



# THE POWER OF PURPOSE: WHY PRIVATE-SECTOR LEADERS ARE DRAWN TO THE PUBLIC SECTOR

Like a lot of executives in the financial-services field, Mika had never really considered a career in the public sector. The arguments against making a move like that were deeply entrenched in his industry.

The public sector is too cumbersome, and its leaders too susceptible to the whims of elected officials and public opinion. And although top roles can pay reasonably well, they cannot compete on a completely even basis with remuneration in the private sector.

And yet, when he was contacted by a recruiter about a possible role in government — a senior position in a high-profile public-sector agency with a multibillion-dollar budget — he was intrigued; enough so that he agreed to meet with the director and started to open his mind to the possibilities.

Mika's private-sector career had been very fulfilling and financially rewarding. But he began to wonder what it would be like to work for an organization that was pursuing a high-profile, higher-ideal purpose. An organization tasked with producing immediate results to address an area of great public need. Work that would ultimately have an impact on the lives of others.

In short, Mika started to see a really unique career opportunity: the chance to “build something” tangible and lasting. He understood the transition to the public sector would not be without challenges; everything from the way decisions are made to the way accountability is viewed would be different in subtle, but still important, ways. Still, the more he talked with the recruitment agency, the more attractive the opportunity became.

Before he knew it, Mika was contemplating a package and, then, heading off to a career in public service.

Mika’s experience, while instructive, is not necessarily unique. The public sector has long proven to be a siren call for top private-industry leaders looking to pursue new professional goals and aspirations. However, the transition from private to public sector can be complex. Here is what leaders who are intrigued by the possibility of making the jump need to know.

### **How does the public sector view itself and its leaders?**

The drawbacks of a career in public-sector leadership are well known to many private-sector business leaders. Most understand that, over the long-term, salaries may be lower, but other financial considerations — extended health care, retirement benefits, as examples — can somewhat level the playing field.

There are also some concerns around the impact that being in the public eye can have on decision-making in the public sector. And there may be challenges associated with leading a team without access to the same array of private-industry incentives to spark engagement and productivity.

However, the true value of a public-sector leadership opportunity can be revealed by examining how public servants think about their jobs, and how they see their leaders. The good news is that the vast majority of skilled talent, fully embrace the potential benefits of working in public service.

A landmark survey of millennial university graduates in Canada viewed the public sector as offering greater job security, a better work-life balance, more opportunities to pursue further education and greater prospects to make a “positive contribution to society.” Further, the survey showed respondents overwhelmingly believed that the public sector embodied higher ethical standards and offered a more progressive working environment.

This positive assessment is not unique to Canada; similar surveys and studies that compared the attitudes of professional workers in both the United States and Germany showed that public-sector jobs are as attractive, or more attractive, than private-sector jobs for many non-monetary reasons. And, in fact, that public-service careers often offered more “prestige.”

These results suggest a workforce in the public sector that is engaged and motivated. However, how do those workers view their leaders? Surprisingly, there is evidence to suggest that there is a strong and positive leadership culture in the public sphere.

The 2022 Public Service Employee Survey, an annual review conducted by the federal Treasury Board Secretariat, found more than 80 per cent of federal civil servants rank their leaders high on the overall quality of supervision they receive, emphasis on working collaboratively and keeping employees informed about issues affecting the job. About two-thirds of respondents also ranked senior managers very high on ethical leadership and leading by example. These are results that would be the envy of any private-sector leader.

Still, it’s important to remember that while private-sector leadership experience is valuable when transitioning to public service, there are many differences that must be acknowledged and processed.

### **Three things to consider before making the move to the public sector.**

There are some caveats for leaders warming to the idea of moving to the public sector. The differences in culture, mindset and behaviours between the two arenas can be profound and require a concerted effort to learn and apply.

#### ***Don't underestimate the transition from shareholder to stakeholder.***

In the private sector, leaders are responsible to shareholders and, in some instances, the Board of directors. In the public sector, responsibilities extend to a much larger and more diverse community of stakeholders: taxpayers; third-party service providers; political masters; and, most important, citizens. The transition from shareholder to stakeholder can be daunting, at first. But over time, it's what helps to define the heightened sense of purpose for leaders.

#### ***Understand that decision-making is not more difficult, but it is different.***

The concept of "red tape" has become firmly embedded in the image of the public sector. It has come to be used as a synonym for the element that makes decision-making slower and more difficult. But for those working in public administration, there is an alternative perspective. Red tape might be seen as a catch-all phrase for the checks and balances that often accompany public programming and spending. Leaders moving from private to public careers need to understand that accountability is a means to ensure taxpayer money is being spent wisely. While there is no doubt that unnecessary red tape does exist, it is often not as bad as some on the outside would have us believe.

#### ***Show up with a foundation of knowledge about your new public-sector organization.***

One of the biggest gripes public servants have about leaders from private business is that they do not know, or understand, what it is that government does. One of the great advantages that private-sector leaders have when moving to the public sphere is enhanced transparency. Put another way, using publicly available resources — media reports, government annual reports, high-level audits — private-sector leaders should be able to get a very good grounding in the department or agency they are planning to join.

## **Bottom line: the public sector is an opportunity to explore**

Although the myths and misconceptions of working in the public sector will no doubt endure, a greater number of private-industry leaders are seeing the possibilities of making a sectoral move. It's especially attractive for those who have built a solid professional and financial foundation now looking for a job with a different sense of purpose and impact. It requires only that individual leaders accept the challenges and open their minds to the opportunities.

## **SPEAK WITH AN INDUSTRY EXPERTS:**



**SAL BADALI**

PARTNER, NOT FOR PROFIT & PUBLIC SECTOR PRACTICE

PHONE: 416.366.1990

EMAIL: SAL.BADALI@ODGERSBERNDTSON.COM



**TANYA TODOROVIC**

PARTNER, NOT FOR PROFIT & PUBLIC SECTOR PRACTICE

PHONE: 416.366.1990

EMAIL: TANYA.TODOROVIC@ODGERSBERNDTSON.COM