

# **What are the characteristics of customer focussed leadership and how can this be achieved in a climate where demand inevitably outstrips resource?**



**Aspire (Cohort 1) Business Partnering Programme**

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<b>Contents</b>	<b>Page number</b>
<b>1.0 Background &amp; Objectives</b>	<b>3</b>
<b>2.0 Methodology &amp; Scope</b>	<b>3-4</b>
<b>3.0 Stakeholders</b>	<b>4</b>
<b>4.0 Findings</b>	<b>5-20</b>
<b>4.1 Alignment &amp; Share Purpose</b>	
<b>4.2 Empowerment and Accountability</b>	
<b>4.3 Lead with a customer focus</b>	
<b>4.4 Listening to customers/staff</b>	
<b>4.5 Assessment and Evaluation</b>	
<b>4.6 Agility</b>	
<b>5.0 Conclusions</b>	<b>20</b>
<b>6.0 Recommendations</b>	<b>21</b>
<b>7.0 Appendices</b>	
<b>7.1 Self Assessment Tool</b>	
<b>7.2 Overview of team input</b>	
<b>7.3 Reading List</b>	

## **1.0 Background & Objectives**

The modern local government workplace is currently typified by a seemingly constant need for restructure to meet budget cuts. Uncertainty prevails. Customer expectations are rising. Legislation is tightening, inspections and audits are a regular feature.

Increasingly unable to meet the needs of all its citizens, the modern council has to look to prioritise its scarce resources, scrutinise how it delivers to ensure best options are taken, focus on what the customer really wants ...and in some cases, where the customer can help to deliver these.

The role of the customer focussed leader therefore is paramount in these organisations. But what does being a customer focussed leader really mean? How does this differ from other leadership styles? What are the characteristics that we should look for and need to be considered truly customer focussed?

Customer focussed leadership is much more than good customer service. It is not just about customers being satisfied with the service that they are receiving and the way that they are receiving it. It is about customers being instrumental in the design and delivery of those services.

For many years, with less financial constraints, councils were able to provide services which kept all its citizens reasonably happy- something for everyone, which could be perceived as being customer focussed. But with increasing austerity, difficult decisions have had to be made and now councils are facing 'wicked decisions' - that is cutting services that they know will have a significant adverse effect on the quality of life for people. It is now about priorities and balance - to do this without the input of those affected, both those receiving the service and those delivering it, is not the way to do things.

It is also not just about consulting citizens on a range of options that they can chose from. It is involving the citizens at the start of the process, to be involved in the inception, design, creation and perhaps delivery of those services. No more is the council able to use its patriarchal approach of 'we know best' If we do want, and need, citizens to truly be engaged with the services, they must be involved at the earliest stage. And meaningful engaged, customer focussed councils need to accept some of the ideas put forward may even be better.

But this cannot happen in splendid isolation of one person leading the charge. Customer focussed leadership needs to be embedded throughout the organisation. Employees at all levels of the organisation can be, need to be, leaders - we are not looking for one superhero to do it all. The University of Birmingham report 'The 21st century public servant' talks about the idea of rejecting the 'heroic leadership' model in favour of 'distributed and collaborative models of leading'

This research looks to identify what the benefits are to leading with a customer focus, particularly at a time of austerity. It will also identify the key characteristics that set customer

focussed leadership apart from other styles. Finally it will identify a self assessment process for those wishing to follow this approach within their organisations

## **2.0 Methodology & Scope**

A study was undertaken of the academic research already produced on this topic. In particular the works of Coulson and Miller. The Institute of Customer Service provided cases studies from a range of different public, private and third sector organisations.

This research informed the approach taken of focussing on public and voluntary sectors. The private sector has not faced the same levels of austerity and their focus is formed on the basis of the need for a competitive edge to attract customers and so their approach, whilst acknowledging the need for the public sector to be more commercially minded, is not easily translated into a local authority setting or a focus for this report.

This research formulated a theory of what a Customer focussed leader should look like. This theory was then tested through a wide range of public and voluntary organisations through face to face and telephone interviews and site visits.

## **3.0 Stakeholders**

**Project Sponsor** - The project was commissioned by Dawn Hewins, Assistant Director, HR & Transformation, Stoke on Trent City Council. Dawn raised this as a relevant challenge for the sector which would be of interest to all Local Authorities.

**West Midlands Employers** - This is the first cohort for the Aspire Business Partnering Programme and it is important the investment made by WME and the local authorities who have bought into the programme sees a return on invest; demonstrated by enhanced business partnership skills of the attendees and useful outcomes for the key issues raised by project sponsors.

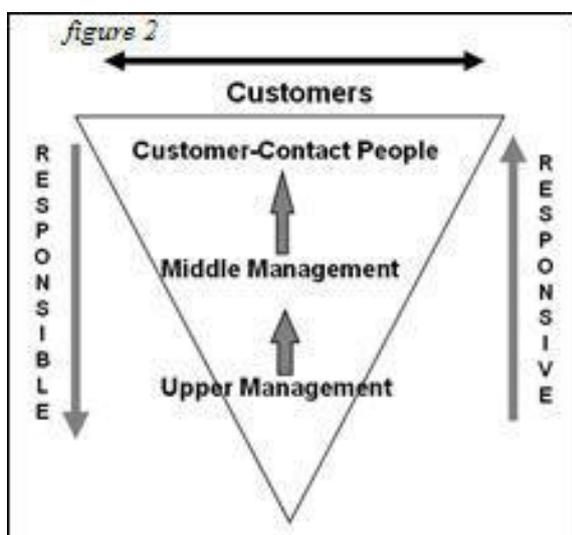
**Project Mentors** - each member of the team has a mentor who has provided financial support and commitment, enabling the time and space required to develop the project.

**Project Team Members** - all members have invested considerable time and energy into producing a report and presentation that adds value to their own learning and development and which produces some meaningful insight and outcomes for their sponsor and mentor, see appendix 7.2.

