

RESEARCH: COLLABORATIVE STUDY



The successful delivery of change within the public sector: getting it right

AN EXPLORATION OF ORGANISATIONAL CAPABILITY AND ACCOUNTABILITY TO THE PUBLIC



Association for Project Management
May 2017

Acknowledgements

The Public Services Change Practitioner Group, which has acted as a steering group during the research and the report's development, would like to acknowledge the work of the research team and the important contributions of the participating organisations.

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- Department for Business, Energy & Industrial Strategy
- Her Majesty's Revenue & Customs
- London Borough of Hackney
- Ministry of Justice
- Staffordshire Fire and Rescue Service
- Independent consultants experienced in working across public-sector organisations

Origins of this research

The APM Enabling Change Specific Interest Group (SIG) was established in January 2014 to improve and encourage the organisational change capability of organisations, teams and individuals.

The APM Enabling Change SIG is highly collaborative, participating in change-related discussions across APM. This SIG has a focus on external activities, establishing and developing partnerships with other relevant organisations and groups to ensure that we are at the forefront of thought leadership on change-specific topics.

One of the ways the APM Enabling Change SIG fosters discussion and dialogue with change leaders and managers is through a network of practitioner groups, including the Public Services Change Practitioner Group, established in April 2015. The Practitioner Group aims to develop change capability by exploring change methods, standards, case studies and good practices.

This report was commissioned by this group to promote further dialogue and enhance knowledge about change in public-sector organisations.

Please visit apm.org.uk/community/enabling-change-sig for more information on the SIG.

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1. Synopsis

This research project considers criteria that contribute to the successful delivery of change in the public sector. The study is designed around two key concepts: organisational capability and accountability, and how these will help your organisation to *get it right*.

For the purposes of this study, **organisational capability** is defined as a combination of embedded routines that provide an advantage to the organisation. For example, the way an organisation manages its resources, including employees, will lead to an advantage or disadvantage. In a public-sector context, advantages lead to *value for money* (VfM), which can be expressed as economic innovation (efficiency), improved social architecture and relationships (effectiveness), and political reputation with the public (fairness and equality).

The study identified four dimensions of organisational capability to be developed by public-sector organisations when delivering change:

- Maintaining **strong and consistent leadership**.
- **Communicating a coherent vision** and clear goals.
- Embracing a culture of **disciplined planning and realistic timelines**.
- Establishing sufficient **investment for end-to-end change**.

For the purposes of this study, **accountability** refers to relationships involving answerability, an obligation to report or give an account of actions and non-actions. Public-sector organisations are ultimately accountable to government and parliament, which is *accountable to the public* through elections and similar constitutional forces. Accountability is complicated when investments in change and the delivery of change are done by different groups, which is typical in public-sector organisations.

The study identified two dimensions of accountability that impact the delivery of change in public-sector organisations:

- **Engaging stakeholders early** and throughout the change.
- **Ensuring sustainability** beyond the life of the change project.

This study found that the presence of these six criteria is critical to improving the delivery of public-sector change. If one or more of the identified criteria were absent, the change largely resulted in failure. Although some of the criteria might appear familiar, each was found to have a distinctive meaning in a public-sector context.

"Public-sector organisations are ultimately accountable to government and parliament, which is accountable to the public through elections and similar constitutional forces"



2. Methodology and participants

This study explores the experiences of change leaders involved with complex change programmes in public-sector organisations.

The research targeted individuals from different types of public-sector organisation, such as central government, agencies and local government, including policing and fire organisations. The research team conducted semi-structured, face-to-face interviews with individuals from seven different organisations. The interviews typically lasted between 30 and 45 minutes.

Each participant was asked for examples of successful change initiatives, and to identify the causes of failure in other projects with which they had been involved. The findings from each interview were transcribed and analysed to identify dimensions (themes).

The six dimensions that emerged were grouped under the two themes of organisational capability and accountability to the public, allowing insights and final conclusions to be developed.

3. Findings – developing organisational capability

The research identified four dimensions of organisational capability that are more likely to lead to the successful delivery of change in the public sector.

