

# Introduction

Civica's 'Changing Landscape' series of reports has already discussed how the world we live in is changing fast, demanding a change in how we deliver public services in the run up to 2025 and beyond. Devolution, mergers between councils, shared services, shifting services online and delivering a digital experience for the masses... it's all drastically altering the world as we know it. The reports highlight people, culture and leadership as being not only key barriers but also enablers of this change.

At a recent Leadership Forum, Civica brought together a group of both public and private sector leaders, alongside their own experts, to explore these enablers of change. An independent survey of over 250 public sector middle managers and skilled workers was also conducted.

The forum identified a need for public sector leaders to empower the wider workforce and create an organisational culture that supports and drives the transformation that services clearly require over the next decade.

In this discussion paper we summarise the key outcomes that emerged from this Leadership Forum. This is intended to provide a starting place for conversations so that public sector leaders can support and challenge each other on how to transform their organisation - by sharing ideas, successes and challenges we can work together to invigorate a public sector revolution!



# Executive summary

"Here's to the crazy ones. The misfits. The rebels. The troublemakers. The round pegs in the square holes. The ones who see things differently. They're not fond of rules. And they have no respect for the status quo. You can quote them, disagree with them, glorify or vilify them. About the only thing you can't do is ignore them. Because they change things. They push the human race forward. And while some may see them as the crazy ones, we see genius. Because the people who are crazy enough to think they can change the world are the ones who do." Apple Inc. motto

Despite having started to make some head-way in its journey to deliver redesigned and integrated services in the run-up to 2025 and beyond, the public sector is still often constrained by the habits of old. Whilst we are seeing pockets of innovation and a strong desire to support a diverse and changing society, the public sector is still lacking some of the core skills required to drive change at scale.

The sector's imperative to balance the books is still driving significant spending cuts across the majority of services. Transport, energy, business and the environment were among the biggest losers recently, with resource budgets falling by between 15% and 37%. According to the latest Autumn Statement, these cuts will continue until 2020. Meanwhile, the pressure to deliver high quality services on a wider scale across the public sector will continue, and in turn will drive further investment in technology and digital transformation.

The world of the citizen and the workplace is changing at a dramatic pace and public sector leaders need to take responsibility for empowering the wider workforce and embrace an organisational culture that supports this new paradigm. In short, a revolution is required.

Our Civica Leadership Forum agreed, and have seen first-hand, that almost everyone working in the public sector starts with a determined sense of 'public service'. They are passionate about making a positive difference to the society in which they live and firmly believe they can be the 'agent of change' to make this happen. But often frustration sets in. So, what is influencing this slow-down of positive change? Our Leadership Forum agreed that there needs to be a radical change in not only leadership style, but also the organisational structure and culture across the sector.



Everyone is a leader

Constant evolution



Light touch rules

We need to be better at encouraging everyone across the organisation to take accountability for delivery and improvement. Give voice to these 'crazy ones', create greater diversity and empower people to make decisions. We need to ensure our leaders are equipped for the job.

The public sector has spent decades working in professiona silos. So, how do you break dowr the barriers and create teams that work together across agencies? We need to encourage the rebels to take action, to drive ongoing learning and improvements, for everyone to see that their role is constantly evolving.



Every revolution needs strong leadership to develop a strategy, invest in the right armoury, rouse the troops and ultimately drive on-going success in the face of daunting challenges. As discussed in our "Enabling a new world of public service delivery" report, cultural change and innovation across public services needs to start at the top. Leaders must act as change agents; as well as embracing and encouraging these qualities amongst the wider workforce. The ones who see things differently are the ones who change things.

#### Leadership – A role for all

The most senior leaders need to be setting a clear direction; inspiring, challenging and encouraging those around them to make the vision a reality. They can't make this happen alone. Our Leadership Forum agreed that we need to be better at encouraging everyone in the organisation to take accountability for delivery and improvement. We need to be better at harnessing the sense of public service so we can provide better outcomes-based service to our citizens.

Part of this is giving a voice to the 'crazy ones', creating greater diversity in our organisations and empowering people to make decisions. It takes a strong leader to empower others and we need to make sure we are equipping all of our leaders with the skills and the tools that they need.