**Internal/external leaders/managers/customers and employees** - have given their time and shared their experiences to help in the testing of the research and develop our outcomes.

#### 4.0 Findings

For a definition of customer focused leadership, the model by Ray Miller demonstrates the clear difference between the top down 'we know best' approach, in which citizens are mere recipients of services that have been identified by leaders (fig 1) and a customer focussed approach in which any delivery of service starts with the customer, identifying their needs and involving them in decisions made (fig 2)



Both the academic research and interviews identified recurring themes as to the qualities, skills or knowledge needed by those who are customer focussed leaders. Others were also identified but the 6 below represent those that are specific to this topic as opposed to being generic for other types of leadership:



#### 4.1 Alignment & Share Purpose (balancing short and long term priorities)

An organisation's purpose is its identity; shared purpose takes the thinking further identifying the need for the identity and purpose to be shared by all employees and external stakeholders such as customers and partners. To achieve this shared purpose it is important for the values, behaviours and objectives of the stakeholders to be aligned i.e. to be seen to be consistent, integrated and fit with each other. This must be demonstrated throughout the organisation and through all communication channels including documentation such as appraisals, job descriptions etc. but also the verbal and non-verbal messages given by senior leaders

Alignment and a shared purpose are all drivers of sustainable organisation performance, and important issues for HR and business leaders to focus attention on, whatever the economic climate. Indeed in times of austerity, when closer working relationships and partnerships are needed to deliver it is more important than ever if successful outcomes can be achieved. CIPD research has highlighted the importance of these themes for long-term performance, in particular the '**Shaping the Future**' programme of work and the '**Next Generation HR**' research.

#### Aligning a joint purpose across several separate organisations

At a time of change in health & social care delivery of services improved joint working of local government with its partners - notably the NHS and many others is a must. There is a need to ensure that statutory guidance can be successfully followed and a real shared purpose is required. The Care Act also requires more joint working and joint working protocols. Warwickshire County Council (WCC) has striven to take creative approaches to get partners into the fold. The Chief Executive of 'Health Watch' who through their role has integral links with all of the relevant organisations for delivery of health & social care delivery has assisted WCC to get early links into these organisations to assist in developing the best joined up services. The Health & Wellbeing Board and The Francis Enquiry and various NHS services have all been a catalyst for spurring all relevant partners to want to effectively engage in the development of these services.

WCC has £1/4m funding to engage in a high level engagement to improve the corporate customer journey and in doing so to remove unnecessary overlapping of services and makes efficiencies whilst improving overall customer satisfaction. The changes are testing leadership skills and highlighting developing needs and required behaviours that are being addressed. Success is being achieved by strongly challenging the organisational structure first to test if it's fit to deliver the customers requirements in the most effective way. It's been about channelling resources and the different services in the right way to ensure the customer gets that priority and that internal organisational politics and strategies are appropriately aligned to the various services and functions. The success in terms of the provision of Health & Social Care will depend on that singular approach to the delivery of services and hence the importance of the project that is underway is to pull together these services so that WCC really can provide better customer focused services in times when the resources available to deliver these are challenged like never before.

### **Seven separate organisations, one purpose!**

A good example of the above approach previously being very successfully applied relates to the Warwickshire 'One Front Door' approach. This is a partnership approach of WCC with the 6 district councils in Warwickshire and staff working alongside one another in the various 'one front door' offices within the town halls of Nuneaton, Stratford, Atherstone, Rugby Leamington and Warwick. In order to provide customer focused leadership all staff, regardless of the employer are working to a common set of agreed *customer focused behaviours* to deliver the services. This is on top of pre-requisite corporate behaviours that all Warwickshire County Council staff have to perform against and in measured in relation to their performance appraisal. All staff working in the 'one front door' offices have a delegated authority to take ownership to deliver the necessary level of customer care, so its success (in terms of feedback) is very much seen through leadership on customer care matters being demonstrated all levels. At all of these 'one front door' centres a wider range of services to customers have been made available through achieving greater cooperation, integration and joining up with the various district councils and the local authority. Thirty plus services are now provided out of each and an increased resource to providing these quality services has been recognised as necessary with staffing increasing to deliver these.

### **Commitment to the community**

At Dudley MBC the Leader, Pete Lowe, believes most Public Sector workers are in their roles (at least the customer front line staff) because of their commitment and belief in making a difference to the lives of the those in the community. However, during times of austerity it

is difficult for some understand how that sense of purpose, to support vulnerable adults and children for example, is shared and aligned with the decisions being made in terms of budget savings. This does make it more challenging for customer focussed leadership in austerity as, despite having less time to forge close working relationships and develop a shared understanding of the priorities and agendas for each group, greater commitment to discussing and consulting with employees and customers is imperative to ensure that shared purpose (the overarching aspiration to do the best possible for the community with the resource available) is aligned throughout.

The challenges of the budget saving process has also bought opportunity to engage customers, elected members, managers and employees in discussions around modernising and aligning systems, processes and policies so they support and not prohibit the organisation change required; whereas such debates and actions may have been resisted previously there is a greater understanding that with less resource things have to change. The research in “**Shaping the Future**” confirmed that whilst there were negative responses to the austerity “it’s all about survival” for some interviewees there was this positive aspect to the financial context “the cuts are forcing us to confront change. In public service, change doesn’t necessarily happen unless there is a crisis or disaster, or it happens very slowly”. The customer focussed leader will adopt the latter approach. However as stated he/she cannot do it on their own and there has to be customer focussed leadership throughout the organisation to be confident of achieving a shared, aligned purpose. Many employees are remote to the senior leadership team and political leadership and will not only get most of the key messages and aspirations from their line manager and customers first this is where their loyalty and identity/purpose is developed so it must be aligned with the overall organisation purpose by the local leadership and external stakeholders. A key driver for this, however is clear and visible customer focussed leadership at senior levels so customer focused at all levels does not absolve senior managers from their responsibilities.

