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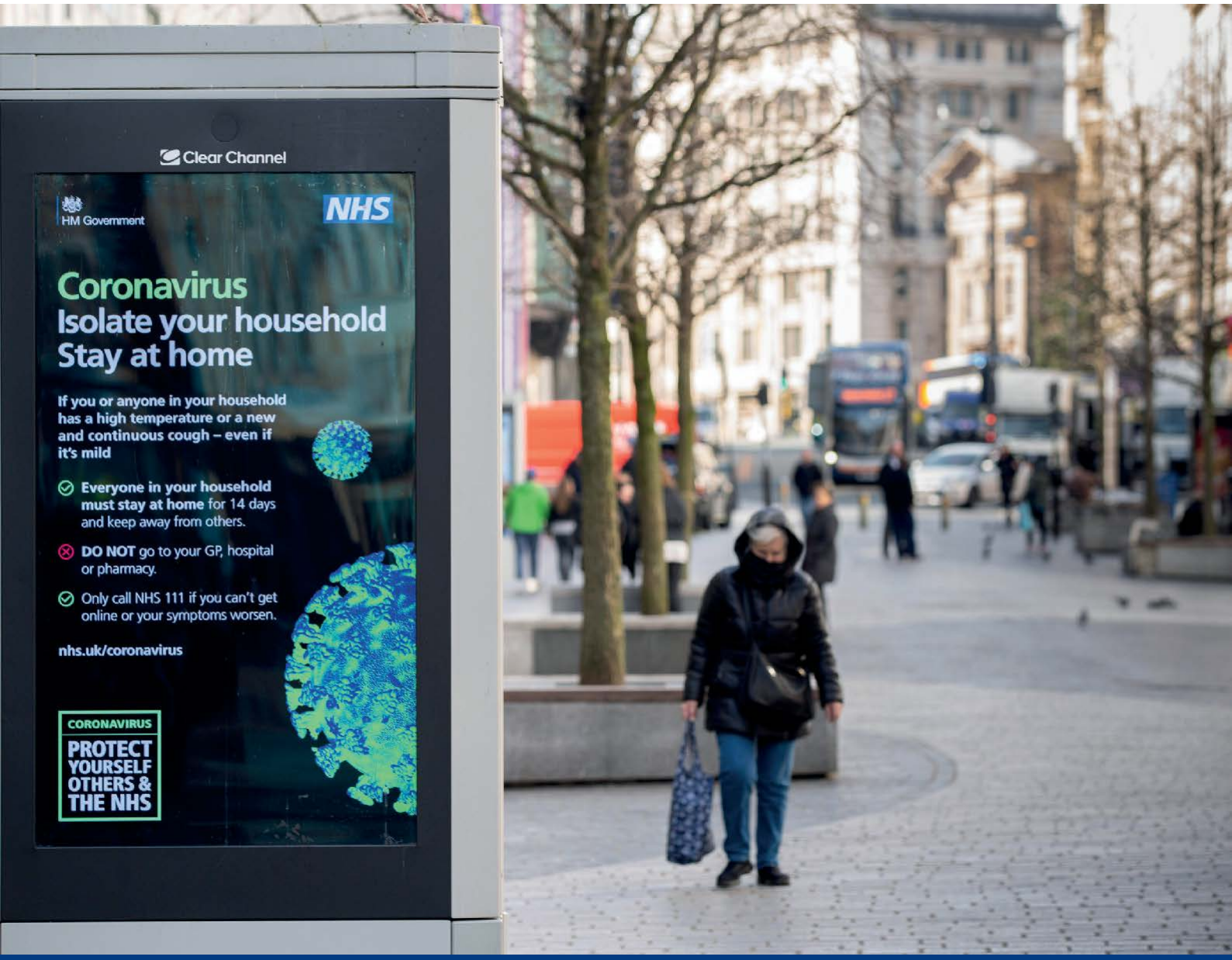

Responding to COVID-19 in the Liverpool City Region

Public Service Leadership in a Digital Future - Lessons from the COVID-19 Pandemic

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Map of Liverpool City Region Combined Authority (LCRCA) boundary (in red) and constituent local authorities

Data sources: Westminster parliamentary constituencies (December 2018 - ONS), local authority districts (December 2018 - ONS), and combined authorities (December 2018 - ONS)

Public Service Leadership in a Digital Future - Lessons from the COVID-19 Pandemic

