

Knowledge ...

October 2003

Transforming public services

- This briefing is for managers in local public sector organisations who are being asked to respond to the change agenda and who need an overview of the key issues they must address when managing change.
- At a strategic level, different approaches to change can be adopted. 'Transformational change' is often required to bring about ambitious public sector improvement plans.
- Whatever approach to change is adopted, different stages of the change process need to be recognised and planned for by change managers.
- 'People issues' are integral to change management and key issues include establishing requisite leadership roles and understanding and addressing staff motivation.
- This briefing provides an overview of some key issues in managing change in the public sector. Future Matrix Knowledge briefings will examine specific issues in more detail.

"Change is unavoidable; potentially both exciting and rewarding, but at the same time a messy and difficult enterprise, frequently confounding the intentions of managers, politicians and policy makers." Audit Commission 2001

The challenge of change

“It’s like trying to fight with one hand tied behind your back, a boxing glove on the other and strict instructions not to punch”, wrote Richard Elliot in the national press earlier this year when he resigned after nearly two-years of running Bristol’s Drug Action Team (DAT). This description of trying to improve treatment services for the city’s drug users amidst Whitehall’s demands for monitoring, practice guidelines and other forms of centralised control is not uncommon. Bringing about change in the public sector is a far from simple task.

Change can be particularly difficult in public sector organisations. Already contending with a multitude of performance targets and limited resources, managers must balance the challenge to deliver *now* with the upheaval of introducing change for longer-term improvement. Complex issues around workforce (recruitment and skills), interpreting the evidence on ‘what works’, competition, incentives and sanctions make the job even more difficult. Meeting these ongoing demands leaves little leeway to foster the innovation required for radical change.

One thing is clear: a culture of continuous change is here to stay and runs through central Government and local delivery organisations. For instance, within central Government the Cabinet Office is working with delivery departments to create Performance Partnerships that strengthen the change programmes already in place and are intended to give an objective view about whether each significant delivery department has the right tools to deliver its Public Service Agreement (PSA) targets. The momentum for change is being rolled out to local delivery organisations through a range of legislative and strategic tools such as: the NHS Plan, Models of Care for drug treatment, recent Local Government Acts and the Crime and Disorder Act.

Bearing all this in mind, this briefing suggests a useful process and associated tools for change management and identifies the ‘people issues’ that are likely to be salient to local public sector managers.

The change process

There are different strategies for change that can be implemented but whichever strategy is chosen, managers need to set out and follow a logical process for implementing change.

Different strategies for change

Change can be categorised according to its scale (incremental or step) and style (directive or organic)¹. The best approach to take depends on the specific situation. When a radical improvement is desired but the environment in which this is to be achieved is uncertain, an organic approach to step change – known as transformational change – is most appropriate. Instead of being directed by centralised control, this approach requires visionary leadership and the ownership of, and participation in, the process by a cross-section of management. Change is initiated from above, but people throughout the organisation are engaged in the process. People must think for themselves about how to bring about bottom-up detailed changes and, if these are successful, creative ideas for improving performance. The ambitious targets being set for public sector organisations and the urgency on the part of the Government to see a difference in service delivery mean that transformational change will often be necessary. However, it is also the most challenging change strategy to manage.

A clear process for managing change

Whichever approach is adopted, change should be driven by a clear strategy and follow a structured process that recognises that change is an ongoing and cyclical process. Figure 1 illustrates the key elements of the change process, as identified by Hayes and Hyde². Matrix MHA consultants have found this model useful in recent change management projects as it can be applied both at the organisational and individual level.

Often, change managers put insufficient time and resources into the early stages of the change process. A rapid review of modernisation work by local healthcare organisations, undertaken by Matrix MHA for the NHS Modernisation Agency, found