Pete Lowe recognises that whilst DMBC is getting there in the past the messages have been too remote and not bought in to the relevance of each employee’s role sufficiently, resulting in a major initiative to align values and behaviours through the “golden thread” to the one council and community council objectives.

### **Sharing a vision across organisations**

West Midland Employers (WME) provides training and support for all of its member organisations. A significant element when pulling events together is the ‘horizon scanning’ piece to ensure that members receive the support that they need in a timely manner. This involves WME carefully balancing their short and long term priorities, pulling together support packages long before members realise that they need it while at the same time responding to urgent requests for support under a ‘business as usual’ banner.

#### **4.2 Empowerment and Accountability** (permitting, motivating and organising a group of people to achieve a common goal.)

Literature suggests a range of opinions on the definition of empowerment and accountability, that sees empowerment as a management control/manipulation tool, to the soft HRM view

that it is essential for achievement of maximum organisational potential. For example Goldsmith et al (1997:145) suggest 'it is predominantly about encouraging front-line staff to solve customer problems on the spot, without constant recourse to management approval'. Whereas Bowen and Lawler, (1992) cited in Lashley (1996:334) take the view that it is about 'management strategies for sharing decision-making power'. If this sharing and freeing up of minds to make decisions uninhibited by management then just possibly this can have positive implications for the service provided to customers and ways of delivering these with the optimum of efficiency, but good management and leadership must surely be needed to get this going.

### **A Leadership Makeover - can we be brilliant?**

Ann Franke the Chief Executive of the Chartered Institute of Management in 2015 commented that 72% of UK organisations lack good management and leadership.

One of the notable highlights of Ann's work (that will also be discussed later in the report by Paul Hannan) is the belief that successful organisations need to be better at celebrating failure, being more curious and challenging and appreciating what we can all contribute to achieve our common goals. Essentially this means we all need to 'get happy' and is emphasised by the fact that happy staff are 12% more productive. However Ann's work noted that just 1 in 5 of us bring our best selves to work, so how can we tackle this?

Only 30% of public sector employees are engaged in their work (CIPD 2014). Given the scale of the challenges and the apparent state of ourselves as individuals. Being a 'super hero' is not the answer as we need everyone to be a customer focused leader (not a few or singular super hero's). A consistent joined up approach (the shared and aligned purpose) in satisfying our customers needs is required.

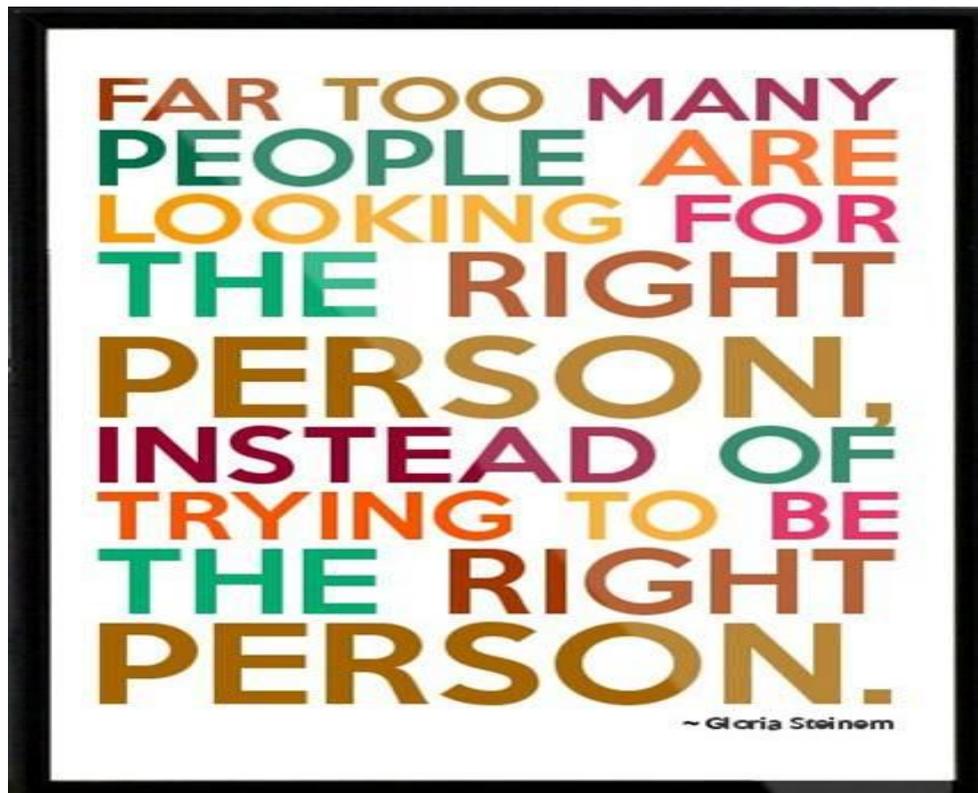
Picking up on Ann's 5 positive activities that leadership really urgently needs to embrace, there is one particular approach that compliments all of these activities and is being advocated by the Art of Brilliance Ltd that is encouraging organisations to understand their strengths and get their staff and leaders to think in a particular way.



'The Art of Being Brilliant' attempts to provide an antidote to the crazy world that typifies modern Britain. Their workshops uses research to explore how you can be you, brilliantly i.e. rather than only 1 in 5 bringing their best self to work as mentioned by Ann Frank earlier, why can't this be 3 or 4 or higher? The 'Art of Being Brilliant' aims is to share some of the approaches of positive psychology, focusing on learning new habits of thinking and behaviour that will sustain personal brilliance.

