

By: Gary Cooke - Cabinet Member Corporate and Democratic Services
Amanda Beer – Corporate Director Human Resources

To: Policy and Resources Cabinet Committee

Date: 19 September 2014

Subject: Supporting the organisation through change

Classification: Unrestricted

Summary:

This paper highlights the existing and planned support being offered to managers and staff through the period of transformation required under Facing the Challenge

Recommendation(s)

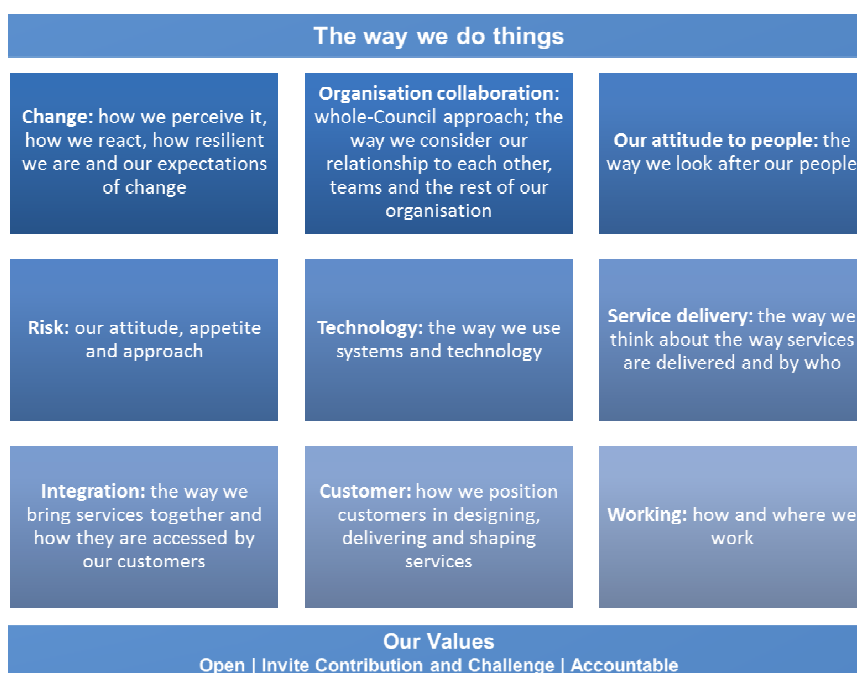
The Policy and Resources Cabinet Committee is asked to note and endorse the changes made and direction proposed for continued support for KCC staff through this period of transformation.

1. BACKGROUND

- 1.1 KCC has demonstrated an established and competent practice in managing traditional change of its workforce. The pace, magnitude and breadth of the transformation now being undertaken requires all managers and staff to do things differently and it is critical that they feel engaged and supported through the change process.
- 1.2 Traditionally our change management and organisational design approach has been based on top-down measures and restructures. This is not sustainable or in the best interests of the organisation going forward and managers need to ensure that they engage with and support staff differently as well as putting customer and clients at the heart of their planned structural or service changes. The success of a more contemporary approach will be subject to a change in understanding, behaviour and application from managers. The following report highlights some of the changes being made and the support available for the workforce.
- 1.3 This paper outlines the policies and support in place for managers redesigning their service and leading transformation and for staff contributing to and dealing with change.

2. MANAGING CHANGE – HR POLICY AND DOING THINGS DIFFERENTLY

- 2.1 Our HR change management policy has been in place for some time, and proved to be suitable and appropriate for the challenges and changes of the past. Such is the pace, magnitude and breadth of change planned that this has been fundamentally reviewed.
- 2.2 HR policy is being reviewed to enable a shift from a traditional and increasingly unachievable continuous employment approach to a more realistic one. It provides greater flexibility in the way in which changes can be undertaken, emphasises the need for good and early engagement with trades unions and staff as well as a more pragmatic approach to redeployment opportunities.
- 2.3 Changes in behaviours and culture can be difficult to achieve. A different approach is being taken to bring about change in the way we do things. Using nine areas of change, supported by our values and behaviours, whole services and divisions, involving people from the front line to the Senior Management Team are creating fast-paced sustainable change that will support transformation. The nine areas of change are illustrated below.



3. ORGANISATION DESIGN

- 3.1 Whether we directly employ, indirectly employ or even remotely direct the people running our services, the deployment of staff or workers, systems and processes are critical to organisational performance.

- 3.2 There are a range of models in Organisation Design and we have looked at models from Chartered Institute of Personnel & Development, 'LEAN', Decision Making Accountability, Kelly Sears Consulting Group and Birmingham City Council – we have sought to use the best of others and not reinvent.
- 3.3 Organisation design is defined as the alignment of people, structure, processes, information, rewards and leadership, with the strategy of the business to create an effective organisation capable of achieving the business' objectives. It is therefore far more comprehensive than merely hierarchical structures.
- 3.4 Outcomes and the customer are at the heart of effective organisation design rather than internal structures/roles. It encourages managers to consider the best model of service delivery; defines where resources need to be deployed and what our priorities are; assists in changing culture and builds managerial capacity. Despite the undoubted organisational benefits, to be successful the design and its associated tools should and would be of benefit to individual managers.
- 3.5 There are four aspects to the organisational design approach:
1. People – workforce planning, workforce development, employment, reward etc.
 2. Work – service delivery model, tasks/activities, statutory duties, processes and systems
 3. Style – leadership, engagement, values/behaviours
 4. Structure – layers, spans, capacity, flexibility, relationship with “non-employees”
- 3.6 Having this Kent approach will encourage redesigns to consider how services are delivered, i.e. Alternative Service Delivery Models (ASDEMs), before changing structures, and is compatible with the project/programme management expectations.
- 3.7 The KCC Organisation Design principles aim to achieve a maximum of six layers in the organisation and an average span of control for managers of 7. The new design approach will enable managers to meet this target more consistently and will enhance this with a bottom up, customer experience starting point. There will be no 1 on 1 reporting; clear and distinct differences in managerial accountability and expectation; and all service designs will be aligned to Facing the Challenge transformation principles.
- 3.8 Managers have access to tools, related documentation and guidance through KNet and comprehensive support, development and advice has been produced.

