



Chartered Institute
of Personnel and
Development

Delivering public services
Engaging and energising people

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The change agenda

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INTRODUCTION

There are many examples of outstanding change that has been achieved within the public services. The ideas set out in this Change Agenda are distilled from some of these stories. We hope that they will help and inspire others.

The service ethos permeates the public sector. Most people enter the public services with a sense that they are doing something for the public good as well as earning a living.

But public servants have to be very careful about the way in which they deliver and develop the services they provide. They often operate within a detailed legal framework and are subject to the scrutiny of Parliament and the media. In addition, many public servants are professionals and they need and want to use their own judgement in the exercise of their duties.

All this makes for a mix of values and behaviours that can either create a basis for continuous improvement, innovation and client satisfaction or alternatively encourage a culture of caution in which everyone is watching their back. Getting into a virtuous cycle of change is not easy. It can be done only by the people engaged in service delivery: it cannot be done by diktat from above.

Providing a vision, energising people and enabling them to take action is a considerable challenge. It requires a new approach to the leadership, management and development of people – one that creates a framework in which innovation and creative contribution to performance improvement is balanced against the need for control and accountability.

Performance management systems are about monitoring the achievement of objectives and targets. But they cannot be the main drivers for motivating the people responsible for front-end delivery. This requires a leadership style that enables people to make a difference and a framework in which learning and work organisation support the development of practice.

The Institute believes that this report, and the case studies on which it is based, can contribute significantly to the process of public service reform. Comments on the report should be addressed to Mike Emmott, Adviser Employee Relations (email: m.emmott@cipd.co.uk).

EXECUTIVE SUMMARY

A step-change improvement in the quality of public service is a key national objective at the heart of current political debate. It is a goal everyone wishes to achieve but which is tough to attain. The public service is responding to this expectation – despite all the debate and the negative press. The research sought out organisations and people who are making change happen across the public services.

Success stories

This Change Agenda tells the story of a few of those organisations. These are the ones that have taken the opportunities that have emerged and found ways to improve significantly the delivery and quality of the different services they provide. They have done this, fundamentally, by engaging, empowering and energising their people to achieve a step-change improvement in performance that they can be proud of.

Resources

At the top of the agenda there are always resource issues – about allocation, about spend and about value for money. This investment is certainly necessary but is by no means sufficient to make a difference. There are incredible stories of achievement and service improvement, of people working together across departments and between organisations to deliver real results and cut through the systemic and cultural blockages that have impeded change in the past.

They involve a real focus on outcomes, the successful engagement of the users of the service, releasing the potential of the people in the organisation and changing systems and processes to enable this potential to be realised.

Guidance

Excellent guidance is now available from a wide range of sources on the successful reform and modernisation of processes for managing and developing people, covering performance management, pay and training and development. This Change Agenda aims to go further and answer the question: 'What can we do to switch people on so that they are engaging with the need to change and feel empowered and not threatened by it?'

We look at what has enabled this change to take place, what has switched people on and how the barriers to improvement and change have been overcome.

What are the enablers?

The first enabler – which is also a driver – is the needs of service users. When faced with a crying need, service providers have found ways to overcome limits on resources to meet those needs and focus on outcomes. The second enabler is a new sense of direction and purpose. It means creating an environment where service improvement and collaboration to achieve this become the norm. This is easier said than done.

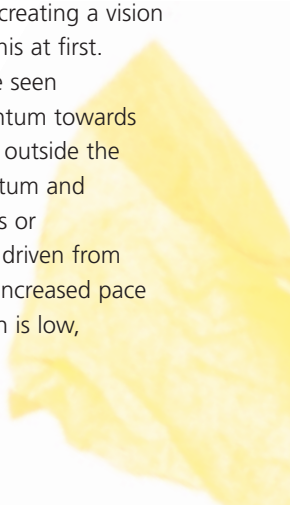
Organisations vary hugely within the public service. Some are necessarily highly centralised, operating according to rules laid down by statute and not open to interpretation. In other cases, individuals and teams provide services directly to users and have a high degree of discretion about the way in which the services are provided. In yet other cases, services are provided through third parties, including those in the private or voluntary sectors. So there is no 'one size fits all' solution. Some services operate in isolation while others require action by a number of bodies. So the formation of a vision for the future has to take place at a number of levels.

What are the blockers?

The public service ethos is well established. Many people in the sector aim to make things better for their fellow citizens and this goal provides their motivation. But for many there are negatives that get in the way of this and wear down their commitment. There are worries about exposure to risk, criticism for misuse of funds, not following procedures or unduly raising the expectations of people inside or outside the organisation. In these circumstances, even the most enthusiastic can become jaded, cynical or demotivated. They may be able to recognise the need for change, even see what needs to be done. But many feel they will be unsupported or constrained by the 'system', or that it is not in their interests to change.

What turns people on?

The key to unlocking change is where people feel they have a genuine role in creating a vision of the future and making that vision a reality. People may be reluctant about this at first. Many will feel that they have, far too often, 'seen it all before'. Some will have seen expectations raised and then hopes dashed. What is needed is to build momentum towards the vision and more importantly build trust among those involved – inside and outside the organisation. There is an inevitable tension between the need to build momentum and engagement and the speed at which change may be required by top managers or stakeholders. Even where there is trust in the organisation, change is normally driven from the top so there may be limited discretion lower down the structure – and an increased pace of change will most likely be viewed negatively. Where trust in the organisation is low, confidence-building may be an essential first step.