In essence this is about developing your strengths not your weaknesses. Getting even better at what you are good at and the rest will start to fall into place. Take Daley Thompson for example and the 1500 metres event as part of his decathlon. Instead of focusing on a particular weakness he developed as far as he could on all of the other disciplines that he knew he could make a success and this lifted his overall performance arguably without having to dwell or touch his inherent failure in the 1500 metres event. There's no reason why applying such approaches can't work when applied to public servants and the public services they deliver. We need to think differently to be able to better deal with the pressures of change and to utilise untapped potential. Tighter public sector budgets and higher customer expectations and needs mean that the modern workplace continues to demand more for less. Individuals are pulled in so many directions that 'busyness' gets in the way of their strengths. Even great people can lose their way and that's why to deliver what is required we need to radically change the way we think and how we develop ourselves and adapt to change.

"Change will not come if we wait for some other person or some other time. We are the one's we have been waiting for. We are the change that we seek" (Barack Obama).



Brilliant customer focused leadership can be developed. Experience tells us it is not simply about models, processes or self-analysis. Leadership comes from deep within us, from an understanding of who we are, the choices we make and the impact we have on others.

*Empowering staff to be able to demonstrate their “grit”*

Another perhaps underplayed factor which cannot be developed but we need to identify better and allow it to flourish and grow is “grit”. “Grit” can have a significant impact on successful customer focused leadership is about empowering and supporting staff to use their initiative, innovation and resourcefulness to succeed. Staff with these qualities can make a huge difference to the success of an organisation but first we need to find them then give them the opportunities to impress our customers.

*GRIT by Dr Paul Stolz*

- He asked 10,000 employers : “When hiring someone - would you hire the person with perfect skills and qualifications or someone who is missing parts but demonstrates extraordinary grit ?”
- 98% chose grit ....mind set ...mind set ...mind set

Entrepreneur Denys Short OBE commented in 2015 of the make up of “grit”.

Get grittier! - the 5 ingredients

- Courage – allow mistakes / ideation
- Conscientiousness – achievement oriented (go for gold not just show up for practice!)
- Long term goals / endurance / follow through
- Resilience – optimism, confidence, creativity
- Excellence vs Perfection

## **Library transformation**

A good example of empowering staff and volunteers to deliver a different and eventually better customer service was found in the Warwickshire library transformation. Radical changes were required with funding cuts into how the Warwickshire library service could still be delivered but in a different way. Senior management had to go from 11 to 4 and the remaining staffing had to be empowered to create capability and create capacity. Greater autonomy was given, managers had to let go of certain things. Community libraries were created and an intensive programme of developing strong relationships with local communities was needed so the stakeholders could be directly consulted on the challenges faced and how they could help the necessary changes that required a £1.5 million reduction in library funding. Due to the level of engagement with the stakeholder there was no campaign against the necessary changes. This demonstrated stakeholders were listened to and worked with to collectively develop their solutions. Staff were empowered to go the extra mile, they ensured they were accessible (telephone helpline), regular meetings, used the right language to engage with the customer. Workshops with the community were common place, inviting others to speak to share, good/bad practice to learn and inform direction. A dedicated website and a newsletter was used to keep in touch with stakeholders on a wider basis on developments as they happened. There was a focus on open and honest engagement with the stakeholder/customer. The portfolio holder (elected Member) was closely involved. An evidence based approach, looking at usage and informing alternatives was used. Restructuring, training volunteers, locality engaged. An approach of being honest with demands to build capability and sustainability was held to be key to the success of this transformation. Technology was also a key factor in enabling these changes through automation of systems and a massive library of information becoming available online..

## **Courage to make mistakes**

Research undertaken at Dudley MBC supports these findings. Discussions with Pete Lowe included a clear viewpoint that the culture has to support its employees to be accountable and empowered by being less risk averse and supporting not chastising when things go wrong. Denys Short in the page above advocated courage - allow mistakes. As a leader Pete firmly believes that we need to remove the fear of mistakes - allowing teams to be innovative and take ownership but the leader has to promote that, demonstrate it by actions and invest time in developing the culture required. By achieving this those closest to the customer will feel more engaged and accountable for the service delivered.

Other front line leaders at Dudley agreed that the culture/environment is key to giving employees the security and courage to be customer focussed and that this has to come from the senior managers approach so that all parties see and hear a consistent message and that when being empowered, wherever the role sits within the organisation, it is with an understanding of the purpose of the organisation and that with empowerment comes accountability. Research by Ray Miller suggests that employees give more credibility to service quality if they are held accountable to the outcomes of their performance so with accountability and empowerment comes performance measurement, which is discussed in more detail later in the report.

**“Put yourself in the shoes of the customer in sight of the staff”**

An example was given from one of the museum team leaders about an unsatisfied customer following a visit to the museum one Saturday who went on to telephone to complain the next working day. The employee taking the call passed it on to the team leader stating “We’ve got a stroppy woman on the phone wants to talk to you” The leader left their office and took the call in the main office so that all heard what he said. This was to demonstrate his own belief in the customer focus required and to then discuss with the team their role in delivering a good service and the accountability expected of each and everyone in the organisation

Pete summed this up by stating that a good customer focussed leadership will know when to lead and will allow others to lead when possible, bringing about a culture of collective responsibility and accountability.

**4.3 Lead with a customer focus** (the ability to lead is not confined to senior leaders but will be demonstrated at all levels in a customer focussed leadership culture which supports, engages and motivates front line staff)

This characteristic goes to the heart of Ray Miller’s paper “**What is Customer-Focussed Leadership?**” and the mind-set pyramid given at the start of this section. To lead with a customer focus inverts the traditional structure to one where the upper & middle management levels view themselves as serving the needs of the frontline and support staff with a customer focus. It requires managers to recognise that excellent customer service is impossible if managers over-control and frustrated, demotivated employees do not deliver good service.