Maintaining strong and consistent leadership

In a 2010 global survey,¹ most respondents considered leadership skills to be the capability that contributes most to performance.

Where there was successful organisational change, this study identified strong and consistent leadership. The changes were endorsed and led by the top, with senior managers empowered to drive the changes.

One research participant managed a controversial project, which involved centralising the Ministry of Justice's (MOJ's) human resources casework system. She explained that the strong, open and authoritative involvement of the senior leadership in the change helped staff to appreciate the rationale for change. "Directors attended the workshops with a no-holds-barred attitude to explain the change and why it was happening. As a mature higher team, leadership people believed and respected their honesty."

Conversely, another study² noted that weak or inconsistent leadership capability – manifesting as blindness to organisational systems or a focus on their own egos – often resulted in serious damage to the success of change initiatives and the value these could deliver.

Several years ago, the Animal and Plant Health Agency (APHA) started a Business Reform Programme (BRP), including the rollout of new technology across the organisation. Initially, the project was successful, as there was an "appetite at Director Level for it". However, several months into the project, the organisational leadership changed. The introduction of new leadership, although supportive of the programme, saw a change in approach away from a central coordinating change management team. As a result, the core messaging around the programme's benefits were not always understood by operational staff.

Communicating a coherent vision and clear goal

Successful leaders know how to effectively transmit their vision, which could be described as storytelling at its best.³

The successful projects explored in this study had a coherent vision and clear, well-understood end goals.

"Directors attended the workshop with a no-holds-barred attitude to explain the change"

"The effective transmission of a vision is storytelling at its best"

¹ McKinsey and Company (2010). *Building Organizational Capabilities: McKinsey Global Survey Results*

² Journal of Management: Armenakis, AA, Harris, SG and Field, HS (1999). *Making Change Permanent: A model for institutionalizing change interventions*. Research in Organizational Change and Development, 12. 97-128

³ Change Management Institute (2016). *Engaging for Change – Midlands [UK]*

"36 per cent of the C-Level economists cited a poor plan as the single biggest cause of failure"

The vision, a picture of the future, end goals and benefits to achieve, is an important tool from which end benefits can be communicated to stakeholders. Many of the research participants agreed that the more coherent the vision, the easier it is for stakeholders to understand where the change is headed, and the more likely they will engage with the change.

In the example of Staffordshire Fire and Rescue Service, the vision for the future service model to be preventative (as opposed to reactive) was fundamental and laid the foundation of the transformational work that followed.

As a representative from the Department for Business, Energy & Industrial Strategy (BEIS) said, "You need an attractive vision along with buy-in from the senior management from the start. You then need to sell this to the stakeholders using good communication, influencing and inspiring skills."

Embracing a culture of disciplined planning and realistic timelines

In a study of C-Level economists, 36 per cent cited a poor plan as the single biggest cause of failure. In contrast, planning well was crucial to building an effective capability.⁴ It is in the very early stages of work, known as defining a project,⁵ where a detailed overarching programme plan should be developed before any of the delivery work gets underway.

The delivering of a vision and goals is often complex to organise. In an environment where the vision can and will evolve in response to shifts in the political climate (for example, changes of government or events in the news), disciplined planning is required to cope and react efficiently and effectively.

While planning different types of projects involves different layers of complexity, the research identified a common set of activities, which the participants took to plan a major project effectively. (See Figure 1, below.)

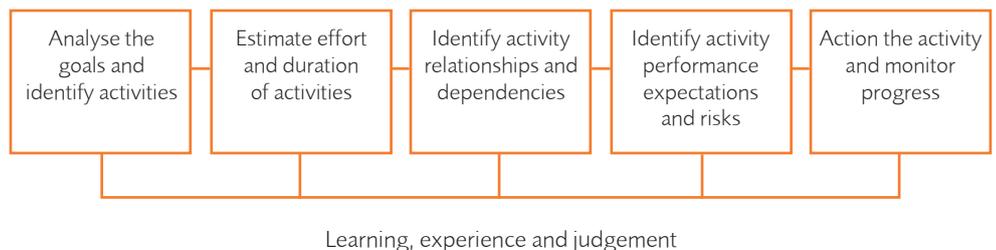


Figure 1. Disciplined planning

There are many critical aspects of good planning reflected in Figure 1. Planning is iterative and recursive, with one type of planning activity affecting the others. Because monitoring and feedback should be based on learning, experience and judgement, planning must therefore involve experts and senior decision-makers. Risk and dependency analysis must be an integral part of planning.