4. WELLBEING

- 4.1 Delivering this scale of transformation requires managers and staff to be resilient, healthy and enable to innovate and welcome change. A range of support is available to all staff including an online tool to assess and increase resilience; training on how to recognise and help people showing signs of mental health issues; a health kiosk that staff use to check their health with advice on how to improve it; and management development to increase personal effectiveness, resilience and well-being.
- 4.2 Our health promotion strategy supports physical and mental wellbeing, helping to minimise sickness absence, and enabling resilience and higher levels of staff motivation and effectiveness.

5 ENGAGEMENT

- 5.1 Organisations which engender high levels of employee engagement experience improvements in performance, find it significantly easier to embrace change, innovate more effectively and deliver a quality customer experience. Ultimately employee engagement is about effective performance management and is therefore predominately in the domain of the manager.
- 5.2 However, a number of engagement tools exist to help support two way communication and feedback between teams and their managers and between staff and the organisation. These include on-line approaches such as Talk to the Top, the staff suggestion scheme and the Because of You staff awards and also face to face events including Challenger meetings (regular briefings for the 180 most senior managers) and “460” events for Challengers and their direct reports. A cohort called Transformation 200 which is made up of managers who have indicated that they wish to be active agents for change through the transformation is also well established.
- 5.3 The Trade Unions have an important role to play in the transformation process and support offered to staff and there is on-going formal and informal consultation with trade union representatives on a range of HR and Health and Safety issues.
- 5.4 We measure how well staff feel they are being kept informed as a specific part of the annual Employment Value Proposition (EVP). In 2013, the percentage of staff who felt informed was 59%. This has risen in 2014 to 65% against a target of 60% which is a high benchmark in itself. The percentage of staff who feel the information they receive is relevant to them has risen from 35% in 2013 and to 58% this year against a target of 45%.
- 5.5 The key findings of the wider EVP staff survey are:

- a) Despite the level of change the organisation has been facing there has been a small improvement in levels of employee engagement in the Council, compared to 2013.
- b) Kent County Council has a committed workforce which invests time, energies and concentration in their jobs and feels a sense of pride in doing so.
- c) Results for organisational level engagement have improved significantly showing increased levels of loyalty, affinity and advocacy toward the Council than employees show towards the services they work in.
- d) Employees perceive their contribution to the 'deal' as outweighing that provided by KCC (ideally this should be a balance between the employee and employer). How the balance is perceived by the employee has stayed the same as 2013.

6 DEVELOPING OUR EMPLOYEES

- 6.1 Continuing to invest in the development of our employees for the future is critical to both improving business performance and maintaining morale and professional development. Key elements of our current workforce development plan include the Leadership and Management Framework; the Future Managers Programme; the Staff Development Framework, and continuing professional development for professional staff including social workers.

7 WORKFORCE PLANNING

- 7.1 Planning for the workforce needed to deliver future service needs is a key management skill and requirement. Work is well underway to support managers do this effectively. An approach with managers has been piloted and tools developed that work for the business. In addition to the business benefits this work provides further opportunities and potential for employees to progress. There are currently two key strands of this work.

7.1.1 Succession Planning

Managers are being supported to identify their critical roles – 'roles that are critical to the delivery of the business *and* are difficult to fill' - identify potential successors who will be developed to undertake these roles.

7.1.2 Talent Management

HR is also working with managers to identify the future skills, knowledge and attitudes that are required now and in the future to deliver their services differently, often through alternative delivery models. We are supporting managers to identify employees that have, or have the potential to develop these skills, knowledge and attitudes.

- 7.2 Fundamental to succession planning and talent management is the need for managers to understand the talents of their staff, how to

develop them further and empower staff to be innovative and creative to deliver the best possible services at the lowest cost.

8. CONCLUSION

- 8.1 Effective HR policy and practice makes a significant difference to the transformation programme. Enabling managers to have the right people in the right place at the right time and staff to feel engaged, valued and supported is at the core of successful HR practice. We continue to develop knowledge, systems and practice that increases flexibility and the speed with which this can be achieved.
- 8.2 The offer needs to continue to develop to provide new arrangements with support that adds value. The HR function's understanding of the options for content and delivery is being developed, working closely with external experts in the relevant HR fields and colleagues in other Divisions and the Facing the Challenge team.

9. RECOMMENDATION

- 9.1 Policy and Resources Committee is asked to note and endorse the changes made and direction proposed for continued support for KCC staff through this period of transformation.

Report Author:

Amanda Beer – Corporate Director Human Resources, Strategic and Corporate Services, amanda.beer@kent.gov.uk