"There are often tensions between having a clear objective, being agile and sticking to regulation." Stephen Curtis, Director, Centre of Excellence for

#### What's holding our leaders back?

The Leadership Forum agreed that public sector leaders often need to be better at setting a clear vision and direction, identifying what needs to be delivered and how. This is holding back a number of organisations from making the real changes required to deliver outcome-based services, across agencies to meet the needs of future generations. According to Civica research, public sector employees at middle manager level and below...



believe a lack of clear leadership and direction is holding the sector back from effective change



believe that their current leadership team is not able to effectively lead the team over the next decade



put this down to the fact that they only care about how they are perceived and not about their employees

Our public sector leaders also highlighted an exciting opportunity for clearer and more congruent sector-wide objectives, beyond "making savings" and "improving services". A revolution underpinned by collaboration and coordination between agencies will have far greater success than one which is conducted by small pockets in isolation.

"Evidence shows, in health care to enable and sustain continuously improving, safe, high quality, compassionate care, there is a need to shift from a command and control leadership environment to one where staff at all levels are empowered as individuals and in teams to deliver patient and user outcomes".

"If leaders try to do it alone they end up being a blocker – with all decisions coming through them. In a simple and predictable world that's fine – but in the modern world it simply isn't sustainable. We need to create leadership throughout the organisation with decisions being made and acted on at the closest possible point to service delivery." Maggie Evans, Senior Partner, Apter Development

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To create a revolution we need a different working environment. The Leadership Forum cited a need for cultural shift to drive a new positive and adaptive environment – one that is flexible and constantly learning. This cultural shift will need to be driven by new values, new structures, new ways of collaborating and new mind-sets about what doing a good job means.

The public sector has spent decades working in professional silos. So, how do you break down the barriers and create teams that work together across agencies to deliver seamless right-sized services to citizens? People tend to fall into their natural comfort zones – we like to call them tribes. We all take comfort in our tribe, choosing to associate personally and professionally with those who are similar to us, come from the same background, work in the same role, level and capacity. With just 21% of public sector middle managers and below describing their working environment as collaborative, this tribal nature also forces the workforce into unproductive silos.

#### Positive change and an adaptive environment

As the first <u>Changing Landscape report</u> discussed, people are now working past the traditional retirement age and digital-natives are growing into their first management roles. The workforce is becoming increasingly diverse and complex. If handled correctly this is certainly a positive force, and our research indicates that respondents are up for this change...



want public sector leaders to invest in creating a more flexible and adaptive working environment and take advantage of current tools and technology



believe that their leaders need to embrace modern working practices to aid change As mentioned previously, due to these factors, a worrying percentage of our future rebels have become disenchanted within their role.



33%

cite the public sector as bureaucratic

• 7

7%

view the public sector as an empowering environment

This means that they will stop being a force for change and revolution. We need to encourage the rebels to take action, to drive ongoing learning and improvements, for everyone to see that their role is constantly evolving.

Our leaders agreed that further steps are needed to be able to pre-empt and facilitate cultural requirements, and not wait to be told. This will take time and determination, but it is possible.

"There are examples where silos are breaking down. I have set up multi-agency roles, bringing together seven different agencies under a single management, where they all had different terms and conditions, etc. But it didn't matter as they came together to focus on delivering the best job." Kim Ryley, Former Chief Executive Officer and Chair, Solace in Business

"It's not enough to set a new objective in the distance and think our work is done once we get there. The world we operate in will continue to evolve and we must be prepared to adapt alongside it." John Hood, Chief Technology Officer, Civica



Perhaps the most obvious barrier to positive change is an overwhelming lack of room to take risks and innovate. Our Changing Landscape report revealed...



of council leaders and executives across the UK believe that transformation is being held back by a restrictive culture



of council leaders and executives across the UK believe that transformation is being held back by an over abundance of red tape and regulations

"A structure needs to be in place to reward and share good practice, working on the principle of tight and loose - tight governance with loose or empowered staff – with the ability to overstep boundaries for the right and auditable reasons. Equally poor performance should be dealt with swiftly without which the organisational bar is lowered and hard-working staff demotivated." Trevor Holden, Chief Executive Officer, Luton Borough Council

"There needs to be a balance of control, accountability, flexibility and trust"
Stephen Curtis, Director, Centre of Excellence for Information Sharing



There is no quicker way to suffocate original thinking or genius ideas than by punishing failure and not giving space to innovate and take risks.

