

***Research shows the culture in public sector is shifting. Do employees in the public sector recognise a need for a shift and are they bought into it?***

***How do HR/OD/Leadership support the shift?***

## **Executive Summary**

This project looks at literature, research and live examples around culture, culture change and the public service. We undertook a detailed literature review and tested theories with a range of staff focus groups to assess whether a shift in culture is required to meet future challenges. We looked at whether employees are motivated by the public sector ethos and whether they understand “why” they do their jobs. We also looked at the role of HR/OD and leadership linked to culture and culture change, and produced recommendations to support this through employee engagement.

## **Introduction**

Local government has over the last 10 years experienced stark austerity measures. This period has raised some unique challenges for the UK and specifically for local government as the central government’s continued austerity drive creates a period of debilitating financial pressure. This, along with increased localisation, greater demands for service user voice, control and increased public expectations has resulted in unprecedented changes in the delivery of public services (Dunleavy, Rainford and Tinkler, 2011) (Needham and Mangan, 2014). Changes such as ongoing reductions in staff headcount, exploring innovative ways to deliver services, and indeed, the extinction of whole services. The traditional local government model as the provider of public services has shifted radically to one of enabler. At present the combination of fiscal and employee reduction is now at a point of not just considering changes locally in how services are formed and delivered but to wider transformation initiatives and cultural change.

An organisation’s culture has a significant impact on how an organisation operates and the productivity and performance of the workforce. The pursuit of a healthy, productive and positive culture is a goal for any organisation, one that has been heightened in recent years with the need to do more with less.

This report considers the shift in culture required to meet the challenges facing the public sector and how HR and OD can support the organisation to achieve this.

## **Our Group**

### **Sarah**

Sarah's role is HR Operational Lead within the Human Resources service. Northumberland County Council is a large unitary local government authority in the north east of England. The Council delivers a wide range of services to the people of Northumberland including (but not limited to) education, planning, libraries, waste management, trading standards, housing and planning services. The Council currently employs approximately 10,000 employees.

### **Ann**

Ann works as an OD Consultant within the People Services team at Oldham Council which employs approximately 2,500 employees.

Oldham Council is one of 10 Metropolitan District Councils making up the Greater Manchester Combined Authority (GMCA), a top tier local authority with delegated responsibility for Transport, Health, Housing and Economic matters. Oldham Council serves a population of 232,700 in an area that has been greatly affected by the decline of traditional manufacturing sectors over several decades.

Since 2011, Oldham has been a Co-operative Council, a group of 21 local authorities seeking to reinvent the traditional model of the council as a tool of social empowerment. Oldham's Corporate Plan for 2017-2020 which aims to deliver a future where "everyone does their bit to create a confident and ambitious borough". Building an inclusive economy where all residents can access new skills and opportunities is a main pillar of this plan.

### **Sue**

Sue is HR Partner at Lancaster City Council within the HR team.

Lancaster City Council has approximately 750 employees and is one of three tiers of local government in the Lancaster and Morecambe District, with the others being Lancashire County Council and Parish (and Town) councils.

It is responsible for local planning and development, street cleaning, household bins and recycling, council tax and benefits, provision of council housing, environmental health and safety, parking enforcement, licensing, promoting economic development and tourism of the area and provision of parks and leisure facilities.

## **Jenny & Helen**

Jenny and Helen are Senior HR Officers at Wirral Council within the HR and OD service.

Wirral Council has approximately 3,500 employees (excluding schools) and is one of six local authorities in the Liverpool City Region.

The Wirral Plan, published in June 2015, sets out a series of 20 pledges which the council and its partners will work to achieve by 2020, focusing on three key themes:

- protecting the most vulnerable
- driving economic growth
- improving the local environment

## **Our Project**

We share a common interest in the changing culture shift in the public sector and the changing role of the public servant.

Our inspiration came from the Golden Circle model and the “Why” mindset (Sinek, 2009):

***“If you hire people just because they can do the job they will work for your money. But if you hire people who believe what you believe, they will work for you with blood, sweat and tears” (Sinek)***

Sinek’s theory is based on the premise that every organisation knows **what** they do, some know **how** they do it, but very few know **why** they do what they do. The “Why” is about the purpose, cause, belief of the organisation; Why does the organisation exist?; Why do staff want to work hard for the organisation?; Why do customers want to buy the products or services or engage with the organisation? If an organisation doesn’t know why it does what it

does, then how can it get people, employees and customers to understand, support and buy into it? Simon marks this out as a differentiating factor of successful organisations and uses Apple as an example.