An example of successful planning was evident in the MOJ's move to centralise the HR casework system. The project faced a strict time constraint, as it had to centralise the new casework system to meet the start of new contractual arrangements. The project started with three scoping workshops, which were led by external experts. The activities were mapped and translated into a very clear project plan with time allocations. Project roles were allocated from within the department, with the requirements of each role being well communicated. As the MOJ representative said, "By clearly mapping out what had to be done, everyone knew what had to be delivered by when."

⁴ The Economist Intelligence Unit (2011). *Leaders of change – Companies prepare for a stronger future*

⁵ Office of Government Commerce (2011). *Managing Successful Programmes*. The Stationery Office, London

Establishing sufficient investment for end-to-end change

The research highlighted the importance of securing sufficient investment to deliver the changes that were expected. Frequently overlooked costs occur in two main areas: stakeholder engagement and training, and budgeting for change management resources.

Investing in stakeholder engagement and training

Public-sector projects can demand high levels of transparency and openness leading to activities such as public consultation, open procurement, parliamentary scrutiny, media relations and stakeholder engagement. While stakeholder engagement is essential to building organisational capabilities, the effort is often underestimated.

At the start of the APHA BRP implementation, there was a budget of £180,000. This meant that the team could travel and engage the end users of the system face to face. Training is particularly effective when applied to a specific project issue⁶ – such as new technology or ways of working. The team used workshops to train the users on the technology and work through the personal impact of the changes before the systems went live. The approach generated high levels of awareness and strong buy-in.

With a change of management, the project budget and the workshops were cut, and training moved online. Almost immediately, the number of system issues and reported questions increased, while staff surveys showed a decrease in capability and satisfaction in the affected areas.

Investing in change resources

Large public-sector transformation initiatives are generally led by teams that include programme and project officers. Often the team will also include business analysts and other specialist roles. One specialist role essential to successful delivery of change is that of the change manager, who prepares operational teams for transition and works to embed changes. The change manager can be described as the link between the programme environment and the organisation or society.⁷ Booz and Co expands on this idea, arguing that change management should be “part and parcel of the organisation’s culture”, for change to be successful.⁸

The importance of the change managers was demonstrated in the BEIS project to deliver business grants for high-speed broadband. The project manager explained that, “although technology-skilled project managers were needed for the project, we definitely needed to use the soft skills of change practitioners to bring people on board and promote the benefits” of the new capability.

Embedding the change is the key to moving from just building the capability to doing something new – and towards seeing tangible benefits

⁶ ChangeFirst (2016). *How to build effective change management capabilities in your organisation*

⁷ Office of Government Commerce (2011). *Managing Successful Programmes*. The Stationery Office: London

⁸ Booz and Co (2008). *Change Management Graduates to the Boardroom*

"Involving end users in developing new changes allowed them to be 'really engaged' and work through potential impacts"

4. Findings – accountability to the public

The research identified two dimensions of accountability to the public that are important for the successful delivery of change in the public sector.

Engaging stakeholders early and throughout the change

Public-sector projects often involve a wide range of interested parties. As change occurs, some constituents will benefit, for example, from faster travel for motorists experiencing a new motorway, while others will be worse off, for example, from noise and pollution for residents beside a new motorway. Success and failure is measured by many in different ways.

This study identifies the necessity to involve a wide range of subject matter experts (SMEs) in shaping change early on. When the change relates to the public services, the subject matter experts must not just represent the public, but should also include the public.

The London Borough of Hackney is looking at developing integrated day-care facilities for social-care users. The project started by engaging SMEs from the health service and social services. All requirements for the facilities were carefully mapped over the course of several workshops, and split into a *must do* and a *can do* list. While the *must do* list was non-negotiable, the *can do* list was discussed with service users in a series of engagement events.