Prof Coulson-Thomas wrote in his paper entitled **New Leadership’ and Transforming Public Services** “Should we change the emphasis from managing, motivating and leading people to helping them? Perhaps there should be more emphasis upon following the changing requirements and aspirations of citizens, customers and users and making it easier for them to secure the assistance they need to achieve their objectives.

Persistent problems have been approached from a ‘senior management’ rather than ‘front line’ perspective, for example driving change through an organisation rather than helping people to cope. With more of an emphasis upon providing support much of the effort that has been devoted to ‘transformation’ and ‘change management’ might have been unnecessary.

Attempting to drive a policy through an organisation, rather than helping people to achieve the outcomes it is seeking to bring about can be a mistaken policy. People need to be helped to be responsible and excel. Strengthening the roles of managers and weakening front line roles and professionalism can reduce a body’s ability to innovate, cope with multiple challenges and deliver better public services.

‘New leadership’ is less focussed upon motivation, ‘command and control’, planning and top-down approaches and more concerned with implementation and the provision of better support to key workgroups that deliver priority corporate objectives. It involves a switch of emphasis from structures to behaviours and the adoption of more affordable, flexible and

less disruptive approaches that can impact more quickly upon the users of public services and simultaneously deliver multiple objectives”.

- Have a strong vision and believe in it
- Be visible and actions support (definitely don't conflict) with vision

## **NHS**

In order to be successful in any organisation the leader needs to get across the importance of a customer focussed approach if not for altruistic reasons it must be the case for economic reasons .The good leader will demonstrate the correct values and vision to their staff, in order to inspire and develop them.

In Dean Royles paper “**No more heroes: Leading the NHS through change**” (October 2012) reference is made to Nye Bevan who suggested that the job of the NHS manager should be to make sure that front line staff have what they need to do their jobs. It is further suggested in this paper that culture changes have removed empowerment from the front line to non customer facing administrators thus demotivating and disengaging staff, actively preventing them from caring in a profession that most professionals join to make a tangible difference to their service users.

## **Dudley MBC**

Two examples to demonstrate this approach are as follows:

1. At a recent management forum a team leader stated that his main reason for being was to enable his team (of social workers) to do their job. In other words he saw himself as being there for their support and is a practical example of Ray Miller's point that the mind-set which supports leadership with a customer focus is one where the leader sees him/herself as a service provider for the employees. He adds “View your staff as partners. Do things which put them in a position to succeed.”
2. Still with the inverted pyramid in mind - where the customer is at the top of the structure a recent example given by DMBC Leader, Pete Lowe, was one where a service involving transport for children to specialist nurseries was scheduled for budget cuts. However, by consulting, listening to and empowering the parents with support from front line officers the service will continue whilst savings are still made. An example where the decision making has been made together and the final outcome provided by the customers and staff.

As Dudley's Leader acknowledged for some managers it will be a difficult path to move to the customer-focussed leadership mind-set identified by Ray Miller but the examples above demonstrate that it is already taking place in pockets and this best practice needs to spread across the organisation.

A theme that ran through all discussions at DMBC was that to be an effective customer focussed leader he/she has to have a strong belief and personal commitment to the shared purpose and to take (enthuse/engage) others along with them by engaging and motivating through direct involvement (empowerment & accountability).

To quote Pete Lowe when discussing the challenges for customer-focussed leadership when demand outstrips resource he put it very simply “I don’t have sleepless nights because I strongly believe we are doing the very best we can & making the right decisions in the circumstances”.

#### **4.4 Listening to customers/staff** (can people see/feel a difference - Coulson, listening to customers and continually realigning systems and actions to what customers want and need is critical - Miller)

We need to be in tune with the environment, have a keen ear to our customers wants and needs and be prepared to make radical decisions for our organisations to be able to provide relevant and valued services to our customers both now and in the future.

Listening to customers should be a routine day to day business practice. Customers make dramatic conclusions based on minor details so it is important to pay attention to the little things and therefore it is essential that front line service employees are enabled to truly understand and feedback on the customer experience.

#### **Customer Relationship Management (CRM) and the Customer Journey**

In Warwickshire County Council over the last few years a review of customer relationship management was undertaken from the bottom up. It was a developmental technical process. They sought customer experiences and expectations of the process and fed this into the development of CRM. A customer response framework, supporting mechanisms, survey, performance data was compiled and contrasted to inform the development of the customer journey. Customer satisfaction levels were also received via a dedicated website. Maintaining acceptance testing, talking directly to customers and feedback from staff obtained from customers also all supported capturing all of the relevant information that was being listened to.

All staff are encouraged and expected to be a customer focused ‘Ambassador’ and supported to learn from mistakes so staff can do the right things. Carefully undertaking difficult conversations was needed to give focus in moving forward. Working hard to gain credibility and purpose and trust from the customer. Working on an appropriate framework and governance, getting senior level buy in at Corporate Board and Customer Services Board. Clearly interpreting and understanding what all the metrics mean to help inform and shape the changes to customer services. A strong emphasis was placed on building strong relationships and frameworks with partners. Creating a ‘one stop shop’ and ensuring purposeful customer engagement (rather than engagement for engagements sake!) were all seen as key factors in driving notable improvements for the customer and being truly valued.

In March 2015 Warwickshire County Council was successfully reaccredited to the Customer Service Excellence Standards. A quote directly from the assessor sums up the findings and is positive endorsement of the work undertaken in this area.

***“It is clear that both internal and external customers are at the heart of the culture and ethos of the council. Staff and external customers have provided positive feedback on how satisfied they are with the provision and resources offered in a positive sense and discussions with customers as part of the review clearly confirm this.”***

## **“Not all customers are the same!”**

The manager of the customer contact centre at DMBC understands that it is important for the customer to feel they are listened to and are part of the solution. However he also recognises that not all customers have the same priorities and some don't want to be part of the decision process (it's your job) so effective customer focussed leaders are those that “get out there” achieving more successes by gathering momentum for generating ideas and solutions. Additionally when the solution (such as multi-skilled rather than specialist operators) is one not welcomed by all to be visible and proactive on the front line explaining the decisions, supporting customers and staff through the changes and reviewing and tweaking process and systems where possible and necessary.