Translating Sinek's theory in the context of the public sector, it suggests that if employees understand why their role as a public servant is so important and buy into this, they will be more engaged and in turn more productive. This made us think about whether our organisations focus and engage staff on the "why"; do staff know why they do what they do? Is this lived and embedded within the organisation's culture?

Whilst we consider whether a 'why' culture exists within local government, and our respective organisations, we have also considered the content of the 21st Century Public Servant Report. The report outlines a number of characteristics which describe a public servant fit for the 21st century.

Our hypothesis is that the 'why' mind set is absent in our organisations and a shift in culture is required to meet the current and future challenges of the public sector. As an outcome of the project we will make recommendations on how to create and develop the culture needed.

## **Objectives**

The objectives of our project are to:

1. Define the changing culture in local government and define what is required of the 21st century public servant
2. Establish the existence or absence of a 'why' mindset within our organisations
3. Develop a series of recommendations as to how our organisations can develop a 'why' culture and achieve the requirements of for the future.

## **Research Methodology**

A qualitative methodology was identified as being the most effective way of ascertaining perceptions of culture as it would enable us to explore perceptions, gain understanding and explore views and thoughts.

### **Findings of this research draw on:**

#### **1. Focus group feedback from sessions at the 4 local authorities**

The focus groups purposefully comprised a wide range and variety of roles within each respective organisation. Participants were randomly selected and a cross section of services to take account of sub-cultures.

The focus group was designed to test research around organisational culture and whether people within local government understood the need for a shift in culture in order to make the public sector services sustainable. Areas for discussion were defined as:

- What we mean by organisational culture (to ensure participants, all non-HR specialists, understood what was meant by the term).
- The changes to working in local government from 10 years ago.
- Identification of changes that need to come about to ensure sustainability for the future.

The questions were posed and worded in a way to encourage participants to provide accurate, unbiased and complete information in relation to the research query. Probes were used if participants appeared unsure of the questions.

A content analysis of the data resulted in clusters of themes that addressed the research objective.

#### **2. A semi-structured interview with management consultant firm 'We are C.Co'**

We are C.co is a CIPFA consultancy service, and were interviewed because of their breadth of experience working with a number of public sector organisations, thus adding

valuable insight beyond the boundaries of our own organisations. We met with Richard Harrison who is Managing Director of C.Co.

The interviews looked at the following areas:

- if it is absent how can organisations instil one?
- whether employee mind-sets are changing
- what is HR / OD role in implementing and embedding a 'why' mind-set?

### **3. Case study - The 'Be Wigan' project**

Over the last 3 years Wigan Council has changed the way they deliver services and outcomes for Wigan. The Council recognised they could no longer provide services in the traditional delivery model due to austerity, but similarly recognised the paternalistic model meant the Council was determining what was best for the public / communities when it was actually the community that was best placed to do it. This led to the 'Wigan Deal'.

The Wigan deal is an informal agreement between the council and everyone who lives or works here, to work together to create a better borough. It is based on the premise that the two parties will work together and both have a part to play to achieve the best outcomes for Wigan. For example, the Council is providing investment and expertise to community projects, but with the caveat and expectation over a period of time they will become self-sustainable, removing the need for direct delivery from the Council. This not only reduces the financial burden for the Council but has led to empowerment for communities and in turn better services and outcomes for the community.

The deal required a shift in mind-set. In relation to Simon Sinek the Council were focussing on the 'why' e.g. what outcome it was delivering and why, empowering those that were best placed to achieve this rather than finding ways to reduce costs of the 'how' e.g. service delivery. This shift in mind-set however was a challenge and they embarked on a cultural change programme to educate, engage and empower employees and stakeholders to deliver the Deal.

We visited Wigan to understand how they achieved this.

#### **4. A comprehensive literature review**

We drew upon a range of literature which supported our topic interest, helped to shape our hypothesis and develop our primary research. Whilst there is a host of work on the topic of culture and the drivers and need for change in public services for our literature review we have focussed on a few key pieces (detailed below).

#### **Limitations of methodology**

The authors acknowledge the purely qualitative content of the research and the limitation this creates in terms of assessing the effectiveness of the resulting recommendations. In order to ensure the ability to assess the validity of the recommended intervention a quantitative measure of cultural change is intended after an appropriate period of time. Various cultural analysis tools and instruments are available for this purpose.