Pace of change

This does not mean that progress has to be slow – or at least too slow for service users. As the case studies show, much can be achieved in a relatively short time. Progress on the change, the building of trust and the motivation to be engaged can proceed at the same speed. The process of vision creation can be the vehicle for this.

However, vision has to be both implementable and being implemented if it is to be a motivator. Visions that are not implemented become blockers – because people feel they have heard it all before. Nor can they be driven through. The best performance management system in the world can only log change, as the speed of change is governed by the extent of people's willing contribution.

Getting it right: real engagement

So getting the pace of change right is essential. Also essential is the integrity of its leaders – without it, the bond of trust needed to engage people is lacking. Trust means people are willing to contribute, particularly their specialist knowledge. People are usually experts in their own areas and know what needs to be done. They need the opportunity to contribute and the scope to communicate and agree action with other groups who also need to be involved and whose collaboration is essential.

The key themes explored in the report are:

Energising people by

- creating an energising goal: crystallising commitment
- leading from the front: showing integrity, establishing trust

Enabling people by

- invigorating the top team: strengthening leadership capability
- building a culture of empowerment: opening the door to ideas
- working within the community: forging understanding and setting expectations

Empowering people by

- forging teams: releasing energy, making it happen
- aligning HR processes and practice: creating capability
- navigating the route: seizing the chances and adapting your approach.

THE CONTEXT**The research study**

The Modernising Government programme, initiated by the current Government in 1999, increased the momentum of change in the public services. The objective was better government: to make life better for people and business.



The original White Paper stimulated a programme of improvement in the quality of service that affects all parts of the public services. Since the 2001 election this has been reinforced by a significant new emphasis on delivering service improvements. This has involved new investment in the capacity and capability of government to deliver for the citizen and business. Achieving this goal of significant improvement in the quality of service provided by government doesn't just require additional resources – it depends fundamentally on the abilities of managers and workforces across the public service to respond.

This Change Agenda is based on a programme of research that has tracked the progress of six public service organisations engaged in the process of major service improvement. The focus of the research is on what it takes to bring about and sustain reform and improvement in organisations, and the research demonstrates that engaging and energising the people involved is critical.

The findings of the research are presented for the benefit of managers and HR practitioners to stimulate learning and for the continued sharing of experience across the public service.

Issues

The common issues explored here are:

- how best to crystallise and describe a goal for the organisation that will stimulate new efforts to achieve better service and deliver outcomes
- how organisations engage with the communities and customers they serve to better deliver outcomes, service quality and responsiveness
- how those in leadership roles can give meaning to the future, catalyse the organisation, build staff motivation and commitment, enable others to make change happen and remain true to their goals
- the most effective mechanisms to engage and empower people, stimulate cross-organisation working, help people embrace change and make real progress in bringing it about
- how the HR function and processes can be adapted to enable, support and exemplify the process of change and service improvement
- how organisations can take advantage of reform opportunities to achieve their wider goals.

Organisations studied

We bring together the learning from these organisations and illustrate it with examples from the case studies. The organisations studied in the research were:

- the Court Service
- Inland Revenue
- National Blood Service
- Lewisham Youth Offending Team
- Selly Park Technology College
- West Mercia Constabulary.

The organisations involved were drawn from across the public service and represented a variety of organisational models that served a range of users: customers, citizens, taxpayers, businesses, patients and students in diverse communities.

The research sought to capture how these very different organisations have tackled the change agenda, harnessed the opportunities that it presents and achieved some very real improvements in their performance, particularly in service quality. Inevitably, much of the content of what had happened has concerned structures, systems and processes but our focus has been on how people were empowered and energised, and how they achieved and sustained real improvement.

We tracked the progress of these organisations over a three-year period, explored the context and drivers of change, the process of initiating change, the barriers overcome and the learning acquired along the way. We have sought to tell the story of change and the people that made it happen – as an organic rather than linear process. What may seem clear and obvious to us now, looking back at these stories, was not so at the outset. The organisations embarked on a journey they often faced with some trepidation, uncertain about the route to follow, with many unwilling fellow travellers and some doubt about their capacity to see it through.

The catalyst for change varies

Our research findings have been grouped around the three key themes of energising, enabling and empowering. They provide a framework for people to look at generating and sustaining service improvement. The themes are described in sequence, but they emerged for the individual organisations quite differently. This is because the initial catalyst for change varied: the recognition of a crisis, the appointment of a new leader, a bid for resources or a requirement to collaborate to deliver a new outcome. So for other organisations to use the framework, they need to identify where best to start the change process and design their approach accordingly.

THE GOAL OF DELIVERING GREAT SERVICE

The overall goal of modernisation – *'better government to make life better for people'* – was originally to be met through the application of the central themes of Modernising Government, set out in the 1999 White Paper.¹

Progress was achieved in the modernisation programme in the Labour Government's first term and in the second term this has been followed by significant real increases in the funding of public services, especially in health and education. Targets have been set for improvements in service and better information is being provided to enable customers to judge service effectiveness. The focus is on rebuilding the service around the needs of customers, joining up services across organisational boundaries and delivering outcomes that citizens and businesses need. These services also need to respond to and engage the interests of the communities they serve.

