' role until recruiting for a permanent placement is successful.

The projects interim managers are required to take on are frequently highly complex and challenging; together with the financial rewards and the freedom of only working at certain times of the year, these challenges were cited as a positive by the interim managers interviewed for this paper. However, the difficulties of carrying out this type of role should not be underestimated. When the interim manager is appointed to bring about change they can face a closing of the ranks and the nature of their role means they cannot set

about building long-term working relationships. Instead, they must find a way of bringing about perceived benefits as quickly as possible to stave off fears of change.

Expertise as a catalyst

In the past five years there has been a phenomenal growth in demand for people who have experience of dealing with environmental issues. The private sector in particular has seen spiralling wage inflation for people who have experience with climate change management and carbon footprint issues. At Badenoch & Clark we have noticed that many public sector clients particularly value the experience gained by our Antipodean colleagues. Australia and New Zealand began paying serious consideration to these issues rather earlier than other English-speaking countries and, as a result, are considerably further ahead in terms of academic development of the theoretical ideas which underpin environmental and sustainability laws. As new legislation here is very similar to what is already in place in the southern hemisphere, these skills are transferable and local authorities in particular are choosing to take advantage of the existing experience on offer.

One interviewee in the qualitative research referred to, “Politics, either with a capital ‘P’ for government or a small ‘p’ for public sector culture.”

However, as one interviewee for this paper explained, there are differences in approach. In New Zealand four core values or ‘well beings’ underpin all sustainable development: social, cultural, environmental and economic: to achieve success in the decision-making process any project must display all four. In England, where there is less space available for development, economic factors act as the overriding principle. But as concerns about climate change deepen, so the other factors are coming into play – for our Antipodean colleagues it is an ‘exciting’ time to be working in England as their experience will enable them to bring about change by using their countries’ more holistic views about sustainable development.

Public sector challenges

The challenges the public sector poses should not be underestimated – even if many are misconceived. In terms of recruitment, the

Badenoch & Clark survey reveals that the competition between public and private sector for the same talent is seen as a major challenge. Then there are the frustrations of red tape and the issues of headcount, budget or recruitment freezes. Perhaps it is instructive that one interviewee in the qualitative research referred to, “Politics, either with a capital ‘P’ for government or a small ‘p’ for public sector culture.” Another talked of the paradox of a service which moves very slowly in terms of culture and yet has to react, sometimes rapidly, to its political masters’ demands. This is, perhaps, one area where the boundaries between public and private sector still remain stark, particularly at senior levels. Commercial experience simply cannot equate to the experience of coping with ‘Politics’.

Certainly, among interim managers there is a feeling that the public sector culture requires a ‘kid glove’ treatment that might not be considered appropriate in the private sector. There were also numerous comments about the ‘lack of commercial awareness’. As one interviewee explained, “In the private sector you have to think about the finances, in the public sector it’s about delivering a service and there simply isn’t the same level of financial analysis.” Some did feel that the pace of change over the past few years had left many public sector staff de-motivated and that ‘yet more change’ was therefore a difficult concept in terms of re-motivating employees. One said that in severe cases, an interim manager whose task is to create change can be ‘overwhelmed by inertia’. However, there was a consensus that once the benefits of change were appreciated, they were embraced with enthusiasm.

The pattern of constant change has been present in the private sector for well over a decade and it would appear that it is now embedding itself in the public sector. Over time the private sector has developed a number of strategies for enabling employees to cope and therefore the public sector is in a position to take advantage of lessons learned. One key example mentioned by interviewees is employee communication. Research conducted by the Institute of Public Relations in 2004 indicated that communications practitioners in the public sector were less likely than their private sector counterparts to rate their communications as ‘effective’. The issue does not just apply to formal channels: an environmental specialist from New Zealand commented that the ‘piecemeal’ approach to sustainability in the UK was not helped by the departmental ‘silo’ mentality where people ‘look after their own patch and genuinely wonder why you are ringing them about something they think

fits somewhere else'. One interim manager who led a highly successful change programme said, "Publicity is really important, people do become de-motivated when they know they are doing well but never read about themselves. If you – and they – are successfully delivering a fresh way of working then shout about it." Another tip was to make sure ideas from front-line employees reach managers so they can be adopted: ideas which have come from colleagues are often perceived as more 'relevant' and meet less resistance. Another manager said, "Make sure you explain why you are doing something as well as what you are doing, it makes all the difference."

So although the public sector faces challenges, in some instances it can adapt the solutions the private sector has already discovered.