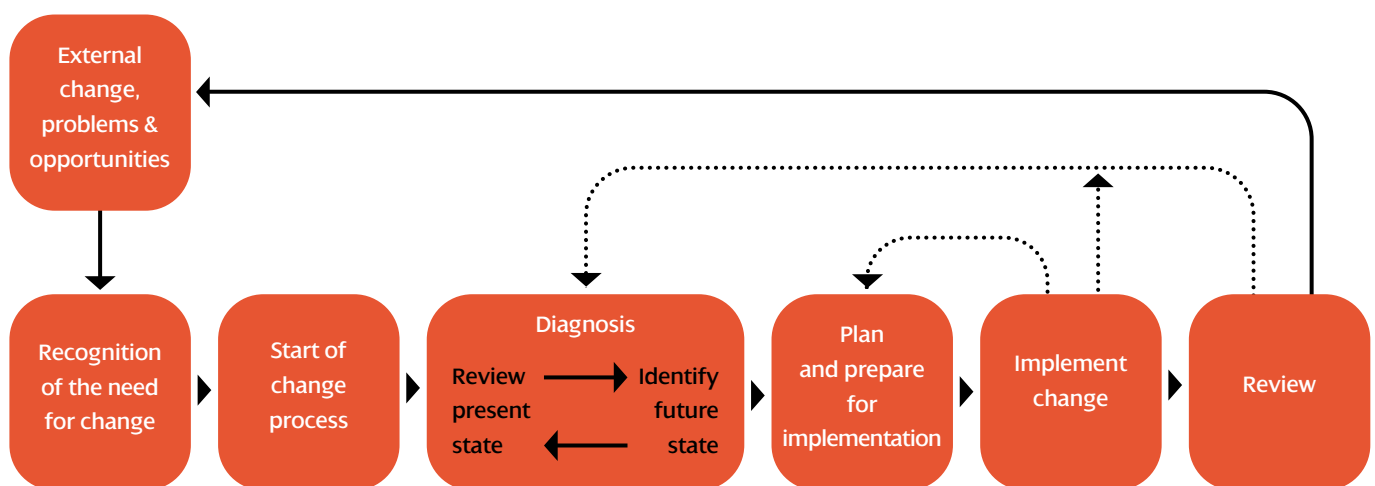


Figure 1: Model of change

that 'diagnosis' was a particularly weak stage in the change process. Healthcare organisations often moved straight from the start of the change process to the planning and implementation of changes without first conducting a diagnosis of either the obstacles to change they faced or the desired future state³.

Tools for change

Although there is no simple recipe for change management, a number of helpful tools are available to managers. Some of the more commonly used tools are described below:

Project management will be essential to keeping the change strategy moving in the right direction. Even where organic change (with the degree of unpredictability that this introduces) is being used, effective project management will need to guide the process.

Process mapping can be undertaken to outline the service user experience of the organisation. For example, if healthcare organisations outline the route a patient follows from their first service entry point to when they receive treatment, they can highlight areas in need for improvement, such as bottlenecks where waiting times are greatest.

Problem-solving methodologies including SARA (Scanning, Analysis, Response, Assessment) and collaborative programmes, used by Crime and Disorder Reduction Partnerships and healthcare organisations respectively, can be used to develop and implement solutions.

A range of **consultation techniques** are available for involving both internal and external stakeholders in the change process. These might include interviews, focus groups, questionnaires and planning events.

Needs analysis and capacity modelling can be used to map the relationship between supply and demand for a particular service. For instance, local health economies develop models of supply and demand when making changes to the number of hospital beds available.

Option appraisal involves a structured process for making decisions between different options for change. The appraisal process often involves assessing against a range of financial and non-financial criteria.

Benchmarking has been recognised for a number of years as a tool in the management of public services. It can have a useful role in identifying underperformance and weaknesses, via the use of sensitive metrics to measure the impact of change on performance.

Scenario planning can be used to 'future proof' change strategies by developing different scenarios that describe the world in which the strategy will be implemented and ensuring that the chosen strategy will remain viable in a range of different future scenarios.

- Change is a continuous process that is here to stay.
- Transformational change is key to improving public sector services.
- Change managers need to follow a structured process.
- Achieving successful change requires a range of leadership roles from senior managers, senior practitioners and project managers for the specific change programme.
- Engaging individuals from all levels of the organisation is key and involves understanding the motivations of staff and employing various strategies at different points in the process to overcome resistance to change.

'People issues'

Managing change poses numerous 'people issues' with which managers must contend. A careful consideration of people issues is critical to the success of a change programme, as the NHS Modernisation Agency warns:

*"Many change projects fail, and the most commonly cited reason is neglect of the human dimensions of change."
NHS Modernisation Agency*

This briefing note focuses on two key considerations: the need for effective leadership and the importance of gaining the commitment of staff.