PRINCIPLES FOR REFORM

There is still more to do. For example, there is a need for greater coherence in the different initiatives intended to improve service and delivery, a more hands-off, delegated approach with less micro-management from the centre and greater agreement across government on the action needed to achieve results.

The Government's longer-term strategy for public service improvement has more recently been reiterated in the Office for Public Services Reform document *'Reforming our Public Services – Principles into Practice'* which sets out four *'Principles for Public Service Reform'*.² The purpose of these principles is to deliver public services designed around the needs of their customers.

To achieve customer-focused public services, four principles are paramount:

- It is the Government's job to set national **standards** that really matter to the public, within a framework of clear accountability, designed to ensure that citizens have the right to high-quality services wherever they live.
- These standards can only be delivered effectively by **devolution** and delegation to the front line, giving local leaders responsibility and accountability for delivery, and the opportunity to design and develop services around the needs of local people.
- More **flexibility** is required for public service organisations and their staff to achieve the diversity of service provision needed to respond to the wide range of customer aspirations. This means challenging restrictive practices and reducing red tape; greater and more flexible incentives and rewards for good performance; strong leadership and management; and high-quality training and development.
- Public services need to offer expanding **choice** for the customer. Giving people a choice about the service they can have and who provides it helps ensure that services are designed around their customers. An element of contestability between alternative suppliers can also drive up standards and empower customers locked into a poor service from their traditional supplier.

Achieving great service

These programmes and initiatives provide both a framework and a catalyst for change across the public service. But they are by no means the only driver for change. Environmental, technological, policy and legislative changes are also stimulating the pace of reform, to achieve better delivery and service improvement. Such change is pervasive, complex and continuous. New working practices, processes and competences are needed if this is to be handled successfully. The focus on service improvement and delivery is fuelling the expectations of service and standards from citizens and businesses as well as the employees of these organisations.

At the same time greater focus on the outcomes of public service – involving joined-up government and a seamless service – means a cross-sector approach is required. This means that the scope and degree of change required extends well beyond single organisations, becoming a complex and multi-faceted process.

The challenge faced by the managers and the workforce in these organisations is to harness the opportunity this agenda presents to reinforce performance improvement. For individuals within these organisations, the perception is of a relentless programme of change – described often as 'too many initiatives'. This reflects a strong desire for stability and clarity of purpose among the workforce. That said, the greater focus on outcomes does provide a real opportunity to better motivate staff. It represents for many a return to the 'real' goal of public service, the ethos that led many people to join the public service in the first place. Clarity of outcomes means a real sense of purpose and direction for staff as well as providing a sharper focus for performance evaluation and process improvement.



ENABLING RESULTS: HIGH-PERFORMANCE WORKING

Looked at in the wider business context – both nationally and internationally – we need to consider the factors that enable organisations and companies to make step-change improvement in performance compared to their peers and competitors. These working practices have been identified in research carried out by the International Federation of Training and Development Organisations (IFTDO) and the International Labour Organisation (ILO). High-performance working practices comprise elements of autonomous working, devolved decision-making, relationships based on trust rather than control, people being able to learn new skills and behaviours and to direct their own learning. These are essential to enable organisations to increase added value and to differentiate and compete in an increasingly changing environment.

Building capability

An environment of significant change requires people to take on new roles and responsibilities, operate different processes and work in new paradigms. It involves increased capability, defined as the mix of skills, knowledge, behaviours and know-how. It means that organisations have to reinvent themselves if they are to sustain the challenge of performance improvement where the scope for improvement through process change or resource efficiency is diminishing rapidly.

Surveys of skill needs in the UK suggest that managers in many sectors – including the public services – know intuitively that this is the way their organisation needs to go. The skills and behaviours for high-performance working match up well to what managers in general say that they want from their staff: the ability to communicate, to learn, to use their initiative, to solve problems, and to work independently or in (often different) teams.

In common sense terms this is working smarter and not harder – an idea that has been around for some time. At the individual employee level this means multi-skilling, job rotation, monitoring self and team performance and quality management. Across the organisation this means using project teams, interdepartmental working groups and matrix structures to reduce costs, improve processes and deliver better service and outcomes. The added bonus of these approaches is that they can provide greater opportunities for employee discretion, job satisfaction and personal growth than the traditional approaches and structures.

For managers, the challenge of adapting to this environment, living with constant uncertainty and relinquishing control, is considerable. This is also true of their staff who are involved in high-performance work activities. The greater the level of uncertainty about ‘how to do things’ in the context of increased expectations about ‘what will be achieved’, the more important is the bond of trust throughout the organisation. This has significant implications for the capabilities of managers to understand work organisation, manage projects, organise learning, facilitate problem-solving and provide coaching and mentoring. It involves a shift in the organisational climate from control to empowerment, where a high level of trust is needed to sustain organisational coherence.³

CREATING AN ENERGISING GOAL: CRYSTALLISING COMMITMENT

The clear goal for organisations in the public sector is to achieve better outcomes for patients, students, citizens, businesses or users. The case studies show that gearing up for change first requires a clear internal view of what is required, and that perspective must have meaning for those involved and affected. Change was delivered most effectively where people were motivated to work as a team, flexibly, creatively and constructively. So a clear goal serves to focus and energise the organisational team.