Key takeaways

1. Digital maturity: Public service organisations have demonstrated their technological readiness for exploiting digitalisation, with the pandemic also prompting some more exploratory innovations.
2. Space and Place of Work: The pandemic experience has dispelled many concerns regarding productivity from home working, and the resultant cultural shift towards remote working is predicted to endure. However, one size does not fit all – though suiting many, home based working is not feasible for others.
3. Virtual organising: Digital meetings have shown the potential to increase participation and engagement, as well as reducing time and cost spent on travel. However, full days of virtual meetings are more demanding than the equivalent in-person and replacing all encounters with formal meetings is leading to overload.
4. Digital Divide and Digital Exclusion: The pandemic saw a rapid transition to move many services to virtual provision. Some were surprisingly successful, which may lead to new and hybrid forms of future provision. Some organisations were able to bring more clients into digital access through close, supportive working. However, there is increasing recognition that a persistent proportion of the population, and particularly those vulnerable and reliant on public services, cannot access services online.
5. Implications for future leaders: Leaders in a digital future will need to be:
    - A virtual team leader
    - Emotionally intelligent
    - Digitally literate
    - Conscious of digital exclusion

1. Introduction

Faced with the COVID-19 pandemic, public service organisations responded rapidly to the March 23rd 2020 lockdown. Business continuity plans kicked in and almost overnight many services that could be delivered virtually went online, whilst workforces were catapulted into a world of remote working supported by digital technology.

Although the extent of virtual service delivery we have seen in the past year is unlikely to persist, no-one anticipates a return to the 2019 ways of working and providing public services. Pre-pandemic, digitisation and digitalisation were already widespread across public service organisations, with many also exploring the potential for more wide-reaching digital transformation. However, progress was slow and variable across different public service bodies.

This briefing reports findings from a study designed to capture lessons from this pandemic-induced transformation for future working in an increasingly digitalised world.

2. The critical policy challenge

Digital technologies are already widely used in UK public services organisations, but their rapidly widening application is predicted to have a transformative effect in the next decade. The policy challenge is

to understand the implications for public leaders of digitalisation; how their roles are changing and what skills and capabilities they will need.

Our study comprised:

- A review of grey and academic literature on public service organisations, digitalisation and impacts of the COVID-19 pandemic on ways of working.
- Interviews with sixteen public sector senior and operational managers from local government, housing and health in Liverpool City Region as well as elsewhere in England and Scotland, including IT managers and digital leads. Participants were asked about their experience of transitioning when lockdown first occurred; the challenges, benefits and disadvantages of working and managing virtually; and what ways of working they would want to retain post-pandemic.

Table 1: Glossary of terms

Key Terms	**Definition**
Digitisation	The process of converting information from a physical or analogue format into a digital one, for example, scanning documents, recording audio to a computer or making digital copies of old photographs. The business model does not change.
Digitalisation	Goes deeper, enabling, improving and/or transforming business operations and processes by leveraging digital technologies and use of digitised data.
Digital Transformation	A process that aims to improve an organisation by triggering significant changes to its business model through combinations of information, computing, communication, and connectivity technologies (*Vial, 2019*)
Digital Divide	The gap between individuals, households, businesses and geographic areas of different socio-economical levels with regard both to their opportunities to access information and communication technologies and to their use of internet for a wide variety of activities (*OECD, 2020: 5)*
Digital Exclusion	Can be defined as having no access to the internet. *(Elahi, 2020*)
Internet of Things (IoT)	The interconnection via the Internet of computing devices embedded in everyday objects, enabling them to send and receive data
Data Efficiency	Data efficiency is the process of making data easier to use, manage, and access *(Adams, 2020)*
Digital Maturity	The ability of an organization to respond and take advantage of technological developments that change how the market functions. *(Deloitte, 2020)*
Digital Capability	The ability of the organization to sense, seize and re-configure on the basis of digital opportunities in line with definitions of dynamic capabilities *(Teece, Peteraf, Leih, 2016)*

3. What did we find?

We found seven key themes with implications for managing a digital future: digital maturity; preferred ways of working; boundaries between work and home life; communications; leadership and management; data efficiency; digital divide; and access to services. Each are elaborated below, with illustrative interview quotes in italics.

Digital maturity

Digitally mature organisations show the capacity to respond to and take advantage of technological developments through both exploitation and exploration (Magnusson et al, 2020). They are digitally ambidextrous, in that they can simultaneously handle "established business activities and rapidly changing new digital activities" (Piccinini et al., 2015:12, cited Magnusson et al, 2020: 2). They not only exploit digital technology incrementally to achieve efficiencies through digitisation and digitalisation; they also explore the application of digital technologies to make innovative changes to the business model and/or modes of service delivery – what is described as digital transformation (Vial, 2019). Compared to private sector organisations, those in the public sector have previously been more likely to show digital exploitation because of constraints of funding, governance and decision-making processes. However, the disruptive effect of the pandemic has led to examples of digital exploration and innovation. Organisations were also driven to bypass conventional decision-making processes in an effort to distribute equipment and install data protection measures that enabled them to work remotely.

