

## Press Release

### Good people, good systems

**14 February 2006**

Contracting public services to the private sector gives managers a stronger sense of mission, according to a study published today. An in-depth survey of almost 100 managers who have moved from the public to the private sector, reveals that they now feel more accountable for delivering outcomes, rather than just managing processes.

Those surveyed by PPP think tank, The Serco Institute, are former central and local government employees, in the UK and overseas, now delivering public services for government under contract.

Contracting has made it easier to deliver high quality, better value public services, according to respondents. They say the difference lies in higher levels of accountability, greater personal responsibility, more freedom to manage and an increased sense of purpose.

Gary Sturgess, Executive Director of the Serco Institute, said: "At a time when the government is looking for ways to drive through service improvements in public services, this research suggests that, if it is done well, contracting can create a stronger sense of mission, while also delivering better value for money.

"Good managers deliver to a standard that is not just informed by the requirements of their contracts – but also informed by a sense of professionalism and a desire to serve. The public sector has no monopoly on a public service ethos.

"These former public servants are telling us that increased autonomy and accountability has enabled them to put their service ethos into practice more effectively. They know that they have to deliver better public outcomes and they have the means to change things for the better."

Mr Sturgess said: "We focussed on contract managers because they are at the cutting edge between the desire to deliver better service to end users and the need to balance the budget. What we found was that for more than half of respondents, this was rarely if ever an issue.

(More...)

**For further details contact:**

Serco Group plc, Palm Court, 4 Heron Square, Richmond, Surrey TW9 1EW, United Kingdom  
T +44 (0)20 8334 4122 F +44 (0)20 8334 4118 [www.serco.com](http://www.serco.com)

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“Less than one in ten reported that they found balancing the need to deliver a profit for investors with providing high quality services for end users was often a challenge. And there is some evidence to suggest that the need to deliver cost savings for the government client may be a greater challenge than looking after the needs of investors.”

One of the difficulties of switching from the public to the private sector was that they felt cut off and were sometimes treated by their former colleagues as second-class citizens. Mr Sturgess commented that “in the interests of better public service delivery, more needs to be done to bridge the divide between public and private sectors.”

In spite of having had a positive experience when they were in government, a majority would not consider going back to work inside the public sector.

The survey covered 96 former public servants employed by the public service provider, Serco Group plc, the vast majority of whom had held managerial positions when in government. It also included 55 former private sector managers as a comparator.

(Ends)

### Notes to Editor

- Key highlights of the research are overleaf.
- Serco improves services by managing people, processes, technology and assets more effectively in the defence, education, health, home affairs, local government, science, technology, transport and commercial sectors, working in 37 countries.
- Serco advises policy makers, designs innovative solutions, integrates systems and delivers to the public. More information can be found at [www.serco.com](http://www.serco.com).

For further information please call 020 8334 4122  
Graham Capper, Head of Media Relations  
Dominic Cheetham, Corporate Communications Director

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### Good people, Good Systems Survey: highlights

The statistics below relate to the views of the 96 former public service managers who were the focus of this research.

- 78% describe their experience working in the public sector as 'positive' or even 'very positive'; 90% describe their experience delivering public services under contract as 'positive' or 'very positive'.
- Contract managers see the services they deliver as providing greater value for money (94%) and better quality for end users (95%) than the services they delivered as public sector managers. 82% believe that both quality and value for money have risen.
- Only 23% would consider returning to be a public sector employee.
- 94% attest to greater autonomy in their current contracts; 86% agree that they have greater freedom to experiment and innovate; 91% believe that the freedom to recruit and build their own senior managers is crucial to delivering high service performance
- 95% agreed that under a contractual model, they felt more accountable for delivering outcomes than for just managing processes.
- 84% feel that accountability is much more personal than it was in the public sector.
- 92% see themselves as responsible for delivering public outcomes – and not just providing the service.
- 83% reported much greater financial discipline is required under contract than in a similar managerial role in the public sector; 92% reported that the threat of financial penalties made the consequences of failure in a contract more significant.
- 77% of contract managers believe that there is greater pressure managing a contract than doing a similar job in the public sector.
- 60% of our contract managers report that client teams treat them poorly at least 'sometimes'.

**For further details contact:**