

Making Sense of Change – Saying Goodbye to ‘Initiative Fatigue’

1. Why should we be interested in Organisation Development?

Councils are facing unrelenting pressure to adapt and evolve to provide better quality services. Many need to undergo significant change to develop and deliver services in cost effective ways that customers and citizens want. The introduction of a corporate governance and capacity assessment as part of the CPA presents a further challenge for councils in the ‘modernisation’ process. This is partly because the introduction of new government initiatives (such as CPA) does not always mean that others (such as Best Value) disappear or cease to be relevant.

Many change initiatives are limited in their strategic impact because organisations try to implement a number of loosely connected activities too fast without proper co-ordination and follow through. People management and development implications are often not fully appreciated or addressed as part of the change process. The result is ‘initiative fatigue’ where staff become disillusioned and more resistant when managers try to implement the next major change.

A number of forward-thinking local authorities have recognised the need for Organisation Development. So far, there has generally been more emphasis on ICT, systems and the use of technical experts rather than adopting a more integrated strategic approach. More than 50% of projects to implement new ICT fail because of cultural or organisational issues rather than technical problems. Greater use of ICT and e-government in general also raises many implementation issues — e.g. the need for new structures, possibly new employers, new skills and new job roles. For implementation to be effective, the chief executive needs a very good sense of his or her own organisation’s readiness and capacity to respond to these challenges. This suggests a clear need for support by senior level ‘champions’ and much greater involvement of people with organisational development expertise in the strategic application of ICT throughout the local authority.

During recent years ‘Organisation Development’ (OD) has re-emerged as a highly significant concept in the strategic management of change since it provides a holistic approach to help councils focus on and deliver the cultural and organisational change needed for all types of continuous improvement. Using this approach, all initiatives are considered as part of an overall OD ‘map’ which means that systems, culture and activities can more easily be aligned to the achievement of organisational goals. OD has three significant benefits for managing sustained change; it enables better use (or ‘leverage’) of financial, human and technological resources, it fosters a greater sense of organisational purpose and it is therefore more likely to deliver the required performance improvement with less effort than would otherwise be necessary.

2. What is Organisation Development?

The traditional view of 'Organisation Development' tended to focus on top-down activities to improve organisation's 'systems' and 'processes'. However, experience in both the public and private sector has shown that to raise organisational performance effectively, 'Organisation Development' needs to take account of both internal and external factors rather than considering individual components in isolation.

Although there is no fixed definition of the term, some current attempts to capture this broader, more holistic view of 'Organisation Development' include:

"A system-wide application of behavioural science knowledge to the planned development and reinforcement of organisational strategies, structures and processes for improving an organisation's effectiveness" ¹

"An holistic process of planned change and improvement to assist organisations in responding to their dynamic environment through the effective diagnosis and management of their structure, systems and culture" ²

In the local government context, Organisation Development (OD) is about moving the organisation on by taking deliberate, planned steps to create an environment that will enable staff to understand and deliver the council's objectives. Responding to and working with key stakeholders at both national and community level in the development of appropriate services forms an essential part of this evolutionary process.

OD involves both 'hard' and 'soft' issues. The 'hard' issues for OD are strategies and policies, structures and systems. The 'softer' issues in the main are developing appropriate skills, behaviours and attitudes, culture and a style of leadership that will enable the organisation to achieve optimum performance. Both the 'harder' and 'softer' issues of OD need to be addressed to avoid conflict between goals and needs.

3. What are the barriers to Organisation Development?

A common barrier to effective OD is a lack of understanding of what the term means and how it can help councils deliver the cultural and organisational change needed for all types of continuous improvement.

In some cases it is assumed that OD sits within the Human Resources function or a particular department rather than a corporate management responsibility that requires wide-ranging organisational action. It may then be regarded as a

¹ Cummings and Worley (1997) Organisation Development and Change 6th Edition, South Western Publishing

² Adapted from various sources

territorial issue rather than a high level strategic activity is therefore unlikely to be effective. The fact that OD is a cross-functional, cross-role responsibility also means that it is not necessarily easy to identify, own or describe.