Visionary leadership at a range of levels

*"Change is one of the greatest demands on leadership, and evidence from public sector performance and the attitudes of staff underline the scale of the challenge."
Audit Commission*

Leadership is an underestimated and underrated skill in the public sector. Successful practitioners become managers and leaders almost by default. But a good practitioner is not necessarily a good manager and leadership skills are not inherent to all managers. A recent study by the Performance and Innovation Unit (PIU) underlined that the little analysis that exists about public sector leadership suggests that "good leadership remains too rare a quality"⁴. The report listed two challenges that must be overcome in order to improve leadership:

- the operating environment must promote good leadership (barriers in the current environment include a blame culture that is intolerant of failure, an aversion to risk-taking and excessively tight control which does not give leaders enough space to lead); and
- the supply of effective leaders must increase (through both staff development and recruitment).

References

- 1 Audit Commission (2001). *Change Here!: Managing Change to Improve Local Services*, London: Audit Commission
- 2 Hayes, J. and Hyde, P. (1998). *Managing the Merger: a Change Management Simulation*, Novi, Michigan: Organisation Learning Tools. Also described in Hayes, J. (2002). *The Theory and Practice of Change Management*, Basingstoke, UK: Palgrave
- 3 Matrix MHA (2003). *Mainstreaming Modernisation*, Leicester: NHS Modernisation Agency
- 4 Performance and Innovation Unit (undated). *Strengthening Leadership in the Public Sector*
- 5 Beckhard, R. and Harris, R. (1987). *Organisational Transitions: Managing Complex Change*. Wokingham: Addison-Wesley
- 6 Stocking, B. (1992). *Promoting change in clinical care*. *Quality in Health Care* 1: 56-60

The traditional notion of a single person leading an organisation is redundant. With the need to engage and inspire staff at all levels of the organisation comes a requirement for a number of leadership roles. For instance, modernisation programmes in healthcare organisations typically involve at least three distinct leadership roles including: senior managers within the organisation, senior clinicians and specific project managers taking forward the change programme³. The Audit Commission identifies four leadership roles that are needed to develop change¹:

- navigation (set direction and prioritise, co-ordinate, set targets);
- inspiration (develop vision, provide role models, coach and sponsor);
- enable (allocate adequate skills / resources, invest in significant infrastructure projects, decide and delegate); and
- mobilise (sell vision to target communities, proactively manage stakeholders, listen and respond).

Engaging individuals in change

Transformational change relies on the commitment and participation of individuals from all levels of the organisation to achieve the desired outcome.

As Figure 2 shows, it is better to involve individuals in the process of change rather than impose it upon them, as the depth and durability of change is associated with the responses of key stakeholders.

Level of stakeholder involvement				
Imposition			Involvement	
Outright hostility	Token compliance	Grudging acceptance	Lukewarm enthusiasm	Real commitment
Refusal	Lip service to new ideas	Comply only where immediate benefit	Momentum stalled by obstacles	Enthusiastic/evangelical
Resignation	Subversion			Willing to take risks
Industrial action				Persistent in the face of barriers
Low			High	
Depth and durability of change				

Figure 2: Typical responses to change¹

In order to involve staff in changes, managers often have to contend with staff resistance. To do this, it is imperative to understand what motivates individuals and the reasons behind their resistance to change. A way of understanding this resistance is the change equation (adapted from Beckhard and Harris, 1987)⁵, which identifies that individuals will resist change if they do not experience all of the following:

- dissatisfaction – with the present situation;
- vision – an understanding of what change(s) would look like;
- capacity – sufficient resources to make change happen; and
- first steps – an appreciation of how the change is to be implemented.

Key to developing a strategy for involving staff in change will be a recognition that different groups' receptiveness to change will vary, as illustrated in Figure 3 (based on Stocking, 1992)⁶.

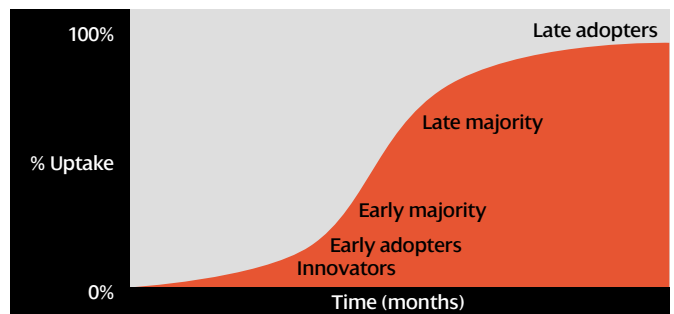


Figure 3: Receptivity to change continuum

For different groups, varying strategies and resources need to be employed at different points of the process. These might include the identification of 'champions' (early adopters) to help influence others, communication strategies (for the majority) and intensive support and training (for late adopters).

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