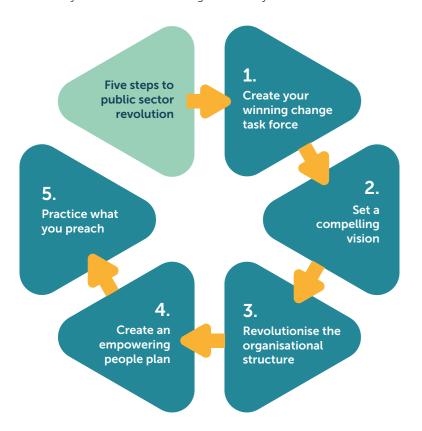
The Leadership Forum also stated that a democratic and agile structure falls flat if it lacks the checks and balances to keep everyone on track.

"We need to place more value on a balance of controlled empowerment and not being afraid to 'live in the beta' and sometimes fail as a result." Steve Shakespeare, Managing Director, Civica Services

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# Five steps to public sector revolution

Our Leadership Forum recognised the enormity of the challenge in leading a progressive workforce, in rousing the troops to create a revolution across public sector organisations. However, it's not impossible and the discussion identified five clear steps to invigorate the revolution. These are practical steps that our leaders believe, through experience, can make a difference. They are intended as a conversation starter, helping you think through what is needed in your organisation and how you could use their insights to fuel your revolution.



Eastbourne Borough Council has broken down silos by restructuring the council, taking away traditional departments, such as revenues, planning and environment and instead delivering multi-skilled customer contact, neighbourhood and casework teams to provide a one stop shop for citizens, supported by a specialist team that can respond to more complex enquiries.

"We go by the principle that 'work is an activity, not a place'. We have worked hard to create a culture that has opened up communications between teams and broken down traditional silos. Now, no team and no individual has an office, everyone sits together in an open plan space, including the CEO. Alongside this, we have consolidated our technology platforms to a much smaller set of closely integrated systems – enabling multi-skilled teams to make decisions quickly, empowering staff across the authority. Our Neighbourhood First team, for example, are tasked to get out into the community more and we have given them the authority to make informed decisions whilst out with the public. Encouraging them to spend more time with the citizens they serve gives them the space and time to spot issues and resolve them, quickly, before a member of the public has even noticed.

"The pressure to do more with less, without letting service levels drop, is unrelenting for most organisations within local government. Alongside the technical transformation, the restructure of our organisation, creating an empowered culture has been crucial in delivering the improvements we needed. Having a clear vision and strong leadership has been fundamental to the success of our transformation." Henry Branson, Senior Head of Infrastructure, Eastbourne Borough Council



## Create your winning change task force

While leaders will of course "lead" change, the wider workforce are the people who will actually make it happen - ensuring the new culture and values permeate every aspect of the organisation. Identifying key revolutionaries from this group and giving them specific responsibilities and objectives to drive change across the workforce will help achieve the outcomes required. There are different ways of structuring your task force but the key is to find the early adopters of change and give them a clear remit to go out and convert others – they can bring on the early majority and that's when your change will gather real momentum.

"In one local authority we created 'change champions' where 200 employees were put through special training to support and coach staff through periods of change. We saw them as natural born leaders who could not only drive change but act as a sounding board for staff who didn't feel they could approach senior executives with their concerns." Kim Ryley, Former CEO and Chair, Solace in Business

Setting up an internal "Change" or "Innovation Board" and asking those particularly interested to put themselves forward with an idea on how to improve the organisation, their department, role or service area is one way to make this happen. Make it easy for people to contribute, provide support and give them the skills they need.

"Innovation and change-led roles are already becoming more popular in the private sector where the ability 'to do' is the difference between success and failure. The same applies to the public sector." Wayne Story, Deputy Chief Executive, Civica





Identify key revolutionaries from the group

Give them specific responsibilities and objectives

Support them to drive change across the workforce

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#### Set a compelling vision