Another challenge the public sector faces is dealing with popular misconceptions. In Badenoch & Clark's survey 48.3 per cent of respondents said that the most popular misconception was that the work was less demanding than in the private sector: as 45 per cent felt that one of the benefits of public sector work was the challenging and rewarding work, there is a clear discrepancy between perception and reality. Although red tape was cited as a challenge, the amount of bureaucracy was considered a misconception by 22.5 per cent of survey respondents. However, in the individual responses, bureaucracy was seen as an impediment to the recruitment process as it seems some applicants found other posts where organisations were able to respond with more speed. However, it is unclear whether this is recruitment in general or whether this particularly relates to graduate recruitment where many candidates operate a 'scatter gun' approach with a view to finding any employment before their course finishes.

Interestingly, less competitive salaries was seen as a misconception by 16.3 per cent of respondents, although it was acknowledged that the private sector is able to offer more in terms of bonuses, life assurance and health care. When it came to the written answers to Badenoch & Clark's survey, the feeling that salaries should be increased did emerge as a common theme among people already in post, although one respondent did add 'they are fairly well matched to work/life balance'.

Quality of life and career development

The public sector may face challenges but it also has distinct advantages over the private sector.

Over the past few years results from numerous surveys have indicated that the most important benefit an employer can offer is flexible working. This is something the public sector clearly does well. The results from Badenoch & Clark's survey overwhelmingly support previous findings with 78 per cent of respondents citing benefits, including flexible working, pensions and holiday, as the key benefit the public sector offers. When these factors are considered in greater detail, 57.6 per cent of respondents said the public sector's holiday provision compared very favourably with the private sector's; 55.3 per cent said the same about flexible hours, and 50.1 per cent about pensions.

Without doubt, the boundaries between public and private sector working have become blurred through organisational change and individual effort.

Another area where the public sector scored favourably was in career development. When compared to the private sector, 42.4 per cent said training provision compared favourably with the private sector and 36 per cent said the same about structured career paths; 38.9 per cent said the public sector was good at funding studies and providing study leave.

Badenoch & Clark's view

Without doubt, the boundaries between public and private sector working have become blurred through organisational change and individual effort. As a result, we expect to see greater migration between the public and private sectors in the future, although it may take some time before this is at the most senior level.

It is clear the public sector does have a lot to offer and as many of our survey respondents said, marketing and education have key roles to play. There are two factors here: firstly, the private sector has been extremely good at making children aware of the types of career they can offer; secondly, the development of degrees specifically relating to public sector careers outside the NHS – housing management, for example – is a relatively new concept. The view from one of the respondents to our survey is that education should be tied in with marketing; the suggestion being that public sector employers should club together to produce a marketing campaign to show the type of work they are engaged in.

The public sector has much to offer new recruits. Our research indicates that education, engagement and marketing are the tools which will enable them to see clearly the opportunities on offer.

Here at Badenoch & Clark we certainly agree that the public sector should be 'blowing its own trumpet' more. The public sector manages the difficult balancing act of offering work-life balance and career development. The trade-off is lower salaries but responses to our survey indicate these are not necessarily uncompetitive. The positivism with which flexible working is associated speaks for itself but career progression, training and study leave are also important benefits that should not be overlooked and have their own marketable qualities. Arguably,

marketing opportunities for some local authorities will be boosted later this year when the first Sunday Times 100 Best Councils to Work for list is published. Each participating authority will also receive a report into employee engagement. This brings us to a point of concern: our interviewees' comments on the lack of motivation in some areas of the public sector. Existing employees are an often-overlooked marketing channel, but for word-of-mouth to be successful it must combine positivism with realism. As a result, employees must be engaged with what is happening in the workplace. It is in the field of change management and employee engagement that the public sector really can reap the benefits of lessons already learned in the private sector.

The public sector has much to offer new recruits. Our research indicates that education, engagement and marketing are the tools which will enable them to see clearly the opportunities on offer.

The Debt Management Office story

The type of challenges the public sector faces are exemplified by the UK Debt Management Office (DMO). Its key debt and cash management functions were originally undertaken by the Bank of England; the DMO became part of HM Treasury when responsibility for setting interest rates was given to the Bank of England. The DMO's trading desk is at the heart of its operations. Although issuing government bonds via auction is a large part of its activity, the DMO also has a cash management function, acts as a lender to local authorities for capital expenditure and manages certain government funds. The DMO has around 85 staff and its turnover is in excess of £1,200 billion a year.