All those interviewed for this study described a rapid and relatively smooth response to the lockdown in March 2020. The pandemic cut through former cultural and political obstacles, propelling staff and organisations onto a steep learning curve, which has produced a number of surprising and positive conclusions. Organisations were typically technology ready – they had the software, which they previously were often not fully exploiting. The challenges experienced were more to do with hardware, licences and systems capacity to cope with an upsurge in online traffic.

"We were well placed to deal with the pandemic because we had a laptop estate. Very quickly after the lockdown, we were all at home on our laptops ... all 4000 of us." (Local Government Manager)

"We had been rolling out agile working across the workforce, a lot of people already had devices, so when lockdown came they could switch to home working quickly." (Housing Association Manager)

A rapid learning curve was common as staff learnt to use the software they already had at hand. A key component for this capability readiness was the availability of IT support staff and the willingness of individuals and organisations with knowledge to share their expertise.

Preferred ways of working

Prior to the pandemic, some were already advocating for agile working, including flexible hours and remote working, but facing opposition. Post pandemic, some have forecast a permanent change to ways of working, with a reduction in office space, permanent flexible working measures and a move away from the traditional 9-5 (or 8-6) core working hours. The enforced home-working during the 2020 pandemic has dissolved much of the resistance.

"It has accelerated our technical and cultural change massively … our chief executive was usually anti-working from home. It has advanced us years in terms of agile working." (Local Government Manager)

"HR fears that you can't work from home if you have a child at home. People have proven that they can." (Local Government Manager)

"People now know that working from home is not skiving. We already had a good understand of remote working in theory yet there were always managers

that were reluctant." (Local Government Manager)

Almost unanimously, those interviewed expressed a preference for a future that involved no more than a day or two a week in an office. However, remote and virtual working does not suit everybody. Some, particularly younger and lower paid staff, do not have suitable spaces or working environments for working at home. Others need the structure and social contact of a work environment.

"Some people are desperate to get back to the office, because their domestic circumstances mean working from home is an unpleasant, difficult, complex experience. I think we need to recognise that we're going to have to come up with not one size fits all for this." (NHS Manager)

"We have a wide spectrum of staff who want to go back to work and some who have thrived at home." (Local Government Manager)

Boundaries between work and home life

Views varied as to whether the enforced home-based working improved the balance between work and life.

For some there was enhanced 'ability to control your circumstances' as well as the hours of work. Several commented that boundaries between work and home life seemed to have relaxed in a positive way. Others, however, experienced examples of intensification. It is unclear whether such intensification was the result purely of remote working or was exacerbated by the crisis of the pandemic. Nevertheless, it echoes other findings (McCarthy et al, 2020) that a major challenge people find with remote working is the difficulty of switching off. This highlights the necessity for managing work boundaries to avoid burnout and maintain well-being.

Communications

Communication with employees, citizens and customers has been pivotal during the pandemic and there was much evidence of thoughtful, deliberate and frequent communication through daily and weekly bulletins, staff surveys, a Chief Executive weekly video, as well as individual phone calls to clients. In addition, there were widespread attempts to replicate the informal 'water cooler' and 'corridor chat' settings of office interactions through the use of Zoom, Teams and other platforms.

Experiences with this world of exclusively virtual communication varied, with some interviewees identifying benefits, and others pointing to disadvantages. Benefits included a sense that digital platforms flattened the organisation hierarchy and made senior leaders feel more accessible to staff. Relatedly, several thought digital communication improved the level of participation and involvement of people, both within and outside the organisation.

"It's enabled us to work in a very non-hierarchical way … flattening hierarchy, feeling more connected to the, you know, the directors and the executive levels." (NHS Manager)

"There has been more cross team collaboration, more than there was before lockdown I think." (Local Government Manager)

Disadvantages of virtual communication included the loss of informal, opportunistic interaction: it was regarded as less effective for more complex interactions such as problem-solving innovation or resolving conflicts. The induction of newcomers to a virtual organisation was also presented as a challenge.

"The danger of remote working is that innovation happens when teams come together and when you are brainstorming and having innovate ideas. You can't replicate that on Teams or Zoom. It's too

formalised and innovation happens over lunch, at the water cooler, in the lift." (Local Government Manager)

Leadership and management

Prior to the pandemic, the literature already reported that a different management approach is required for remote working and virtual teams: one that is more outcomes-focused and relies on trust rather than visible presence. This was echoed by participants in this study. Many noted how the lockdown had exacerbated flaws within traditional management styles and elevated the more emotionally intelligent, flexible and innovative leaders, who could adapt to staff not being physically within sight, were able to delegate and could trust that their staff were still working.

"Managers have had to find different ways to engage with their teams. …Those managers that trust their staff have coped better than those who do not." (Local Government Manager)

Data efficiency

Data efficiency is the process of making data easier to use, manage, and access. The term goes beyond the position that data collection is a means to an end and acknowledges implications for investment in the right infrastructure to store, protect and access data. International responses to the COVID-19 pandemic provides extensive illustration of the potential for data sharing in digital health surveillance systems. The experience emphasises the importance of transparency and security to sustain the public trust that is essential if such systems are to be effective.