The case study organisations used outcomes and other goals to crystallise commitment.

Outcomes – the definition of a set of outcomes to be achieved by the organisation, for the benefit of its users. These encapsulate the *raison d'être* of the service and the standard of performance to be aspired to.

Selly Park Technology College

The Head and management team built a single-minded focus on the performance and attainment of pupils and what this meant for teachers, pupils and parents.

Future reality – exploration of different futures and what they might hold for the organisation according to different assumptions or scenarios – to test out assumptions and examine how change might turn out.

Inland Revenue

The e-HR team used scenario planning to assess the impact of information technology against four possible futures: 'Cascade', 'Change', 'Captive' and 'Contract' to determine the implications for structures, processes and people. These short scenarios set in 2005 describe different pictures of the business and how it might be structured. All four scenarios assume the Inland Revenue will see an increasing separation of 'wholesale' (designing, delivering, implementing and supporting products) and 'retail' (providing advice to customers, processing returns, payments and repayments) functions. The key difference between the scenarios is who delivers retail services. In all scenarios there is also an assumption that e-contact channels are likely to increase the volume of contact.

Values – definition of a set of core values for the organisation, describing how the organisation expects to do its business, the behaviour expected of its people and the work principles to be aspired to. Values provide a template against which judgements can be made about the 'right' approach to take in a particular situation. In the context of a tempestuous change journey, they provide the 'magnetic north', giving a clear sense of overall direction. They can also describe the way that the organisation wishes its people to behave in the future – thereby bringing the future to life.

National Blood Service

The organisation has revisited a set of core values, initially developed by the management board, to define the values that underpin the Service and its attitude to and dealings with all stakeholders: donors, patients, staff and medical partners. This work has been conducted by groups of staff drawn from across the organisation.

Ethos – a description of what the future ethos of organisations providing a service focused on common outcomes might look like. This is based on structures, relationships and behaviour and brings meaning to cross-boundary/cross-silo working. In some cases a partnership agreement or a service level agreement can achieve the same outcome.

Lewisham Youth Offending Team

In Lewisham, the problem of creating a multi-professional team was made more difficult by the preponderance of one group who were slotted into post from the nearest equivalent of youth offender teams, the youth justice section of the local social services department. It is clearly difficult to create something new when 50 per cent of the staff comes *en bloc* from something old.

The task of developing the new unit was approached by developing a positive and ^optimistic discourse. This tackled the cultural assumptions about the nature of the offending problem, how it should be defined and how solvable it was. Otherwise this implicit analysis would divert the team from achieving their purpose. If any of the pre-existing cultural attitudes became evident, the team leader made a point of challenging those assumptions in an open and transparent way.

Following a process of extensive discussion between the partners, redefined organisational structures and relationships were established to transcend and challenge previous assumptions and perceptions held by the constituent bodies in the team.

Vision – in many cases organisations believe in describing a vision of the future that brings the future to life or presents a different paradigm, posing a deliberate contrast with the present.

The process by which these different goals were defined varied across the organisations studied. In some cases they reflected the particular perspectives brought by the leader of the organisation based on their own beliefs and personal values. This gave very direct leadership to the organisation. In others, they formed the glue that held together the top team.

West Mercia Constabulary

Organisational values, for example:

- We have clear and visible leadership.
- We use effective policies and work towards challenging strategies.
- Our people are well managed.
- We value our partnerships and use our resources wisely.

Service delivery values, for example:

- We display a flexible, creative and positive attitude.
- We make decisions without fear or favour.
- We do the right things.
- We do things the right way.
- We meet individual needs.

Personal values, for example:

- I uphold the law.
- I respect each individual's human rights.
- I uphold the code of conduct.
- I behave with dignity and respect.
- In my dealings with others I am ethical, fair and just.
- I take pride in and enjoy my work.

The bond of integrity and trust

In some cases the leader used the process of defining the goal to motivate and focus the top team or the wider organisation. For this process of goal-building to be effective in engaging and motivating people and teams, three critical requirements were evident:

- visible and real personal commitment to the process and its results
- active engagement by top managers in directly leading, facilitating and participating in the goal-forming process, as well endorsing the results of this organisation-wide process
- real listening to the people in the organisation – this is active listening: showing understanding of issues, empathising with people offering ideas, clarifying understanding and acting on ideas.

The degree to which these requirements were met reflected the perceived integrity of those in leadership positions. This was the foundation for the trust in those leaders that was evident in the studies.

LEADING FROM THE FRONT

Showing integrity, establishing trust

'Leadership is about coping with change ... nobody has figured out how to manage people effectively into battle, they must be led.' **John Kotter**

'The outcome of effective leadership is simple. It must turn aspirations into actions. Leaders create aspirations.' **Dave Ulrich**

The presence of individuals who made a real difference in so many organisations means that the public services are seeking to build or replicate leadership capacity between and within organisations. There is now a vast body of research available on what defines leaders, how they behave, the processes they follow and how they should be developed.

How leaders lead

In all the case studies the leadership ingredient is key to a successful change process, in four main ways:

- helping set the direction – initiating and often leading the process
- creating the climate – putting in place processes or giving space and opportunity to others to address organisation-wide issues
- modelling the future – demonstrating their values in their own behaviour, actively engaging in the service improvement programme and showing the way to go
- recognising success – being generous in recognising what others have achieved, giving praise and rewarding success.