As a result of its activities, the DMO requires both people with City-type skills – including dealing, quantitative analysis, risk management and settlement – and also skills for working with Whitehall and the Bank of England. As a result, it faces competition for staff from the City, from other government departments and from private sector companies wishing to interact with Whitehall, who are therefore keen to recruit people with relevant skills. The private sector is in a position to offer greater financial rewards whereas other government departments are in a position to offer a wider range of career opportunities than a small agency.

Chief Operating Officer Jim Juffs explains that the challenge for the DMO is that it is in a rare position: it is a public sector entity operating mainly in a financial markets environment. This means that it

needs to operate within policy guidelines set down by the government – including on pay – but at the same time needs to operate in the financial markets with investment bank counterparties on each UK business day. As the government's debt and cash manager it must also display the highest levels of integrity in all its market dealings. As a result, it is dependent on engaging employees that have both the technical abilities to do the job and are fully comfortable with the public sector ethos.

[The Debt Management Office] is in a rare position: it is a public sector entity operating mainly in a financial markets environment.

The DMO highly values training and development and has an extremely good corporate programme which offers employees the chance to gain and maintain marketable skills. However, it is recognised that this can be a double-edged sword, with the DMO possibly being seen by some as a stepping stone into the City with all that this could bring.

Despite the challenges it faces, the DMO prides itself on offering an exciting working environment and as a small agency, it has a strong sense of community and staff do not get 'lost' in a monolithic structure. Its area of expertise – debt and cash management – is also an interesting and attractive area to staff as part of the overall package.

The London & Quadrant Housing Trust story

London & Quadrant (L&Q) Housing Trust is a regular in the Sunday Times best 100 companies list. Group Director of Human Resources Sally Jacobson explains how a public sector organisation can compete with the private sector.

- The only way of getting your customers to say you are the best is through the people you employ so you have to get your employees to love their jobs. The questions you must ask are: 'how do we become the best in the business?' and 'how can we make your job easier?'
- In our 1999 employee survey only 45 per cent of our employees felt valued and recognised. That figure is now 84 per cent.
- You must deal with poor performers. It's very demotivating for people who are doing a good job to see the person next to them doing a poor job. If you deal with poor performance then employees know they are noticed for doing a good job as well.
- Invest in your managers so they are fantastic at managing and can recognise good performance – L&Q sends its managers on a nationally recognised course run by Nottingham Trent University. Senior managers attend a specially designed development centre at Roffey Park.
- HR has developed lots of initiatives around career and family friendly policies.
- A corporate plan is produced every year and 25 per cent of it is dedicated to employees and what is going to be done to enable them to really enjoy their jobs.
- If you struggle to recruit, turn it into a virtue by developing a training programme to cover your specific needs.
- Job swapping, acting up, finding out what happens in another department – we encourage them all and we expect our managers to know every member of their team's hopes and dreams.
- To combat stress in the workplace L&Q paid for every member of staff to be enrolled on the Vie Life programme. Following tests, this provides suggestions for each individual to help them live a healthier lifestyle.
- Every team is given money to enable them to have a celebration during the year: Christmas, Diwali or April 1 – the date is up to them.
- Managers are expected to buy small presents such as flowers or chocolates to say thank you for particularly good work.
- Outstanding achievers are rewarded by being given gold identity badges rather than blue, it really matters because the customers pick up on it. They also receive 2.5 per cent of their salary presented at our annual conference.

Low turnover rates means some people feel that to get promotion they have to move on. If L&Q considers them to have real potential Sally writes to them after six months with her personal contact details in case they should want to return. "Sometimes the grass isn't greener and they do want to come back," she explains. "A role isn't always available immediately but we get them back as soon as we can. It's a small thing but it makes a lot of difference."

Over the years appearing in the Sunday Times 100 Best Companies list has been worth more than £100,000 per annum in advertising costs alone. In addition, it has meant that L&Q can cherry pick the best graduates – but its graduate recruitment programme started off with a speculative letter and no budget. Sally explains: "I had a letter from a very good candidate so we pulled a programme together. The following year we had six graduates but the programme had to be at nil cost. They all went into existing posts and were moved round every six months. I had to persuade managers that it made sense to have four people over two years in the same post but it was hugely successful. We now take six to eight graduates a year and the scheme is still self-financing: the people on the graduate programme are paid at a grade lower than the job would give them but the graduate starting salary is competitive and they receive money for staying on the programme."