"I think that that has been a profound wake up and it hopefully will really accelerate public sector identification and realisation that cloud based solutions and particularly public cloud based solutions is the future." (Digital Health Lead)

Digital divide and access to services

A 'digital divide' captures a situation in which only some people have the relevant skills to use digital technologies and access their infrastructure, whilst others remain excluded. Prior to the pandemic, there was already research raising concerns that digitalised public services can both reinforce existing lines of social stratification as well as produce new forms of digital exclusion. Overall, the COVID-19 pandemic has deepened this divide and exacerbated the resulting inequalities (Elahi, 2020), although there are some contradictory examples, where organisations used the extreme situation produced by the pandemic to increase digital inclusion.

This study revealed examples where leaders only recognised existence of a digital divide and potential exclusion from digital services because of the sudden shift to remote delivery of most services during the pandemic.

"From an I.T. perspective, it has been something we don't really think about. We don't think about people's private life. We presume that everyone had Wi-Fi or mobile phones … it really has focused the mind that there is that gap." (Local Government Digital lead)

4. International context

Across the world and in multiple industries, the COVID-19 pandemic is seen as being a catalyst towards a more digital future. Similar lessons are being voiced, particularly with regard to the permanence (although not total disappearance) of reduced office-based working and increased remote working, as well as the continuation of virtual service delivery in many spheres.

Digital transformation of public services has been high on the agenda of governments worldwide for some years. Within the EU, Estonia is often hailed as

an exemplar of digital public government although, alongside its strengths, areas are identified where other countries surpass (Kattel & Mergel, 2019). One such area is the lack of a central office to champion digital transformation, which, in the UK, is fulfilled by the Government Digital Service https://www.gov.uk/government/organisations/government-digital-service, with NHS Digital providing particular support for the health and social care sector.

International opinion now recognises that, although there is no single blueprint applicable to all contexts, best practice takes a digital governance approach rather than being led by technology. This means taking a holistic view of the institutional, organisational, fiscal and other frameworks that support digitalisation. The EU, for example, advocates a set of core principles to guide the integrated development of e-government, e-participation and e-services, including: Once only; User-centricity; Openness and Transparency; Security and Trustworthiness; and Accessibility and Inclusiveness (Leosk, 2019). In the UK, the Government Digital Service's standards mirror these https://www.gov.uk/service-manual/service-standard. However, as this study highlights, at the point of implementation, there are still lessons for how to achieve these, as well as questions as to how far an integrated digital governance approach is being taken in service organisations.

5. Next steps

The COVID-19 pandemic has shown the readiness of many public service organisations for exploiting digital technologies for a future of increasing virtual working and service provision. It has also given us a sight of some of the risks, benefits and challenges of managing in an increasingly digitalised future, as summarised below.

Digital maturity

The digital maturity model is a potential way for evaluating effective vs ineffective digitalisation and determining what interventions are needed to produce both exploitation and exploration.
There are implications for public institutions to pro-actively shape digitalisation, and not just respond to the technological possibilities, with integrated e-governance. Legal protections for security, intellectual property and privacy need ongoing monitoring and updating to keep up with the pace of technological change. An access and inclusion lens would also help shape future innovation.

Space and place to work

- Use of time and space is likely to change permanently leading to an extended window of service provision and flexibility to work hours around family or other commitments;
- Boundaries will be important to protect employees from pressure to be digitally present throughout, to over work, or to be subject to excessive demands from others.

Virtual organising

- The future is likely to consist of hybrid meetings, with some members attending in person, and others remotely.
- A rethink of the purpose of synchronous meetings would be valuable, with consideration of asynchronous alternatives for some purposes.
- Management by outcomes not presence is likely to become more important.
- Contribution and participation in meetings will need to be valued, not physical presence, so as to avoid entrenching in-work inequalities.Staff will need to be encouraged to establish boundaries to avoid overload and burnout.

6. What are the lessons for managing in a digitalised world?

Leaders

Leaders in a more digitalised world will need to be:

- A virtual team leader
- Emotionally intelligent
- Digitally literate
- Alert to the risks of digital exclusion

Human Resource leads

In any enthusiasm to further exploit the potential of digitalisation to reduce office space and make cost savings, future policies for home-based working will need to recognise the diversity in staff, namely that some need to be office-based.

Digital leads

One clear implication for digital leads from this study is the reminder that a substantial minority of service users are either not digitally literate or not online, or both. This has repercussions when designing new services and systems, to consider how to improve access and connectivity.

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The full report on which this policy brief is based can be downloaded here.

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