He believes the key for the customer focussed leader is to understand their constraints (budgets etc.) and communicate with the customer, truly listen and introduce any suggestions that can be done and, where changes have to be made, ensure thought is given to the implementation to provide the customer with support, training etc. to coax and encourage engagement.

He adds it is also important to engage front line staff as they need to be a visible encouragement to customers and will get valuable feedback from customers directly so the leader needs to be honest and support employees through change, encouraging discussion and ideas, understand different reactions to change/anxiety and work through it with them.

Austerity measures have obviously had an impact on staff morale during budget cuts but front line staff in particular still need to be “the happy face of Dudley”, which is one of the challenges for the customer focussed leader that is different to that of a leader not in a customer focussed which adds support to Ray Millers argument to lead with a customer focus and to view staff as partners because as a boss people will respond to you because they have to. As a customer focussed leader people respond to you because they want to and this is more important than ever during budget and resource challenges.

## **NHS**

In order to be successful in any organisation the leader needs to put the customer in the centre. If the overall experience is not good for the customer they will vote with their feet. Although the majority of the NHS customers are tied to the local hospitals people do have a choice of where they wish to be referred.

### **NHS - Birmingham Children's Hospital.**

This hospital is *the* ‘hospital of choice’ for those unlucky enough to need its service. The hospital has recognised that the environment for patients is just as important in this area as its medical and surgical expertise. They have increasingly though concentrated on the idea of ‘who is the customer’? They have made the correlation between stressed parents and happy children and so are now putting as much emphasis on the welfare of parents as they are on that of the children themselves. To this end they are investing in the support systems available for parents alongside the care for the children.

#### **4.5 Assessment and Evaluation** (to gather qualitative and quantitative information, to assess the impact of actions and inform decision making)

**Ray Miller** wrote in his paper on Customer Focused Leadership that some say “You get what you measure.” ... The reality is... “You get what you pay attention to.” A major responsibility of a leader is to create effective and accurate measures from the customer’s perspective. Good measurement allows employees to understand how to be successful within the organization. You can do this by translating these measures into actions and service standards that will allow employees to understand what good service looks like and how to succeed.

Measurement is about paying attention to the service performance you want, and focusing on outcomes rather than activities. Set service performance goals and standards that are realistic while at the same time strive to go beyond the basics in an effort to exceed customers’ expectations. Ensure that every employee understands and agrees to what is being measured, why it is important and how these measures reflect their performance boundaries. The scorecard you use to assess success should be developed from the customer’s point of view.

##### **Stoke On Trent City Council Customer Services**

At Stoke on Trent Council they have taken a very specific view of what they need to measure. They have not concentrated on the traditional ‘micro managing areas for reporting for a contact centre - length of time taken to answer calls, number of calls resolved at first stage, abandoned calls etc. but have specifically concentrated on quality. To this end the only measure that they have is ‘is the customer satisfied. They have empowered their staff to ask the ‘is there anything else I can help you with today’ at the end of each call meaning that customers make 1 call not 2 or 3.

##### **Walsall MBC**

The One Stop Shop have been through whole scale review and have embraced the Vanguard Systems approach to customer service. The team stripped down all processes and worked back putting the customer in the centre and working back to get a flavour of the customers experience when contacting the Council. This enabled the team to identify the frustrations for the customer. Similar to Stoke the assessment at the end of process is about ensuring the customer is dealt with in a speedy and effective way, thus adding value. Walsall has tried to break down the barriers between services and trained staff in a variety of functions instead of limiting expertise to one area.

#### **4.6 Agility** (Physical agility; mental flexibility. Involving technology, systems and processes, employees and customers).

**Ogders Berndtson** in a paper entitled “Public Sector Re-organisations and Mergers – Creating Agility and Managing Change Well” wrote “agility in an organisation is about adaptability and speed. Fast change does not have to be badly managed change. Agile organisations have organisational structures that enable them to change quickly. Creating an

agile flexible organisation is about many complimentary strands of action including: *Structure, job definition and reward; A deep understanding of the organisation's talent and capabilities; a culture that supports redeployments and re-skilling; a unified organisation and the defeat of silos; strong consistent leadership behaviours and visibility; The development of a capability to manage internal change well*".

Taking capability and one of these aspects; the supply of appropriately skilled staff in local government could seriously affect the agility and ability an organisation to be able to respond to the future needs of the customer. **Gary Browning the CEO of Penna** quoted at the 2015 PPMA conference in April that "the demand for more people working in the economy will outstrip supply by 2021 if not addressed. There are 11.6 million 50-64 year olds and 3 million are not in the workforce and 1.1 million want to be in work to and could fill some of this gap. The challenge is to use strategies to make this happen". Therefore it is crucial that our workforce planning and talent management process are being fully utilised on an on-going basis (not an after thought or only once a year), that they are innovative and really challenge thinking on how staff can achieve what is needed to deliver on all priorities and to be truly customer focused.

Added to the supply difficulty, Paul Hannan, Academic, Writer and Consultant commented that research undertaken by PwC and Demos drew attention to the fragile state of employee morale in the public sector with 70% of staff were disengaged. Quoting data from CIPD's Employee Outlook survey, the report contrasted employee engagement in the public and private sectors. According to the spring 2014 survey, 52% of employees in the voluntary sector were engaged (using CIPD's index measure), 36% of private sector employees were engaged and just 30% of public sector employees were engaged.

The report also drew attention to the much larger gaps between public and private sector employees in their perceptions of senior management. Trust and confidence in senior management, in particular, were much lower in the public sector with the report noting: "The picture that emerges is of a public sector struggling to adapt to shrinking budgets, but also one that lacks the tools to get the best from the people working in it."