#### **Secondary Research - Literature Review**

Through our research we endeavoured to establish:

- a definition of culture, and HR role in influencing and shaping the culture
- the impact the changing landscape of the public sector has on local government and its public servants
- the significance of examining the purpose ('why') of local government and what happens in the absence of the 'why'
- how other organisations have embedded a purpose led (why) culture

#### **Defining culture and HR's role in influencing and shaping it**

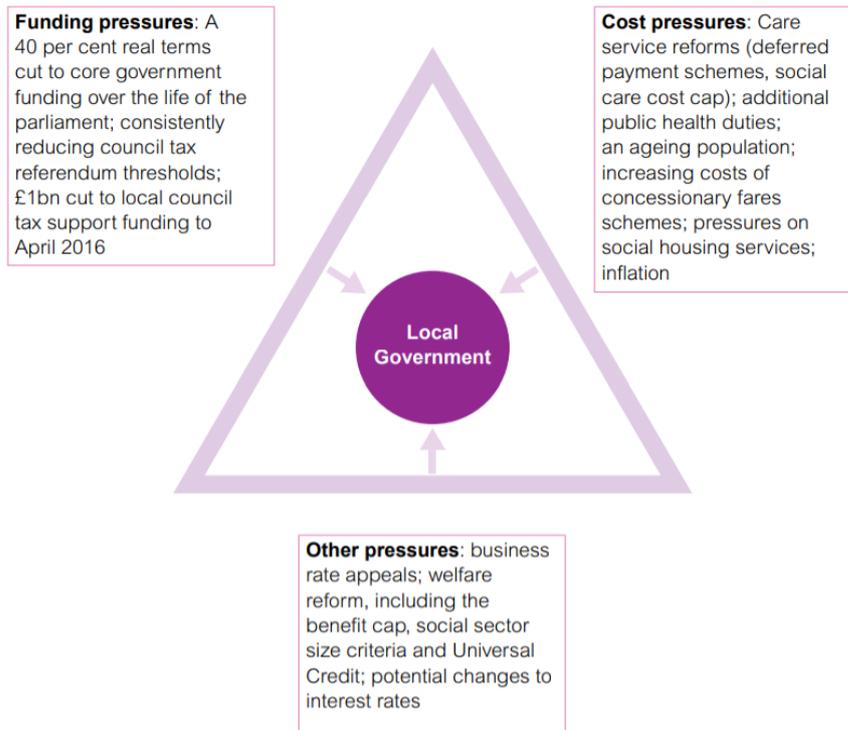
The Chartered Management Institute (2015) define the term 'culture' in an organisational context as 'its personality and character. Organisational culture is made up of shared values, beliefs and assumptions about how people should behave and interact, how decisions should be made and how work activities should be carried out. Key factors in an organisation's culture include its history and environment as well as the people who lead and work for it'.

Similarly Schein (1992) suggests that, fundamentally, culture is: “A pattern of shared basic assumptions that the group learned as it solved its problems that has worked well enough to be considered valid and is passed on to new members as the correct way to perceive, think, and feel in relation to those problems.

The received wisdom is that culture is impacted upon by all employees but Timms (2018) identifies the key role that HR specifically plays in influencing culture. He questions HR’s perceived role as ‘cultural architect’ but recognises that HR should ‘be both an active participant in the culture and be able to define it and suggest human intervention that would improve it’. If HR’s concern is the human element of the organisation and culture is ‘made up of all the interactions of the people in the company’ HR undoubtedly has a fundamental role to play

### **The impact the changing landscape of the public sector has on local government and its public servants**

It is well known that local government funding has experienced increasing pressure from a number of sources since the financial crisis in 2008. These pressures have forced authorities to increase council tax, reduce staff numbers, rationalise services, increase commerciality, re-examine types of services offered and, where necessary, reduce to statutory minimum levels.



## Local Government Association (2014)

The 21st century public servant project builds on the findings of the 2011 University of Birmingham Policy Commission into the future of local Public Services which identified the need to pay attention to the changing roles undertaken by public servants and the associated support and development needs. Through a review of the literature and interviews with 40 people involved in supporting and delivering public services, the research considered how the public service workforce is changing, and what further changes are needed to develop the effectiveness of public servants

The research findings outline a number of key workforce challenges for Leadership and HR as well as opportunities for the public services based on what is needed:

- A need for different roles from those of the past, suggesting public servants are a municipal entrepreneur. The challenge for this need requires Leaders and HR to

consider how people are trained and can be supported in the broader range of roles: commissioner, networker, adjudicator.

