H4 Consulting Brief

Stewardship of Public Value

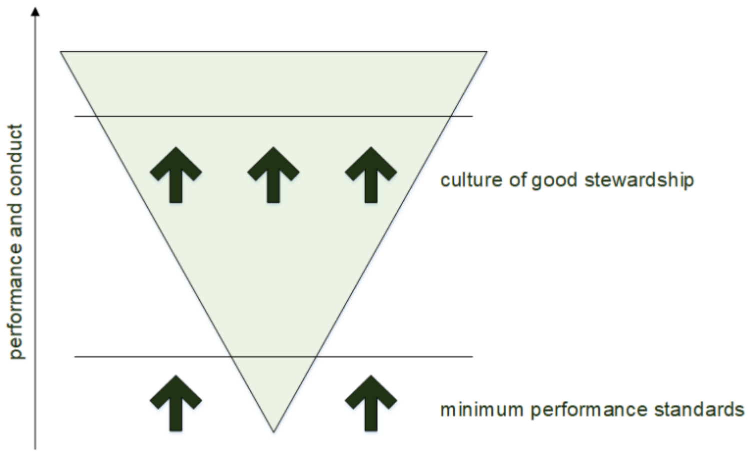
Publicly funded organisations, and the people who work within them, are stewards of public funds. They have an obligation to ensure that the public funds in their care are used efficiently and effectively to create public value. Good stewardship can be compromised by poor performance or conduct of individuals, especially if this behaviour is overlooked or normalised. Systematic failures of stewardship erode both public value and public trust.

The promise of publicly funded organisations is that public funds are managed in trust for the benefit of the public. It is easy to recognise fraud, misappropriation, or gross inefficiency as breaches of this trust. It is often more difficult to see mediocre performance or conduct by our friends and colleagues in the same light. The public, however, has a right to expect that funds compelled from them via taxation will be used, diligently and well, to maximise public value.

It is not easy to demand excellent performance and conduct from ourselves and our colleagues every day. Poor performance is often overlooked, excused, or justified by comparisons with benchmarks that are far below what the public would consider to be adequate. Comfortable relationships with colleagues can seem more important than diffuse ideas like stewardship.

Failing to define and demand good conduct and performance gradually normalises lower standards. People comparing their performance against their peers will see less good stewardship, and come to expect less from themselves and each other.

Without a competitive market, employees lack price signals for the value of their work. They can fall into the trap of assuming that whatever work they do creates sufficient public value. Management models focused on individual goals and achievement need not be inconsistent with the concept of stewardship, but may be a poor cultural fit for publicly funded organisations. Service to others is an intrinsic reward of much publicly funded work, but that reward should be conferred by the public good created, not the source of funds.



In organisations where good stewardship is valued, expected, and widely demonstrated, people will hold themselves to higher standards. Less managerial effort will be required to define and enforce minimum standards where people are motivated by shared commitment to good stewardship. Gradually, public cynicism about wasted taxes will decline.

Building a culture in which good stewardship is a shared value requires leaders to clearly explain the link between stewardship and individual conduct and performance. Individuals should understand and be empowered to adopt behaviours that demonstrate good stewardship, and those behaviours should be celebrated. Constructively modelling and encouraging good stewardship should be a fundamental capability for management roles.

People are grounded by cultural gravity. In publicly funded organisations, cultures should value good stewardship of public resources, including human resources. Some cultures reserve conceptual frameworks like public trust for obvious failures of stewardship, like fraud and theft. They let other things slide, like rounding down breaks on timesheets, spending time in the office planning a holiday, or sloppy work. Poor performance or conduct are no less failings of good stewardship than theft of objects, and the costs are usually much higher.

People in publicly funded organisations are only human, but they are also stewards charged with converting public funds into public value. Breaches of that duty do more than diminish public value; they diminish public trust, which is harder to replenish.

To find out more about how you can use this approach in your organisation, contact us: info@h4consulting.com.au
Find additional resources at www.h4consulting.com.au/resources

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