The staff turnover rate at L&Q is 11.7 per cent, compared to a sector average of 25-30 per cent. Recruitment savings have been used to provide employee benefits:

Attracting staff to the public sector

Executive summary

In May of 2007 Badenoch & Clark surveyed over 700 hiring managers across local and central government, housing associations, ALMOs, NHS and charities who have a responsibility to recruit professional support staff.

Our objective was to understand what challenges different organisations within the public sector face when recruiting, how they compare with private sector organisations and what can be done to address these challenges.

Our key findings make interesting reading for employers and employees alike:

- Half of those asked believe that it is difficult to attract talent to the public sector. This is predominantly due to recruitment freezes, constant changes and restructures and strong competition from the private sector. However there are pockets of the sector and the UK, which are finding it comparatively easy. Overall, central government is the easiest area of the public sector to recruit for and local authorities are the most difficult to attract talent to.
- A focus on marketing and PR is repeatedly cited as the one action organisations can do more of to help attract talent. However profile-raising on a nationwide basis is not the total answer. Our findings show organisations need to also take a localised approach to create noise around the benefits of working for them. Despite local government being the most difficult area to attract talent to across the board, it is only the third most difficult organisation to attract talent to in Yorkshire and The Humber. So what is this region doing that other regions aren't?
- Benefits are renowned for being the biggest attraction to working in the public sector and our findings support this. However the challenging and rewarding work on offer is the next biggest attraction and this needs to be a key focus when profiling organisations and roles. Our results go on to support this, as the biggest misconception of working in the public sector is that it is less demanding than the private sector. As one respondent said, "Running a local authority or NHS Foundation is no less challenging or rewarding than the private sector, it's simply different."
- Our results show that the NHS is leading the way on providing structured career paths. This may be in response to the fall out from recent restructures and mergers. Whatever the reason, it is clear that this is aiding retention and reducing the cost of recruitment.

The results

Organisations and locations

How easy is it to attract talent to the public sector?

- 6% Very easy
- 44.3% Quite easy
- 49% Difficult
- 1.1% Impossible

Figures show percentage of respondents.

Almost 50 per cent of those questioned believe that it is difficult to attract talent to the public sector compared to 44 per cent who believe it is quite easy. It is only when we dig deeper that we get a clearer picture of which organisations and locations struggle the most.

How easy is it to attract talent to different organisations within the public sector?

	Very easy	Quite easy	Difficult	Impossible
Local government	6.1	32	58	4
Housing associations/ALMOs	6.5	51	42	0.8
Not for profits	4.3	47	49	0
Central government	5	66	30	0
NHS	11	43	53	2

Figures show percentage of respondents.

62 per cent of employers within local government believe it is difficult or impossible to attract staff to their organisation, which is at least 13 per cent more difficult than any other type of organisation. In comparison, 71 per cent of central government employers believe that it is quite easy or very easy to attract talent to their organisation.

Local authorities across England and Wales collectively employ over two million people according to the Local Government Association. Attracting this sheer volume is likely to be an ongoing challenge in itself. The situation worsens as nearby authorities compete for the same type of staff, particularly the high calibre and experienced staff, of which there is only a finite number. Add to this an undesirable location or a limited budget and the pressure to attract the best talent becomes even more acute.

Central government is a multi million pound business which deals with high profile projects that influence

and impact on every aspect of life in Britain. The mere nature of its purpose means it is an attractive option for many who want to work within the public sector. It also offers unique opportunities for many as some roles can only be performed in a central government environment.

How easy is it to attract talent to the public sector in different locations?

	Very easy	Quite easy	Difficult	Impossible
Scotland	4	48	47	1
North West	6	43	51	0
North East	5	48	47	0
Yorkshire & The Humber	9	61	29	1
West Midlands	0	33	56	11
East Midlands	0	22	78	0
E.Anglia & N.Home Counties	9	28	61	2
Essex	4	38	58	0
London	4	42	52	1
South East (exc London)	6	25	63	6
South Coast	0	40	60	0
South West	4	48	47	1

Figures show percentage of respondents.

How easy is it to attract talent to different organisations in different locations?

	Local government	Housing assoc./ALMOs	Not for profits	Central government	NHS
Scotland	4	1	2	3	5
North West	5	4	3	2	1
North East	5	2	3	4	1
Yorkshire & The Humber	3	4	5	2	1
West Midlands	5	4	3	2	1
East Midlands	5	2	4	3	1
E.Anglia & N.Home Counties	5	4	1	2	3
Essex	5	3			4
London	4	2	3	1	5
South East (exc London)	5	1	3	2	4
South Coast	5	2	1	3	4
South West	5			4	

1 Easiest to attract talent to.

5 Most difficult to attract talent to.

The previous two tables show how geographical location has an impact on attracting talent to different types of organisations.