The leaders in the organisations we studied:

- had the credibility, based on their own track record, to step into the leadership position
- used their influence rather than position to initiate the change programme
- were in tune with the professional ethos and beliefs of the organisation and were able to judge the mood of the workforce and identify the action that would work best
- showed a total and single-minded commitment to their goals



- were visibly in the lead, willing to expose themselves to feedback and criticism and were always there for people
- believed in dealing with people face to face, whatever the demands on their own time
- were committed to the organisation and its goals for the long term, rather than for the furtherance of their own careers
- were seen to have integrity and so engendered trust.

Selly Park Technology College

The role and beliefs of Wendy Davies set the tone and example for the school to follow. Wendy Davies has 'transformational leader' written all over her. She shows that she has a mission to do what needs to be done to enable the school's pupils to aspire to great things and to achieve them. The cheerful passion she brings to her working life is infectious. She doesn't speak in grand terms, and doesn't look out of the ordinary, but she lives for a purpose, and feels privileged to do so – a privilege that she tries to share with other people. What comes through equally strongly is a commitment to treating people with respect and humanity.

West Mercia Constabulary

As a first step to developing a culture capable of supporting the 'Four Tracks of Policing' approach, Peter Hampson, the new chief constable, committed a large amount of time to making direct contact with staff, providing visible leadership by talking and listening directly to front-line staff.

He undertook personally to speak to all staff. He met just over 2,000 police officers and 1,200 civilians in groups of no more than 20. The meetings started with his presentation on the findings of the staff survey, followed by his elaboration of the mission statement and the personal, organisational and service values needed to achieve the mission. They provide a template for evaluating the organisation, its service and its people.

The studies showed that effective leadership is built from the inside of a person. The values and attitudes of each individual create their integrity as a leader. Integrity is reinforced by the individual's skill in dealing with people and building effective relationships. They choose styles and approaches to leadership that are appropriate in different contexts or for different challenges. Effective leaders in the case study organisations judged the best approach to achieve a given objective or deal with a particular situation.

INVIGORATING THE TOP TEAM

Strengthening leadership capability

While we have emphasised the importance of the role of the top leader of the organisation, the effective transformation of organisations requires an effective and coherent top team driving forward and enabling the programme of change. The barrier that had to be confronted here was that many of those at the top of the organisation – or at least just below the top – had invested a large part of their careers helping build the current organisation. A change of direction could be regarded as a threat. It could be seen to deny previous achievements, demand new skills or changed behaviour and challenge well-held assumptions about the place of the organisation in its community. So two critical steps emerged:

- put the right people in place
- weld those people into a team able to take forward change and improvement.

Some tough decisions

Leaders and HR managers in organisations have successfully confronted the need to have the right people in place and have taken some tough decisions. The organisations that we studied have confronted this issue directly and with honesty. Those individuals who did not feel they had the skills, motivation or interest to go in a new direction took opportunities to move sideways into new positions or to leave the organisation – many did this willingly as they did not feel committed or equipped for the new future.

Building the team

In the case studies building a management team committed and equipped for the future involved:

- working together on defining the vision or goal for the future
- finding roles to match their skills and interest
- recognising and valuing the contribution that each member of the team had to make
- accepting different perspectives and working through to common agreement within the team
- presenting a united front to the organisation once decisions about the future have been taken
- building roles that gave each member of the team corporate as well as functional responsibilities
- investing time in developing organisation and team values to create a shared ethos and aspiration for the organisation – often as a precursor to similar work organisation-wide.

Inland Revenue

To lead the organisation into the future, the Inland Revenue has created a set of leadership behaviours and established a development programme for people to acquire and deploy those behaviours. These enhance, value and reward leadership at all levels to deliver the business, bring about change, and build the skills and flexibility that is needed.

BUILDING A CULTURE OF EMPOWERMENT

Opening the door to ideas

Achieving significant change and service improvement means recognising that the culture that has served the organisation well in the past needs to adapt for the future. The starting point for a change process will often involve diagnosis of the current culture and developing ideas on the culture needed for the future (in line with vision and values for example).

In the organisations that we have studied, focus groups and staff attitude surveys have been used for the diagnosis of these issues. They provide a picture of the things that people value about the organisation and the reason they come to work. They can also identify those aspects that are sources of discontent and demotivation. Critical to this approach is to ensure that those involved in the management of the organisation are committed (and seen by others) to act. Real action must result.

Direct management action

Examples of how this work was taken forward have included:

- top management or the management team discussing findings openly with staff
- organisation-wide focus groups to tackle the issues that have emerged
- real listening to the points raised and empathising with feelings expressed
- dealing with the feelings prompted by change, as well as the facts
- changing systems and processes, particularly in the HR area, to meet concerns; these include career development, performance management and internal communication arrangements
- ensuring in the longer term that these system and process changes are aligned, so that they achieve the changes desired and reinforce the values they profess to achieve.

National Blood Service

Focus groups have been established across the organisation, breaking down previous functional 'silos' and working progressively on core values, business issues and value-chain analysis and review. Their ideas have been listened to by the board and acted on.

Court Service

It was agreed in October 1998 that a benchmarking exercise would be launched with the following objectives:

- to provide an independent view of the Court Service, comparing its performance with recognised best practice
- to highlight areas for improvement, including barriers to change and areas where good progress is already being made
- to set a benchmark for measuring progress as the Court Service goes through its major transformation.