- The need for co-productivity with citizens and considering a whole person approach (human) to care and working practices, which presents a need for values outcomes. This presents a challenge to understand how public service can recruit to roles that are both generic and technical.
- Supports the recognition that careers will be more fluid across the sector, so a focus on more secondment, sabbaticals, job shadowing and mentoring which allows individuals to learn new skills.
- New skills in public service to combine commerciality and publicness required. How can the workforce be educated on the need for shift. It will be a challenge to align the two - potential conflict in the ideals.
- Perma-austerity - A shift to rethinking public services and how do we bring the workforce with us?
- A change in organisation design to a more fluid and supportive model as opposed to silo and controlling. The need for a system thinking approach to organisation design as opposed to salami slicing/repeated cycles of restructuring.
- A change in the Leadership required from hero leaders to those focussed on collaboration and distributive. How are going to develop Leaders against the new requirements (at all levels).
- The importance of locality and recognition of loyalty and identity.

Needham and Mangan (2014) highlight the response to a changing culture impacts on the skill set required by leaders: “the skill sets of leaders in the future need to be different, and the type of leadership approach also need to change” (Needham and Mangan, 2014). There is a requirement on a modern leader “to be a member of a team, making their presence felt by their ability to achieve a collective sense of purpose” (Scott, Harris and Florek, 2012).

The public service ethos has been prevalent in literature and discussion about public service reform for many years (Needham and Mangam, 2014). Ethos captures the sense of intrinsic motivation to serve the public (Le Grand, 2003). This is linked to a strong commitment and loyalty to the neighbourhoods in which they work, as well as an organisational loyalty.

Booth-Smith & Leigh (2016) surveyed 1,415 senior managers and executives working in the public sector (60% of which were in local government). They identify the public service ethos as emerging in the 1920s when the civil service was originally formed. In its infancy, the civil service, established and abided by 'an ethical framework' focusing on impartiality, political neutrality and pursuit of the public interest. New civil servants were expected to adhere to four core values: integrity, honesty, objectivity and impartiality.

Nearly a century on and the 2016 survey found that accountability, community responsibility, customer service and integrity were consistently identified. Based on this research, it would appear that little has changed despite a very different contextual situation for public services.

This enduring public service ethos was translated into a code, Nolan's Seven Principles of Public Life (Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership). These principles clearly focus on behaviours and culture rather than on processes.

The first principle of 'selflessness' is translated as an expectation that a public servant should act solely in terms of the public interest. Servicing the needs of the public is the public sector's very *raison d'être*, a special sense of duty to provide to the public what is needed. Given recent austerity however there is a sense that this purpose has been lost; as money takes centre-stage and cost-cutting consumes us, staff numbers are reduced and workloads rise many public servants (and their respective organisations) have lost sight of the reason why they exist in the first place.

### **The significance of examining the purpose ('why') of local government and what happens in the absence of the 'why'**

Purpose led organisations or, organisations that are very clear as to what their 'why' is, have been found to attract and retain the best employees, engage better with their customers and make greater returns on investment (Edelman, 2013).

Examples of organisations with a clear purpose are demonstrably successful and well respected e.g. Apple "We believe in challenging the status quo. We believe in thinking differently", Disney "Promote and spread happiness", Unilever "Making sustainable living commonplace".

Ellis (2018) states that purpose is ‘the anchor that grounds people even in the most turbulent environments’. Whilst her comments focus mainly on profit making, private sector organisations and the evidence that companies with a clear sense of purpose see great rewards in terms of their bottom line, much of what she says translates to a public sector environment.

Ellis (2018) outlines the importance of communicating the reason for [your] existence so that all staff feel a sense of loyalty and engagement with a ‘clearly stated and lived purpose’. It is fundamental that purpose affects everything that an organisation does and is constantly borne in mind. When purpose is forgotten, blurred or lost the consequences can be catastrophic.