According to our research, the East Midlands is the most difficult region to attract talent to work in the public sector. Yet parts of the region also have high unemployment rates. Nottingham for example has the highest unemployment rate outside of London¹. This might suggest that the local population does not have the skills or experience to perform the roles available in the public sector. To address this, public sector employers in the East Midlands may need to consider developing appropriate training for the unemployed.

Yorkshire and The Humber scores highly when attracting staff to the public sector, particularly within local authorities, NHS and central government. A number of factors may be attributed to this:

- It would be interesting to investigate whether strong service provision is linked to ease of attracting staff. Yorkshire and The Humber has many local area agreements in place and five star ratings within NHS Foundations.
- Regeneration of the major cities in the area, transport links and access to diverse countryside make it an appealing region to live in.
- There are a number of central government departments which devolved from London to Yorkshire and which naturally attract talent due to the kudos so often associated with central government.
- A strong labour force exists following the decrease in the manufacturing industries in the region.

But how different is the situation in Yorkshire and The Humber to other regions in the UK? What is it that they are doing that makes it a more attractive place to work?

When evaluating attraction to the NHS, there appears to be a real discrepancy in the results depending on location. In London and Scotland, our survey shows that the NHS struggles to attract talent. However, in five other regions NHS respondents reported they found recruitment easy. Recent mergers of Primary Care Trusts and Strategic Health Authorities has meant that the NHS nationwide has or is going through a period of change, which might effect how easy it is to recruit staff; recruitment freezes, Agenda for Change pay scale review, having to consider displaced staff for every role regardless of the skill set, lack of funding for non-front line services are all issues affecting the sector.

So why is it that some NHS organisations are finding it so much easier to attract talent than others? Results might suggest that the NHS reform is more successful outside of London and Scotland, which leads us to conclude that there must be local factors that influence working in the NHS.

What attracts talent?

What attracts employees to the public sector?

- 78% Benefits
- 45% Challenging and rewarding work
- 42% Giving something back to society
- 41% Training
- 38% Structured career path
- 22% Competitive salaries
- 18% Engaging culture
- 12% Other

As expected, benefits such as holiday, flexible working, pension etc. are the biggest attraction to working in the public sector at 78 per cent. What is particularly interesting to see however is that challenging and rewarding work is rated as the second biggest attraction at 45 per cent.

Our *Blurring the boundaries* report concludes that the public sector needs to invest more in raising its profile on both a nationwide and localised basis to make it a viable option to private and public sector employees. Each organisation needs to communicate the challenging and rewarding work that is on offer to ensure it can compete for talent.

What top three things attract employees to different types of organisations?

	Local government	Housing assoc./ALMOs	Not for profits	Central government	NHS
Benefits	1	1	3	1	1
Structured career path					3
Training		2		2	2
Competitive salaries					
Engaging culture					
Giving something back to society	3		2		
Challenging and rewarding work	2	3	1	2	

1 Top attraction

¹ Range of unemployment rates within English regions and GB countries, October 2005 to September 2006. Source: Office for National Statistics.

The not for profit sector is the only area in the public sector that doesn't believe its benefits are the single biggest point of attraction. The challenging and rewarding work offered by the sector is rated as the biggest attraction, which at 55 per cent is heavily influenced by giving something back to society at 53 per cent.

Our results show that the NHS is leading the way in providing a structured career path by achieving the highest score at 44 per cent. It might be argued that opportunities for career development are being created as a result of the recent restructures as employers attempt to retain staff and keep recruitment costs to a minimum.

Unsurprisingly competitive salaries received low scores across the board, however what is interesting is that engaging culture stands out as having scored particularly low in the NHS and local government at 11 per cent and 19 per cent respectively. Those in managerial positions do not believe that either organisation has an engaging culture, which might be a reflection of the changes that have occurred within these environments. The challenge for the NHS and for local government organisations therefore is to develop an engaging culture.

Misconceptions

The biggest misconception of working in the public sector

- 49% Less demanding
- 22% More bureaucracy
- 16% Less competitive salaries
- 6% Unstructured career paths
- 5% Too specialist skills required
- 2% Undifferentiated working hours

The biggest misconception of working in the public sector is that it is less demanding than a private sector environment. Again the public sector and individual organisations need to profile the type of work available and what a vital role it plays in providing public services.