Some authorities may have capability gaps in some of the behaviours, skills and knowledge required for successful OD. Vision and longer term planning are particularly critical in this respect. If these are lacking, OD may not be properly thought through so that it becomes unnecessarily complex, meets staff resistance and the council then fails to deliver its objectives.

4. What sorts of activities are integral to Organisation Development?

Many activities contribute to an appropriate 'climate' for sustained OD. For example:

- Identification of key priorities and organisational purpose
- Identification of key obstacles and how these might be overcome
- Identification of key people management and development implications as the organisation develops
- Management of performance
- Promotion of learning, development and the sharing of knowledge
- Promotion of creativity and innovation
- Ensuring staff, elected members and the wider community understand why the organisation must develop and how they can contribute
- Development of mechanisms for giving/receiving feedback and sharing ideas at all levels within the organisation and with stakeholders
- Establishment of processes for consultation/planning and evaluation

Creating an Organisational Development Co-ordinator (or some similar post) and a steering group are both critical drivers to the process since they provide a focal point and an overview to help 'map' all OD activities and to ensure ownership across the organisation.

A typical remit might include:

- Assist the chief executive and senior management team in establishing/identifying priorities for development and learning
- Proactively identify OD and learning activities in the organisation and publicise these to others
- Manage OD knowledge across the organisation; being the information point for what is happening across the organisation and outside
- Manage relationships: bringing different parts of the organisation together to share development activities
- Set up task groups to undertake specific OD projects using a wide range of membership

5. What are the critical success factors for Organisation Development?

Organisation Development is a high level, strategic activity requiring strong leadership and influence. Therefore, by definition, chief executive and corporate management team commitment to the concept of OD are critical if it is to be successful.

In practical terms this means:

- Matching of belief with action with a willingness to allocate resources to overcome major political, bureaucratic and financial barriers to change
- Making a deliberate attempt to avoid "initiative fatigue" by integrating all change activities into one development programme
- Identification and influence of key stakeholders, in particular ensuring that the map of OD work is clearly linked to the achievement of council objectives and is well communicated to staff and elected members throughout the process to show linkages
- Identification and development of staff with the right skills to help 'champion' OD throughout the organisation
- Encouragement of wide participation and ownership of the continuous improvement process among staff and elected members
- Challenge of existing practice and commitment to make difficult choices
- Inclusion of the OD perspective at the earliest stage to ensure that changes are grounded and sustainable with people aspects integrated into the process
- Consideration of both 'hard' and 'softer' issues when contemplating any OD activities
- Ensuring all levels of staff are enabled to contribute to continuous improvement

However, care must also be taken to ensure that OD is widely accepted and integrated within the culture of the organisation as a whole to ensure maximum strategic benefit. This requires authorities to identify the skills it needs to build organisational capacity and plan how these will be developed or acquired.

6. What are the critical Organisation Development activities for local authorities?

Effective Organisation Development should form an essential part of a local authority's strategic planning and implementation process, which will include a combination of both "hard" and "softer" activities:

"Hard" activities	"Softer" activities
<ul style="list-style-type: none"> • Strong managerial and political leadership • Identification of strategic goals and long term direction – using techniques such as scenario planning • Evaluation of current organisational impact and performance in key areas – including identification of strengths and weaknesses and predictions for the future • Challenging existing practice to ensure continuous improvement • Identification of organisational capability gaps and how they might best be filled – including workforce planning • Remodelling of structures, systems and tasks • Allocating sufficient resources to support implementation – including making difficult choices about whether some existing operations should continue 	<ul style="list-style-type: none"> • Consultation with stakeholders • Motivation of staff to ensure "buy in" – by ensuring they are aware of why the organisation needs to develop and keeping them involved in the change process • Identification of required shifts in culture and ethos • Identification and development of required behaviours, skills and knowledge

Therefore critical OD activities will:

- Provide an overview of the projects being undertaken that make a contribution to the development of the local authority
- Identify activities/projects that need to be undertaken to ensure that the local authority is developing as an organisation to meet its key objectives.
- Provide advice on how organisational frameworks should/could be developed e.g. Performance Management
- Establish clear outcomes and measures to track and evaluate progress with regular reports on OD to elected members, senior management, and departmental representatives
- Identify and share good practice within the organisation
- Identify what others are doing to develop their organisations and learn from their experience

7. Where is Organisation Development currently located in the structure?

OD function can be found in a wide range of locations, both corporately and departmentally and many local authorities may not have staff designated specifically to this role by name. Tasks associated with OD may well be being carried out without full awareness, and piecemeal, although the attempts at "cross silo working" may be raising awareness of the importance of OD.