In the last decade, the financial services industry in the United Kingdom and globally has experienced; a liquidity crisis in 2008, the Libor scandal and subprime mortgages. In an interview with White et al (2017) Antony Jenkins, CEO of Barclays Bank (until 2015), directly attributes the failings of the bank, that caused the need for a narrowly avoided government bail out, to a loss of purpose. When the libor scandal broke, he found that ‘the organization lost its sense of self’. He sought to address this and recognised that a bank exists “at the pleasure of society, not the other way around” and that the reinvigorated bank purpose should be “. . . predicated on the fact that almost everything that banks do has no inherent value to the customer. But what it empowers and enables in people’s lives is incredibly important.”

Repeatedly, the available literature on purpose led organisations emphasises the requirement that businesses try to bolster their basic relationship with society. Therefore, it is absolutely relevant for local government to have a strong sense of their ‘why’ because they exist purely to serve society.

### **How other organisations have embedded a purpose led (why) culture**

Katzenbach, Von Post and Thomas (2014) state that organisational culture can be changed by working on a heart and mind philosophy, where emotion becomes the driving force for cultural change.

Engaging the hearts and minds of citizens is crucial. Buy in of cultural change of this order first has to be accepted by employees, modelled by leaders and joined up with everyone (Katzenbach, Von Post and Thomas). Observation and duplication of key positive behaviours can create viral change that spreads through an organisation.

Engaging with individuals on an emotional level to facilitate behavioural change, involves 3 key elements: identification of the critical behaviours that can become habitual and to embed these across people management practices, a sense of organisational identity, driven by profound existing emotional elements of the current culture and the informal leaders: who are the individuals who have credibility and trust among others, even if they don't have formal authority through their role.

### **Primary research**

As outlined above the primary research consisted of focus groups, interview and visit to Wigan Council. When all interviews and focus groups were complete, we undertook a detailed analysis of responses, in particular, identifying commonalities and major differences across the organisations. We used this information to identify trends and inform our conclusions/findings.

A summary of the findings is outlined below:

### **Interview**

The main themes from the interview are summarised as follows:

### **Public Sector Ethos**

Richard Harrison spoke about the 'Nolan Principles' (Committee on standards in public life); seven principles which apply to anyone who works as a public-office holder. Richard's view was that the majority of people work in the public sector to do good and to serve the public "make the difference for society". However, "people also look at things from their own point of view" but drop their moral framework over as a check or justification for their vested interests. For example, does extending the opening times of a leisure centre or a library, fit with an employee's home/personal situation? if not, they may resist. This led into a discussion around stakeholder mapping and exploring the different positions of stakeholders to negotiate changes that are realistic and acceptable to all.

## **The changing public sector**

Changes have been influenced by cuts to public services and the need for public services to constantly change. Reducing budgets and increasing demands have been the catalyst for developing creative and inspiring new practices, getting back to the heart of what public services are all about, and utilising new technologies and innovations. “Change needs to be business as usual”. On one hand this means that organisations have more freedom and flexibility to deliver in new and exciting ways, however, those working in the public sector - employees, are trying to understand what this could mean for them individually and as part of a collective. This is where the “vested interest” aspects comes in to play as employees may have a conflict between their interests and the interests of the public. This led to a discussion around how you tackle this issue. Richard spoke about being clear on what you are trying to achieve and ‘why’ you are doing it , and engaging employees with the ‘why’ and noted that most people will find it “hard to argue against what is right”.

Richard spoke about telling the story / creating a narrative for the future then engaging people towards this and almost creating a grassroots movement towards the future by using high and low level symbols. He talked about the importance of getting some ‘quick wins’ to illustrate the change to employees.

Richard noted that the key was an OD programme which started with creating a new vision / purpose and then engaging employees and leaders towards this vision, and Richard cited Wigan as an example of this.

He outlined his view on HR / OD role was to:

- Help create the vision / narrative
- Develop the plan
- Identify some quick wins
- Hold leadership to account and be given the mandate to challenge
- Shine the spotlight to ensure activities are aligned to vision
- Work with leadership to ensure there are high and low level symbols

Richard spoke about the need for people to be held to account, he recognised the need for rewarded for good performance but equally the need to tackle poor performance and hold people to account. He recognised in doing this there may be some 'high profile' casualties who are recognised for not delivering.

How do you begin to change the culture? High and low level symbols: high level symbols are the obvious ones like buildings and logos, low level symbols.

Stories about notable events in the past tend to become part of the culture. This is an interesting point for Wirral Council as historically the stories have been negative. So what can we do to make the stories positive? Richard spoke about "quick wins" - are there any symbolic changes that can be made to narrow the gap from current culture to the aspiring culture. This led to a discussion about "having the mandate" to make the changes - the fresh narrative need the endorsement and backing of the leadership team.