The Court Service management board commissioned the work and the results were reported to them in December 1998. The key strengths identified were a 'can do' approach and the commitment of staff to delivering the service. Even in challenging circumstances staff remained committed to good customer service and genuinely wanted to do a good job, although there was staff concern that earlier efforts to bring about productivity improvements had taken their toll on the quality of service.

West Mercia Constabulary

The chief constable held an extensive programme of meetings to follow up the findings of the staff attitude survey and to better understand people's concerns. A key part of these meetings was listening. Those who attended the meetings were asked to make comments, ask questions and make suggestions as to how the force might better organise itself to achieve its purpose. Staff facilitating these events collected over 800 separate issues to be addressed. Some of these were individual concerns, but many provided insights into potential improvements. They were passed on to the appropriate point in the management structure, with feedback required by the 'chief' on how they were being dealt with.

WORKING WITHIN THE COMMUNITY

Forging understanding and setting expectations

With the focus of service improvement on outcomes, the engagement of external stakeholders has been a critical component in bringing about change. The first step in this process, as we have described, is the reorientation of the organisation to an outcome focus. This is then seen through in the different ways these organisations have engaged with their stakeholder communities in designing, reviewing and improving service and outcomes.

This engagement has taken a number of forms:

Board members – the appointment of individuals from the stakeholder community onto the management boards of the organisations.

National Blood Service

The majority of the board are non-executive directors drawn from the wider health community served by the Service.

Selly Park Technology College

School parent governors are essential to maintaining understanding and real connection with the Muslim community served by the school.

Local forums and links – the establishment of consultative forums to review the service or implement the plans of the organisation. It has been important to ensure that these consultative bodies tap into 'real opinion' in the stakeholder community rather than the views of self-appointed and unrepresentative community 'leaders'. These bodies have been created and used on both a standing and *ad hoc* basis and have been retained only as long as there is a requirement for input and advice.

West Mercia Constabulary

Community Policing Boards have now been established across the constabulary area to tap into local needs and views of the service in recognition of the diversity of the area covered by the service. This reinforces an approach that has officers based in each market town with the job of building good relationships with people who are seen to be important opinion leaders in the community. This could be the local newsagent or a long-standing tenant on a housing estate, rather than, for example, members of the parish or town council, though opinion-formers might equally be found there. Experienced beat officers make time to talk to the individuals during the normal course of the day, explaining issues and listening to what these key members of the public have to say.

Value chains – the analysis of the value chain of the organisation, from suppliers through the organisation to its customers, to map processes, identify improvements and manage changes.

- building closer working links with other organisations or sponsor bodies on which the organisation depends to achieve its outcomes
- using information technology to share information and provide the basis for networked learning.

Lewisham Youth Offending Team

An information system had now been established to share information across the partner organisations to support the service.

Local values – engaging the community in the determination of the values of the organisation so that they reflect the values of the communities they serve.

The service improvement process has stimulated a much greater two-way commitment between the organisation and its stakeholders. It also leads to improved mutual understanding and the management of expectations. The process requires a considerable investment of time. Results do not show through immediately as initial efforts focus on building understanding and trust rather than taking action.

FORGING TEAMS

Releasing energy, making it happen

The process of empowerment doesn't just mean letting go – it also means ensuring that those who are empowered are equipped to take on that new responsibility. This involves:

- leadership, to show the way and to 'allow' empowerment
- visible acknowledgement of the professionalism and commitment of staff and their desire to do their best
- cultural change, to tolerate mistakes and allow learning
- identifying the skills, competences and behaviours that will be needed by staff in the future
- establishing development programmes and learning activities to enable staff to build their skills.

Building staff capability

In the specific context of change and service improvement, the case study organisations have used a range of mechanisms to enable staff to review, design and lead the change required.

This has involved:

- creating cross-organisational working groups with a remit to look at issues, improve value chains or solve particular problems, both inside and outside the organisation
- ensuring that those groups have a remit to look at real and pervasive problems for the organisation
- making available expert facilitation and resources to the groups to enable them to deliver their work effectively
- giving scope for them to act and authority to deploy resources or take decisions
- positive responses from the top of the organisation to the ideas proposed and decisions taken
- a genuine commitment to empowerment as a better way to deliver outcomes through the professionalism of staff
- celebration of all the successes achieved by the organisation and individuals to reinforce the positive progress towards the organisation's goals.

National Blood Service

Facilitators supported and helped develop focus groups working on core values, business issues and value chains. The groups working on business issues comprised 300 staff drawn from across the different functions and services, from different localities and from different grades and professional backgrounds, who were asked to join 18 focus groups. They met four times, adopting a problem-solving approach, asking questions, doing research and literature searches, consulting others outside the group, and testing emerging findings within the group. An external consultancy was employed to give professional facilitation to the focus groups. Members of HR staff were attached to them to facilitate the skills transfer from the consultants into the organisation.



Court Service

Follow-up on EFQM benchmarking exercise, with a second benchmarking exercise at the end of 2000, showed there have been substantial improvements in many of the key areas highlighted by the first benchmarking exercise. Given the major challenges that the organisation has faced, such as the Civil Justice reforms, the organisation has probably achieved as much change as was possible in the limited time since the change programme was launched following the first benchmarking exercise. This change programme involved staff from across the organisation over an 18-month period.