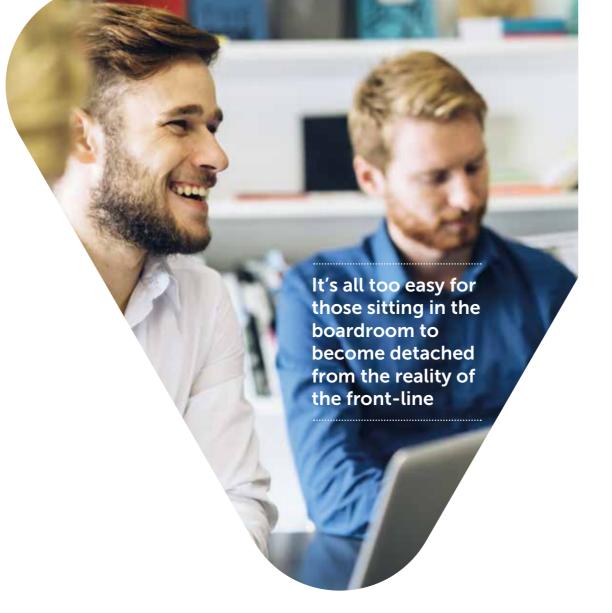
"Don't work in today's space, work towards the future vision." Trevor Holden, Chief Executive Officer, Luton Borough Council

All organisations need a clear vision and goal that is understood at every level of the organisation. This needs to break-up monopolies whilst entrusting local leadership to deliver. We need to help everyone to be inspired and proud – to feel connected to the contribution they are making to their communities.

The change task force, as mentioned previously, along with the executive team can create this vision and then find ways to communicate it and reinforce it – bringing the future culture and values to life.

Once the vision is set you can build a picture of where you are now, so you can develop a change plan and start tracking your progress. Understanding where you are now is key to delivering against the vision – for example, many leaders in their offices may think they are already outcome focused and empowering, but the reality at the coal-face may not match their perception. According to Civica research, 25% of public sector middle managers and below describe their leadership team as poor, with the main reason cited that they are detached from the reality of the job (66%). Whilst, 47% think their leadership team does not have the necessary leadership or management skills for their role.

"It's all too easy for those sitting in the boardroom to become detached from the reality of the front-line. Closing this gap with organisational and community-wide communication to take a cold hard look at your current culture before implementing any kind of change is essential." Susie Kemp, Former Assistant Chief Executive Officer, Surrey County Council





## 3. Revolutionise the organisational structure

It's not enough to just re-instil a sense of public revolution – the right structure, processes, partnerships and tools must be put in place to enable it. From the top down this means it's time to move away from a traditional hierarchical structure and build a flatter one, where Silos are broken down and democracy is devolved amongst the entire workforce. Our research suggests that such a change would be welcomed with 34% of public sector employees at middle manager level and below believing that public sector leaders need to change the entire organisational structure.



of public sector employees at middle manager level would welcome a move away from a traditional hierarchical structure and build a flatter one

This type of change is about far more than names in boxes on an organisation chart – it's about the governance of how decisions are made, the processes that ensure clear accountability, the relationships that support collaboration, and about access to information and insights. Revolutionising the structure is a great opportunity to focus on future public sector needs and to signal change. It can make it easier to hear diverse views from across the organisation, and to give a voice to those 'crazy ones'.

"The boardroom of the future will be much more mixed in age and knowledge.

There will be less of a conveyor belt to get to the top and we will see the younger generation changing the system from the bottom up. Underpinning this is technology to deliver the services how and when people want them."

Trevor Holden, Chief Executive Officer, Luton Borough Council

Part of working through the organisational structure is also about taking decisions on how you want to work with strategic partners to deliver your vision. Many public sector leaders realise that their organisation does not always have the skills and resource to best deliver services, so strategic partners become an integral part of delivery, significantly improving outcomes and service levels.

**South Hams and West Devon Councils** used innovative methods to find the rising stars inside their organisation. As part of the restructure in 2014/15 the councils turned the recruitment process on its head by putting all staff at risk and encouraging all staff to apply for a new role – any role at all providing they had the right skills, qualifications and experience – within the organisation, there were no ring fences. During the application process they had to show real-life examples of how they have taken steps to improve service delivery and meet the behaviours required by the new organisation. The end result is that people felt more in control of their options and some people were promoted over and above their previous role. By giving employees the freedom to reach for any position within the organisation, the local authority discovered a new wave of future leaders that they didn't even know they had.

"At Civica we have a job shadowing scheme with our public sector customers which brings huge value to both sides. This is about sharing experiences, learning from best practice and seeing first-hand how different cultures approach challenges. We need to take this further by expanding access to initiatives such as the Civica Academy and work more closely with our public sector customers to make them part of it. This will support cultural development and succession planning." Wayne Story, Deputy CEO, Civica

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#### 4. Create an empowering people plan

Throughout the Changing Landscape series, people and culture are consistently at the heart of the debate. From leading change to creating a can-do culture, from empowering 'agents of change' to inspiring future leaders. These challenges require everyone in the organisation to work in new and different ways - we need to put in place a people plan to empower that change.