This picture of disengagement in the public sector will clearly have a serious affect on how well staff can collectively work together to ensure customer focused leadership. Paul Hannan believes that the key to success and addressing this disengagement is to help people to engage themselves, known as intrinsic engagement and using our their own natural resources to allow our employees to flourish. Feeling and therefore performing at your best were held as the key factors for a flourishing organisation and the key to employee engagement and success. Essentially "happiness" is the key or the road and Paul Hannan asserts this will be the main issue for most employers in 10 years time if they are to ensure their organisations will have the most engaged staff and therefore successful organisations.

He then looked at the determinants of happiness at work. These were broken down into:

1. set point of happiness 50%
2. intentional circumstances 40%
3. circumstances 10%

In the CIPD report “**Shaping the Future**” in 2011 agility which was defined as the ability to stay open to new directions and to be continually proactive; ensuring leaders and teams have an agile and change ready mind-set to enable them, and ultimately the organisation, to keep moving, changing and adapting and was seen as one of the eight most important characteristics for sustaining organisation performance.

Stoke On Trent City Council are moving staff into new premises in the centre of the city, which is in the same vicinity as other agencies - Police and Health. The issue for Stoke was that the new space and the vision going forward was that there was a reduction in physical office space available thus requiring a radical approach to the relocation.

Stoke on Trent have used this opportunity to undertake a whole scale review of working arrangements and management of staff.

Extensive input has been provided into ensuring that teams are allocated resources accordingly.

The team have delivered briefings to 150 managers to:

- get them to understand the rationale of the move and get them to consider a new approach to the management of staff. The new management style that will be needed to go forward is the removal of ‘direct’ management of staff in the traditional sense with a move to ‘management by outcomes’
- provide support
- provide training
- provide any assistance with clearing/sorting out of belongings that do not need to be moved to the new work spaces

It was recognised that it was important to build a culture of trust amongst staff and management. Management needed to trust staff to deliver wherever they may be working. Management needed to consider measurable objectives. Staff culture needed to be considered as part of effective performance management.

Stoke have recognised that standing still will enable them to deliver the service for the future and the infrastructure and management/staff are being developed to deliver a customer focussed future.

### **The pace of change**

Austerity measures have given a sense of urgency, reflecting the research detailed in page 8 from “**Shaping the Future**” which stated that “in public service, change doesn’t necessarily happen unless there is a crisis or disaster, or it happens very slowly”. Dudley MBC’s leader Pete Lowe states that the customer focussed leader of today has had to develop relationships and ways of working at a much quicker pace, whilst they may have spent time in the past in building relationships (such as with partners) they have to move a lot quicker

now and need to constantly re-prioritise and re-focus. Agility and customer focussed leadership throughout all layers of the organisation has never been more important.

Agility and flexibility coupled with a faster moving pace and a wider network of partners brings the challenge of still making time for the important discussions to take place, ensuring all receive and contribute to the purpose of the organisation and are engaged and motivated. Interviews with the front line managers at Dudley discussed the challenge of getting staff together and sharing information recognising that more was done electronically than ideal.

The major organisational restructure at Dudley is in recognition that, for the organisation to be more customer focussed and agile in responses to changing needs the silo mentality between different parts of the organisation has to be broken down.

## **5.0 Conclusions**

In times of austerity, listening to the voice of the customer is more important than ever. It allows the future planning of services to be based on what is the best outcome for the customer - which in times of austerity might not be what individually the customer actually wants - whilst allowing the customer to have ownership of the reasons behind the decisions made. It is recognised that time has to be invested in supporting customers and front-line staff in journey of change and to measure and review the impact.

The research had also shown that it is about leaders at all levels being important. There is no benefit to having a strong customer focussed leader who is unable to share their passion and vision and truly embed the approach within their service if the staff below do not feel empowered to be the same. Everyone that interacts with a customer is an opportunity to listen to what customers are saying is important to them and to seek their views on the service. It is essential that not only are their leaders at all levels but that they are all pulling in the same direction (the shared aligned purpose) which needs to be supported and encouraged from senior leaders demonstrating by what they say and how they do it, the customer focussed leadership.

Specifically for the local authority arena the research has shown that leaders need to be accountable across the business not just for their silo bit. It is very easy for managers and leaders to focus on their particular service - especially as the approach taken to date when cutting budgets has been targeted at managers having to make individual savings across their budget line - rather than a joined up approach across the organisation as a whole. There needs to be the whole council approach to avoid a change in service in one area having a disproportionate effect on another. We need to view 'the customer' as a whole not just look after the child and forget about Granny!

Of course, customer focus is not all its takes - leaders still need the business acumen to deliver - the books need to balance - more some in the current austerity! but to undertake any service change without customers being in the forefront is no longer the way to do things.

It is clear from research findings that all of the characteristics overlap and impact on each other. The challenge is not in agreeing the characteristics but ensuring they are fully

endorsed and practised throughout the organisation, continually reviewed and tested. The scorecard an organisation uses to measure success should be developed from a customer point of view.

The financial gains associated with being a truly customer-focused organisation are substantial and should not be overlooked or taken for granted. Everyone has it within their gift to make a difference and dare to be different. Become a Customer-Focused Leader.

## **6.0 Recommendations**

To build on a solid foundation of dynamic internal customer service the goal must be to master the effective use of all these key Customer-Focused Leadership characteristics. It is important to understand that such a culture change will not happen overnight, there is no quick fix so the time to start is today.

How Customer Focussed are you? Would you like to know? We invite you to complete a self-assessment tool (appendix 7.1) to help you determine this. You will get more from this exercise if you involve the support of you HR Business Partner or Organisational Development colleague.