Key areas where the organisation had significantly improved were as follows:

- strategic planning and project/programme management
- information services/information technology (IS/IT) positioning
- leadership
- people management and people results
- openness and involvement
- customer service at the local level
- less obsession with targets for their own sake
- better relationships with some key stakeholders.

ALIGNING HR PROCESSES AND PRACTICE

Creating capability

The roles of the HR function and the HR processes in the organisation are both a catalyst to and an exemplar of service improvement. The evidence from the case studies is consistent with a stream of CIPD research into this area in the last few years.

John Purcell of the University of Bath has been examining how best HR practice can affect organisational performance. He has sought to examine what it is in HR that seems to trigger better performance, and whether such a connection can be sustained, especially when times are difficult. He and colleagues have been studying 12 organisations that have experienced significant change over the last 18 months. In this context the HR systems need to be both robust and flexible or adaptive.

The psychological contract

In the context of such change one of the critical questions is the impact on the 'psychological contract' between employer and employees. It is evident that when employees believe their boss, or their firm, has breached their expectations about work and career opportunities, they feel less committed to the organisation, and job satisfaction sometimes falls too.⁴

As Purcell says:

'We need a clear understanding of why a breach of the psychological contract can lead not just to a reduction in commitment to the organisation but to a decline in work performance. Understanding this link is critical to the whole "black box" problem of how HR practices affect work performance.'⁵

The critical factor is how these changes affect discretionary behaviour ie the choices that individuals make about the way that any job is done. The people and performance model looks at the factors that drive this discretionary behaviour.

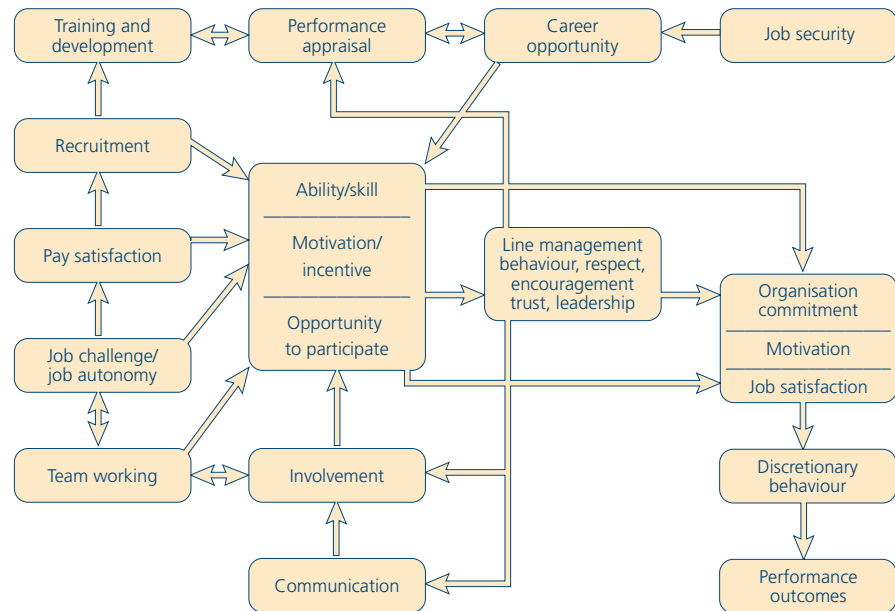


Figure 1 People and performance model

Ability, motivation and opportunity

The ability, motivation and opportunity to participate of people in the organisation is a direct result of the HR policies that recruit, train, manage and reward them. The management climate – management effectiveness and behaviour and the degree of encouragement and trust they have in people – will influence the degree to which people feel committed to the organisation and are motivated to perform. Employees are then able to choose the discretionary behaviour that results in the performance outcomes required by the organisation. So, to bring about improved performance, organisations need to consider all these elements.

In the case studies, we have identified action that has led to the development of these various elements and more. Particular emphasis has been placed on:

- improving workforce planning arrangements to better predict the future skills and behavioural needs of the organisation and business units
- appropriate pay and other incentives for improvement and desired behaviour
- performance management arrangements aligned with the goals of the organisation with targets for individuals, prepared on a team basis
- changes in the selection criteria for recruitment with greater emphasis on the attitudes, values and behaviours required instead of the skills and experience used traditionally; alignment with the goals and values of the organisation is increasingly important
- focusing training and development on the behaviours required of staff to demonstrate the future culture of the organisation; the approach to learning is increasingly action-based and set in the context of the change programmes underway, to both learn skills and enable change
- looking at career management programmes to support people who either need to move on from the organisation or take moves to develop skills, experience and perspectives more relevant to the new organisation
- better corporate and team communications to set the change context, explain developments, listen to the workforce and allow feedback up the organisation; linked to this is the value of using staff surveys and focus groups to tap opinion, allow feedback and keep a finger on the pulse of the organisation.

Selly Park Technology College

High-quality and appropriate leadership at head-of-department level is a crucial factor in improving educational outcomes. The classroom subject teacher is likely to need guidance, support and direction in order to achieve those outcomes, but there was a tradition of appointing heads of department on a seniority basis. The crucial issue that had to be addressed was whether heads of department had the necessary leadership competence, and not whether they had been doing the job a long time. The generous early retirement scheme available to teachers was used to the full to ease unsuitable people out of head-of-department roles and to fill those positions with staff, many recruited in from outside, who could provide the right leadership.