This corresponds to the fact that the public sector compares favourably with the private sector on Challenging work. As one respondent said "Running the NHS, local authority or charity is no less demanding than running a private sector organisation – it's simply different".

In demand

What types of staff are typically hard to recruit?

Local government

Senior level with technical knowledge, public sector experience lawyers and solicitors and specialist roles.

Housing associations/ALMOs

Surveyors, technical staff and support workers.
For all of these roles there is a particular emphasis on high calibre staff.

Not for profit

Specialist staff and good support staff.

Central government

High calibre IT staff, security cleared technical staff and specialists.

NHS

Professional support staff with experience and specialist staff.

It is often expressed junior staff leave after a few years due to poor salaries.

Across the public sector, the overriding demand exists for specialist roles at a senior level. However the NHS has been condemned by the press for having too many managers already. So it is interesting to see that the managers themselves who responded to this survey believe they need more staff at a senior level. For all areas of the public sector they need to introduce new ways of filling the skills gap. This can be through training and development plans for existing staff, being more flexible in their approach so they recruit those with the potential to perform the job or looking outside of the public sector for the skills needed.

Public v. private sector

Comparing the public sector with the private sector

Compares very favourably

Holiday

Compares favourably

Challenging and rewarding work

Compares neither favourably nor unfavourably

Flexible working location

Compares unfavourably

Competitive salaries

Compares very unfavourably

Bonuses

We asked hiring managers for their thoughts on how the public sector compares with the private sector on various aspects of their benefits packages.

Challenging and rewarding work compares favourably to the private sector and needs to be a key point of focus when attracting talent from both the public and private sectors. Interestingly flexible working location is no more favourable in the public sector than the private sector, suggesting that the public sector has yet to embrace the technical advances allowing employees to work from home, for example. This is one area that might need more investigation to ensure the public sector is a strong contender when competing with the private sector.

The challenges ahead

Biggest challenges for public sector recruiters

- 1 Headcount, budget or recruitment freeze issues
- 2 Attracting staff with the appropriate technical skills
- 3 Increasing competition for the same talent
- 4 Attracting staff with the appropriate experience
- 5 Red tape – democratic decision
- 6 Impact of more target driven organisation
- 7 Location
- 8 Unreasonable pay demands
- 9 Image/reputation

From a list of nine options, those surveyed were asked to rate how much of a challenge each option was to them when they recruited.

When asked to rate the biggest challenges when recruiting, image/reputation was rated as the least of their challenges. However a number of respondents went on to say that if their organisation focused more on their image and reputation it would be a quick win to attracting talent. (See the 'Combating challenges' table below.)

Combating challenges

Local government

PR of the organisation, improved benefits package and a focus on training and staff retention.

Housing associations/ALMOs

Rebranding, competitive salaries, and appropriate training.

Not for profits

Marketing.

Central government

Marketing and competitive salaries.

NHS

Marketing, competitive salaries and fewer re-structures.

When asked for general opinion on what different organisations need to do to combat the challenges of attracting talent, the table above shows the most common comments.

Conclusion

Overall the public sector has a lot to offer employees – challenging and rewarding work with great benefits, with which the private sector as a whole cannot compete. However there is a stigma attached to the public sector, which it needs to rid itself of and this can only be done through highlighting the benefits; the success stories; giving something back to the community. There are plenty of examples where organisations have done just this and by developing a reputation of being a great employer, have attracted the best talent to their organisation.

Methodology

Research for this paper was both qualitative and quantitative. Interviews were carried out in April and May and an online questionnaire was completed by 726 respondents during May 2007.

About Badenoch & Clark

Whether you're looking for a fresh career challenge or you're an employer looking to recruit talented professionals, you'll appreciate working with a recruitment consultancy that really understands your needs.

At Badenoch & Clark we focus on connecting the right people with the right opportunities. We understand that it's much more than filling vacancies. It's about making the right connections between skills, cultures and roles.

With more than 250 consultants in the UK dedicated to connecting job seekers with clients across the public sector, we understand the pressures facing employers and have access to a substantial base of professional job seekers. Our UK-wide presence, operating in major business centres up and down the country, means we have the strength and depth to deliver a truly tailored service.

Contact us

For more information or for further copies of *Blurring the boundaries*, please contact Honor Simmonds at:
honor.simmonds@badenochandclark.com
Tel: 020 7429 5286

www.badenochandclark.com

www.badenochandclark.com