Before any work with the architectural firm commenced, the project team ensured there was absolute agreement on the scope of the facilities, and that the new architectural brief would cater to specific health- and social-care needs and user preferences. The engagement also helped to shape the transition approach. Important factors, such as keeping service users' friendship groups together in accommodation where possible, were factored into the planning.

The idea of involving end users early on was echoed by a participant from Her Majesty's Revenue & Customs (HMRC). She explained that her team "uses the ideas from the end users to develop new changes". This allows the users to be "really engaged" and work through any potential impacts.

In some cases, where a similar change will impact related groups of people more than once, you can "involve the users who were unhappy in the first stage of planning to be at the forefront of the second stage of planning". (APHA)

Ensuring sustainability beyond the life of the change project

Public-sector programmes that seek to change public behaviour or attitudes are challenging to deliver and can be unpredictable.⁹

A central government programme looking at introducing self-service online council-tax accounts to the public exemplified this point. Much of the programme's effort had concentrated on getting the self-service system up and running.

Engagement with the end user – in this instance, the public – on the benefits of using a self-service account had been largely overlooked. Thus, although the programme ended with the functionality working, the change was unsustainable, as public behaviour was still geared towards the old way of working.

It is one thing to build a building or introduce new technology; it is another to create benefits from these changes.

For changes of this nature to be successful, we found that we must look beyond the creation of project outputs. Projects must consider strategies to get the customers to adopt and use the outputs, whatever they are.



⁹ Office of Government Commerce (2011). *Managing Successful Programmes*. The Stationery Office: London

5. Staffordshire Fire and Rescue Service – a case study

Many public-sector organisations have tried to change initiatives with mixed success. The approach taken by Staffordshire Fire and Rescue Service is an exemplar, which illustrates the six dimensions of success identified by this research.

“By adopting an inclusive approach to change leadership within the organisation, change has been owned by the whole organisation and not just a few”



Ten years ago, Staffordshire Fire and Rescue Service identified that austerity would lead to significant future budgetary reductions. The Service knew that it would not have the funding to continue offering services in the same way, so the delivery model needed to adapt. The executive team recognised that the continuation of the Service would only be possible if widespread change was enacted and embedded.

The Service had already started to move from a reactive to a preventative approach, training staff members on how to carry out what are now termed safe and well visits to members of the population who had been identified as more likely to have house fires. Through partnering with Age UK and Public Health England, and by visiting households earlier, they could identify and remediate potential household risks beyond fire alone. The Service focused on ensuring that these visits were as effective and efficient as possible, to further the reduction in call-outs.

As the move to preventative visits started to reduce emergency calls, there was a drop in the usage of fire engines and an opportunity to utilise fire stations differently. The Service identified an opportunity to make better use of fire stations by reinvesting in the space. A project that included the development of 21 community fire stations from the existing estate and the renovation of several other fire stations has facilitated co-location with other public-sector organisations, and specific community facilities, allowing them to be used by the community for a range of uses, as well as partner organisations. The project fulfilled both the need to use assets more efficiently and the need to manage demand through raising public awareness of fire safety.

The Service has also successfully completed a project involving a shared fire control, joining up with the West Midlands Fire Service to deliver operational efficiencies. There are further notable examples of working with other organisations to improve effectiveness, while reducing duplicated costs, including work with the police on joint transport and engineering facility, supplies and logistics, occupational health and the postal delivery service.

While these programmes were not revolutionary, they managed to transform and ultimately position Staffordshire Fire and Rescue Service financially in a sustainable and efficient manner. What marked the Service out was not the changes themselves, but rather the way in which they were introduced.

The changes were owned by the top of the organisation, yet all staff were given the opportunity to be involved in the open and honest discussions from the very start about the financial pressures facing the Service. The Service brought in external consultants to upskill an internal business transformation team (BTT) to develop the capability needed to analyse and provide solutions to the ongoing financial challenges the Service faced. The organisation adopted a 'systems thinking'¹⁰ method of working with the BTT, which evolved over five years, acting as internal consultants supporting the departments throughout the Service. Staff were encouraged to think through possible solutions to the pressures, and then lead (rather than adopt) the changes with the full backing of the senior leadership team.