Inland Revenue

The development of an e- and HR strategy has been used to identify the critical changes required in HR systems and processes to support the future requirements of the business and the approach required by staff. A new human resources strategy has been developed, which prioritises people activity in the department to mitigate these risks under the following critical responses:

- enhancing management and leadership capability – enhancing, valuing and rewarding management and leadership at all levels to deliver the business, bring about change, and build the skills and flexible approaches to work that are needed
- developing the right skills and knowledge – defining the skills and knowledge needed in the context of a changing business, and the acquisition of new skills to deliver business changes; mapping the skills the department already has and making best use of them
- building a flexible workforce – creating a mix of people who can deliver services when and through channels customers want, who can tackle non-compliance effectively, who provide internal support and other specialist services, and who collectively are capable and willing to meet the varying demands the business will place on them
- taking forward strategic HR planning – keeping people priorities under review and continuously ensuring that they are aligned with changing business priorities; ensuring that the right numbers of people with appropriate skills are in the right place to deliver the business.

National Blood Service/West Mercia Constabulary

Staff attitude surveys have been used to better understand the views of people on the changes in hand in order to identify factors that are affecting motivation and job satisfaction.

NAVIGATING THE ROUTE

Seizing the chances and adapting your approach

One of the most evident capabilities of the organisations that have successfully improved performance and outcomes has been their capacity to navigate through the turbulent stages in service improvement. This involves not only a well-planned process but also degrees of flexibility, adaptability and opportunism: seizing new chances to pursue their agenda for service improvement.

Planning change programmes – in large-scale change the ability to run change projects and initiatives within an overall change programme is critical to achieve synergy and maximise impact. One approach that can help in the management of this complexity is to use an overall conceptual framework to manage the change process, based on how the organisations functions. This approach ensures coherence, complementarity and completeness in the change process.

Court Service

The Service used the Business Excellence Model as a starting benchmark, a template for change and a test of achievement for their change programme.

Flexibility – while a planned approach is essential, so is the ability of the organisation to respond flexibly to a changing external environment, policy changes or emerging problems. This can be achieved in a number of ways – using values as the lodestone for reacting to changed circumstances, building flexible behaviours into the competences and attitudes of the workforce, or using human resource management to enable rapid redeployment across functions or bring in new skills.

Inland Revenue

Here, scenario-based workforce planning was used to build flexibility into the organisation. The analysis identified a list of people issues to be handled:

- coping with the pace of change facing the department
- a shortage of the right skills and capabilities for a changing role
- the increasing average age of the workforce
- risks of losing the goodwill of staff
- the need for a workforce that as a whole works more flexibly
- changing demographics and expectations among potential recruits which may differ from IR needs
- giving priority to other areas over investment in people-focused changes
- recognising that the resource profile for new business may differ from planning assumptions
- the geographical impact of change, which may throw up local show-stoppers even when the overall picture is sustainable.

Adaptability – the ability to recognise that the assumptions you started out with may not prove to be the case in practice and the scope to recognise very quickly that these assumptions need to be changed.

Opportunism – this is manifest in the attitudes of organisations to ‘new initiatives’ that may come along. In many organisations that are suffering from ‘initiative fatigue’, the reaction tends to be negative, especially to changes ‘foisted’ onto them from external sources. By contrast, one of the characteristics of the organisations that we studied is that they have pursued such options as a further opportunity to achieve their long-term goals.

West Mercia Constabulary

The process of having to bid to the Home Office, for the first time, for new resources to develop policing services was viewed positively by the service and the Police Authority as a means to achieve better outcomes, rather than as imposing constraints on local accountability.

Selly Park Technology College

The school is viewing the process of re-bidding for both ‘beacon school’ and ‘technology college’ status as a further opportunity to boost educational attainment rather than as a burden on the operation of the school.

Reflection and learning

The change journey can be both uncertain and unpredictable and those embarking on it cannot know the possible eventualities or the tools they will need to use along the way. One factor that characterises all of the organisations that we have studied has been the ability to reflect on and learn from the experience of service improvement and to adapt the process as it proceeds.

This was achieved by:

- ensuring that those at the top of the organisation, while leading and giving direction, do not have a monopoly of ideas; they share power, are open to ideas from any source and have the ability to listen and learn from others
- significant investment in the professional development of staff so that they are better equipped for each eventuality; they also recognise that the most effective development is a reflective process
- giving staff across the organisation the means to contribute ideas and solve problems
- using genuine consultation with stakeholders as a means to obtaining fresh perspectives and stimulating continuous improvement.

NO TWO JOURNEYS ARE THE SAME

The research has made it very clear that every change process involves a unique journey that reflects the starting point, the goals, the people, culture, history and context of each organisation. Therefore other organisations that are seeking to learn from this journey will only ever have a partial, retrospective picture of what was done, what was learnt and what was ultimately achieved.

Effective dissemination of this learning is very hard because of this fact. Our belief is that effective dissemination means enabling others to share in this journey – indeed to contribute to it – as it proceeds. The Institute’s aim in following up on this research is to seek to build a learning network for service improvement and change.

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