Common corporate locations for this function are:

Personnel Managers/Heads of HR Service
Heads of Corporate Resources/Resources
Best Value and Comprehensive Performance Officers
HR (strategic) consultants

Organisation Development Managers/Officers

Most of these posts tend to be located in the Chief Executive's Department. In some authorities these post holders are members of various teams, including strategic development and change management groups. Other posts are held within HR support services or corporate divisions. Some post holders report directly to the chief executive or senior management team. Most OD Managers/Officers tend to report directly to heads of service within their particular divisions

At departmental level, responsibility for OD is generally less well defined. In some authorities no posts exclusively exist to promote OD, but some HR staff (often within training), operational managers and strategic directors have some responsibility for OD.

8. Where could Organisation Development be located in the structure?

It is not appropriate to specify exactly where the Organisation Development 'function' should be located, as authorities will vary in both their structures and local contexts. In principle it could be anywhere in the authority structure, but the high level nature of OD activities requires clear links to the chief executive and the senior management team, with sufficient authority to influence the whole organisation.

However, recent research indicates that authorities which have located their OD posts within the Chief Executives' Department has resulted in closer liaison with chief officers and chief executives. This has helped form an overall vision of council activities and resulted in a more flexible organisational response to wide ranging demands.

9. What sorts of competencies do local authorities need to support Organisation Development?

Those taking responsibility for driving the process of OD role will draw on a range of behaviours, skills and knowledge including:

Behaviours

- strategic focus
- visionary/anticipates future direction
- identifies push and pull factors in organisation
- communicates appropriately at all levels of organisation
- establishes rapport with a wide range of people
- identifies creative and innovative solutions
- leads from within and from behind
- challenges existing practice
- flexible in approach

- reflects on and learns from experiences of self and others
- patient and persevering
- inspires trust and confidence

Skills

- change management
- influencing
- negotiation
- relationship management
- knowledge management⁴
- political and personal sensitivity
- performance and project management
- risk management
- analytical skills
- research techniques – surveys, focus groups
- team/partnership working

Knowledge

- overall local government context and own authority context
- how service improvement will impact on organisation development
- how different aspects of the organisation interrelate
- insight into how other organisations have managed change and development
- organisational change models/techniques/tools including:-

Good OD and change management practice, business/scenario planning, organisational remodelling, the Balanced Scorecard, strategic applications of ICT, Business Process Reengineering, partnerships, outsourcing, Knowledge Management, job/task re-design

10. Where might local authorities get help in developing the behaviours, skills and knowledge for Organisation Development?

The diverse range of behaviours, skills and knowledge required to carry out Organisation Development activities effectively mean that it is most unlikely that these would be drawn from a single source.

The possible range of options includes:

- National organisations such as the IDeA, SOCPPO, SOLACE and the Society of IT Managers [SOCITM].
- Regional Organisations

⁴ Knowledge management is the term used to describe projects or activities that capture, transfer or exploit knowledge from one part of an organisation to another.

- Universities, particularly those with some specialism in local government e.g. Birmingham and Warwick
- External training providers/organisations and consultants
- Internet and computer based development tools
- Local and national networks
- Internal groups brought together with OD as focus
- Appointment of OD staff member at high level with expertise in key areas to help develop others from within

Summary

Organisation Development in local government is not a new concept, however until recently it has tended to be implicit. The critical role of effective people management and development in successful OD is often not fully recognised.

Many authorities are already carrying out a wide range of OD activities, but these are not always explicit or centrally co-ordinated. Therefore moving towards a more holistic OD approach may not require significant effort compared to the benefits this yields, even in the short term. However, in other authorities a more radical approach to establish an OD focus and greater appreciation of the 'people' dimension may well be required.

For the foreseeable future, councils will need to justify their position with the local community and nationally through regimes such as CPA. The significant contribution of Organisation Development in this context should be recognised and acted upon.