Intensive training of staff was carried out face to face. Although the transition to a different delivery model was significant, strong engagement helped the teams to understand the purpose and benefits of the change.

By adopting an inclusive approach to change leadership within the organisation and ensuring that all members of staff and workforce representatives had been given the opportunity to be involved, change has been owned by the whole organisation and not just a few. During the time of moving to a targeted prevention approach and by ensuring an effective and efficient use of resources, the Service has been able to ensure financial sustainability without impacting detrimentally on the outcomes experienced by the community. In fact, during the time of budget reductions since 2012, the Service has seen 35 per cent fewer emergency calls received that need responding to and a 50 per cent reduction in the number of deaths and injuries within accidental dwelling fires. This performance is the most successful in the recorded history of the Service.



¹⁰ Systems thinking is a management method, which considers the whole system (including systems, policies, processes, practices and people) and how all factors work together, rather than focusing on functional silo performance.

"When public-sector organisations are preparing for change, they frequently come up against two hurdles: developing the organisational capability to change and being accountable to the public during the change. In response, the study has identified six relevant success criteria for organisations to consider"

6. Conclusion

As it was once said, "Change is the law of life and those who look only to the past or present are certain to miss the future."¹¹ Unfortunately, change – while necessary and important – can be a daunting and monstrous endeavour for some public-sector organisations. When public-sector organisations are preparing for change, they frequently come up against two hurdles: developing the organisational capability to change and being accountable to the public during the change. In response, the study has identified six relevant success criteria for organisations to consider.

Public-sector organisations successfully delivering change are maintaining strong and consistent leadership. Leading from the top and driving the change is critical to providing an organisation with the capability to develop. Often staff (or service users) fear change because of uncertainty about what it might mean to them. The organisations we spoke to who had clearly and truthfully communicated benefits (and disbenefits) of the change were overwhelmingly more successful in getting buy-in when changing. The most respected form this engagement can take on is an honest discussion led by the top of an organisation.

The leaders of successful change communicate a coherent vision and clear goals, and commit to doing this throughout the life of the project. The vision may have to (and likely will) change in accordance with emerging political imperatives. Regular communication of the vision through compelling storytelling will help to build the organisation's understanding of the change, and encourage support and buy-in to its future, sometimes emergent, direction.

Successful public-sector organisations are embracing a culture of planning and realistic timelines. An underlying component of successful projects was that planning involved a set of iterative activities, including analysing the goals and estimating effort and duration for activities, identifying activities, relationships and dependencies, performance expectations and risk, actioning activities and monitoring progress.

Change capability will require a range of skills and knowledge, which we found would typically be justified through a business case. If change is sought without establishing sufficient investment for end-to-end change upfront, organisations will struggle to deliver the anticipated benefits. Two investment areas, which unsuccessful projects can underinvest in, are face-to-face engagement and training, and the change managers.

Significant or widespread public-sector changes should not take place in isolation. In many cases, the public should be considered a subject matter expert. The research reinforces that, by engaging stakeholders early and throughout the change, organisations are more likely to get a successful result.

Finally, where a behavioural or culture change is needed – such as in a public-sector move to self-service – organisations must gear up their customers to make the leap, and ensure sustainability beyond the life of the change project. This can be done through holding public events or by visiting prospective users (as the Staffordshire Fire and Rescue Service did), or via already established channels, such as local interest groups.

In the current economic climate, the themes of organisational capability and accountability to the public explored by this study are increasingly important; public-service organisations need to implement change successfully more than ever before. Through applying the six criteria identified by this study, your organisation is more likely to get it right.

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APM Collaborative studies

APM Collaborative studies include research- and/or policy-based content between APM and like-minded organisations. The aim is to develop and generate innovative studies that help promote a profession built around learning and collaboration.

This research report was commissioned by the Enabling Change SIG Public Sector Practitioner Group in conjunction with APM Research to promote further dialogue and enhance knowledge about change in public-sector organisations.

For further information, please visit:
www.apm.org.uk/research

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