Our Leadership Forum shared a number of initiatives that they have implemented across both public and private sector organisations as part of their people plan:



**Ensuring everyone has clear objectives** – people need to know what is expected of them and that there are consequences for not delivering



Implementing flexible and mobile working practices – creating new and innovative ways of working, enabling teams and individuals to contribute in new ways. A more positive working environment, with a workforce better equipped to support the diverse needs of the changing citizen



**Investing in creating inspirational leaders –** building talent throughout the organisation for today and tomorrow

"Making progress against objectives and striving towards a common vision needs to be celebrated and rewarded, to continue to inspire across all levels of the organisation."

John Hood, Chief Technology Officer, Civica



**Aligning people processes** – updating key people processes such as recruitment, job levels, appraisal, reward and development, ensuring they are aligned with your vision and values



**Celebrating success** – reinforcing and rewarding the behaviours, values and culture we want to encourage



**Protecting the wellbeing of your workforce –** making sure you create a healthy working environment where people can flourish



**Building capability** – proactively develop new skills and knowledge to meet future needs such as data insight, analytics, communication and running multi-discipline units



**Ongoing communication** – using formal and informal tools and harnessing technology to keep everyone in the picture and to collect their views and ideas

"Planning to grow new leadership talent and support and retain leaders in existing roles at all levels across the public sector needs to take place strategically – it can't be left to chance." Jo Vigor, Senior Development Advisor, Health Sector



### 5. Practice what you preach

Part of walking the walk is making sure leaders are always learning from others within or indeed from outside their organisation. In practice this often takes the form of peer networking groups, knowledge-sharing sessions, job-shadowing and secondments.

We all know that it's important to model the change you want to see – our Leadership Forum felt this was especially important with the revolutionary cultural changes required to deliver the fundamental transformation that services so desperately require over the next decade. "The biggest barriers are not technology or resource based, they are people's attitudes. Public sector organisations need a style of leadership that creates a sense of purpose where they can sell hope to the people, and visibly walk the walk." Kim Ryley, Former CEO and Chair, Solace in Business

Sharing learning, insights and resources across the public sector and with key providers will be essential to our ability to lead this revolution. Organisations such as Solace actively provide development training for Chief Executives and senior managers working in the public sector, and the NHS has its own leadership academy aimed at developing better leaders and delivering improved care. However, our Leadership Forum believes that a formal, sector-wide leadership programme is necessary to unify and develop our future leaders.



"I view restructuring as a constructive process, but for the most part, people are scared of change so as a leader you have to demystify it. One of the ways we tackled this was to create an open plan environment, where everyone, including the senior leadership team sat in the same space, with no closed offices. This opened up communications between different staff, allowing innovation, challenge and creativity and encouraging people to actually speak to each other rather than doing everything by e-mail. Creating an open plan environment also showed that the leaders were willing and able to 'practice what they preach' and were in tune with the rest of the organisation." Steve Jorden, Executive Director of Strategy and Commissioning, Head of Paid Service at South Hams District Council and West Devon Borough Council

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# Conclusion

Throughout the last century, in all sectors, successful (in their own right) leaders have tended to be heroic figures. From Churchill to Thatcher, Henry Ford to Steve Jobs and Alex Ferguson. But as technology is flattening the traditional hierarchical structure, and reputations of "leadership gods" are being tarnished by their human reality – this way of leading simply no longer works.

"If we embrace reform ... we won't just balance the books, we will lay the foundation for the most radical and most progressive government of our recent history."

David Cameron, Prime Minister

But to achieve this, the public sector needs to adopt a common set of values and embrace cultural change to support the leaders of today, and develop those of tomorrow.

"The world is changing but not everyone has the right skills to manage and build on the dramatic shifts in play. Whilst we recognise there are good public sector training courses out there to support individual challenges, I propose introducing a nationally funded programme to arm leaders with the skills they require to meet future demands. This should be centrally run and easily accessible for leaders across the public sector to encourage collaboration across departments and agencies."

Wayne Story, Deputy Chief Executive, Civica

The public sector needs to adopt a common set of values and embrace cultural change to support the leaders of today, and develop those of tomorrow

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