**7.0 Appendices**

**7.1 The Self Assessment Tool**

**Customer Focus Leadership**

**Self assessment tool – to be completed in conjunction with your**

**HR Lead**

**Stop Managing, Start Leading- 5 Easy Steps**



This tool has been developed to help benchmark where you are currently in terms of demonstrating the characteristics of a customer focussed leadership culture that puts the customer at the top of the structure. It will help you see where you are performing well and where there is more that could be achieved, prompting you for an with an action plan to help you develop to where you want to be.

### How Customer Focussed is your Leadership?

	<b>STOP</b>	<b>START</b> (ask yourself)	<b>Action Plan</b> (how will you do this? List your top 3 actions for positively addressing each)
1	<b><i>Excluding</i></b>	<p><b><u>Involving</u></b></p> <ul style="list-style-type: none"> <li>● How authentic is the customer focussed leadership?</li> <li>● Is there an all year round workforce plan and talent mgt leading to a customer focussed people strategy?</li> <li>● How diverse and ethical? Are staff sufficiently involved and engaged?</li> <li>● Are you curious enough, staff sufficiently empowered to challenge?</li> <li>● Is there a positive culture, do we appreciate one another enough celebrate failure and success together – are we happy?</li> <li>● Do you listen enough to our customers, how and what could be done better?</li> </ul> <p>Evidence</p> <hr/> <hr/> <hr/>	

	<b>STOP</b>	<b>START</b> (ask yourself)	<b>Action Plan</b> (how will you do this? List your top 3 actions for positively addressing each)
		<hr/>	
2	<b>Controlling</b>	<u><b>Empowering</b></u> <ul style="list-style-type: none"> <li>● Do you know what the correct leadership styles need to be and are they exhibited?</li> <li>● Are effective coaching and mentoring practices in place and ongoing not annually?</li> <li>● How are mistakes viewed in your organisation (is there a blame culture)?</li> <li>● Do you understand your strengths and can we be our 'best selves' without being constrained?</li> <li>● Is the performance review/appraisal system effective and simple to use (an on-going development vehicle embraced by all and mirroring the desired culture and linked to customer needs and not a form filling exercise).</li> </ul>	









## **7.2 Overview of team input**

### **Gordon Latham - HR Business Partner, Warwickshire County Council.**

I undertook a series of interviews with managers and staff involved in front line customer service roles, involving the contact centre, libraries and the changes to the health and social care provision within Warwickshire and visited the Contact Centre at Stoke City Council. I also spoke to the Senior Lecturer for International HR at Coventry University and the HR Director for Sandwell & West Birmingham Hospitals. Whilst at the annual PPMA Conference in Bristol in April I interviewed Paul Hannan - Consultant and Writer and listened to talks by Ann Franke, CEO for the CMI and. I attended the annual West Midland Employers Conference in March 2015 and absorbed valuable relevant input to this presentation from Denys Short OBE and Gary Browning - Penna. I undertook an in-depth web search on relevant material and also delved into the very useful materials provided as part of the Aspire Business Partnering Programme. In order to assist the group of 4 to be able to contribute all of their materials to one place both for the presentation and report and introduced them to the use of google drive for word and powerpoint.

### **Louise Lawrence - HR Business Partner, Sandwell MBC**

I carried out a number of interviews within Sandwell MBC including revenues and benefits and customer services. I also interviewed a representative from Birmingham Children's Hospital to get an NHS view. I undertook theory research in particular in identifying relevant case studies from the Institute for Customer Services. I attended the site visit to our sponsor in Stoke on Trent and took part in the interviews there. I used the materials provided by Aspire and linked in with HR and OD colleagues at SMBC to gain their view and insight.

### **Primula Paul - HR Manager, Walsall Council**

I interviewed the Customer Services Manager at Walsall Council and visited the Contact Centre at Stoke City Council. I also spoke to the ex-Chief Executive at an NHS Trust and the Director of the CAB.

Research reading is as included in section 8.2

### **Margot Worton - Head of HR (Change & Strategy), Dudley MBC**

I undertook a series of interviews across Dudley Council including 2 discussions with the Leader of the Council, the customer services manager and manager of the Art Gallery and Museum. Additionally I had telephone and face to face interviews and discussions with a number of staff in various positions across the council both in their role as an employee and customer. I undertook a detailed Internet search on relevant material and read various articles listed in section 8.2. Through my role at Dudley I also gained useful insights for the project from meetings with the new Chief Executive and my own team of business partners where we have shared my learning from the Aspire Business Partnering Programme for mutual benefit. I also used my background in creative writing to develop the opening and closing sections for our presentation.

### **7.3 Reading List**

**Odgers Berndtson** “Public Sector Re-organisations and Mergers – Creating Agility and Managing Change Well”

**Ray Miller** “What is Customer-Focussed Leadership?” 2015

**CIPD** - Alignment Shared Purpose and Agility. 2011

**CIPD** - Sustainable organisation performance: what really makes the difference? Final report. 2011

**Prof Coulson-Thomas** - New Leadership’ and Transforming Public Services, 2012

**CIPD** - Employee Outlook Survey, 2014

**CIPD** - Next Generation HR, 2011

**CIPD** - Shaping the future of the profession, 2014

**CIPD** - Shaping the Future, Sustainable Organisation Performance, What really makes a difference, 2011

**PPMA and CIPD** - LEADING CULTURE CHANGE  
EMPLOYEE ENGAGEMENT AND PUBLIC SERVICE TRANSFORMATION, 2012

**MACLEOD, D. and CLARKE, N.** (2009) Engaging for success:enhancing performance through employee engagement [the MacLeod report] [online]. London: Department for Business, Innovation and Skills. Available at: <http://www.bis.gov.uk/files/file52215.pdf> [Accessed 3 October 2012].

**University of Birmingham** The 21st Century Public Servant,

**Dean Royles** - No more Heroes: Leading the NHS through change, October 2012

Various HR Magazine articles on Leadership