### **Findings from Wigan Visit**

The Visit to Wigan included:

- Meeting Senior Leadership to understand the Deal
- Taking part in the 'Be Wigan' Experience
- Visiting a community centre and seeing the 'Deal in Action'

The visit gave us a meaningful insight into how they had achieved culture change and the programme they implemented.

### **The programme**

Wigan recognised they needed to gain understanding and buy in from staff and they needed to change mindset and behaviours so employees started to have different conversations and relationships with residents and partners. They achieved this by focussing on the following activities:

- A Staff Deal
- Strong, engaged and visible leadership
- Staff Engagement

- Refreshed Behaviours for employees and managers
- 'Be Wigan' experience

### **Staff Deal**

The Staff Deal is an informal agreement with employees to outline what staff can expect from their employer and in return what the employer expects from them. Everything the employer does and all initiatives are linked to this agreement.

### **Strong, Visible and Engaged Leadership**

The Chief Executive was clear in her vision and the Deal. At the outset she sought buy in and engagement from her leadership team, and made it clear that, anyone not invested in the deal may not be best for the Council. She supported some of her team to leave the Council.

Once she had the leadership team in place that were bought into the deal she ensures that the leadership is strong and visible. She personally led the engagement of the Deal throughout the Council (see below).

### **Staff Engagement**

The Council invested time and resource into engaging staff in the Wigan Deal and the Staff Deal. Led from the top the Chief Executive and Leader held weekly 'Listen into Action' events during the launch, and subsequently still supports these with her leadership team. These events were initially to articulate the deal, raise understanding and engage employees on the journey, but in more recent years are to listen to employees, allow employees to ask 'why'. The Council actively encourage innovation and ideas and this is just one of the forums employees can raise questions and pose ideas / questions.

### **Refreshed Behaviours for employees and managers**

The Council refreshed behaviours for employees and managers to shift employees' mindset and start to get them to think and act differently. These were clearly articulated so they could be understood across the organisation and employees and managers could be held to account when they did not behave in this way.

## **‘Be Wigan’ Experience**

In order to explain and ensure understanding of the behaviours and the Deal the HR/OD team developed the ‘Be Wigan’ experience. Using an old Council building they have developed a half day programme which includes a mixture of learning interventions to ensure employees understand the deal, the behaviours and how to apply them in their work. Examples of the interventions include:

- **Case studies** of how the deal has worked in practice (videos of the community). During the video employees are asked to identify behaviours that have helped achieve the deal.
- **Learning through play** - a number of games have been used to explain what behaviours mean in practice.
- **Story telling** - the Council have identified 80 deal ambassadors across the organisation who support the delivery of the experience and tell stories on how it works in practice in order to bring it to life.

Through these elements the Council have shifted the mindset of employees and behaviours are now understood, lived and embedded within the culture. Wigan is an example of an organisation that focuses on the ‘why’ and not the ‘how’ and has moved from a provider of services to an enabler.

## **Summary and Analysis of Focus Groups**

Results from all focus groups have been brought together for analysis and to consider the research question and whether people working within the public sector recognise a need for a shift in culture, whether they understand and accept this, what the challenges are and how to overcome these and move forward.

Attendees were initially asked to share their thoughts on what they thought defined ‘culture’. There were some wide ranging thoughts and responses, from how culture can be shared, such as through art, music and sport, to more generic external influences such as race, beliefs, politics, and economy, to behavioural descriptors such as morals, upbringing and perceptions. From an organisational perspective, this could be narrowed down into “the way we do things around here”, dictated by history, behaviour, formal / informal rules and a collection of ideas built up over time.

A key finding within Lancaster City Council showed that a number of individuals found it difficult to define what they believed culture to be, which suggests that within this organisation, it is important to note the internal starting point of the understanding of culture, which needs to be taken into account as part of any culture change initiatives. When advising that culture needs to change, an explanation of culture, as well as why it needs to change is required.

There were two main questions asked of the focus groups:

1. Describe how it looks to work in local government now compared to 10 years ago. If you were not working in the sector at that time, what was your perception?
2. What do you believe needs to change for us to survive (who and why)?

The report presents the responses of each of these questions into categories.

- 1. Describe how it looks to work in local government now compared to 10 years ago. If you were not working in the sector at that time, what was your perception?**

### ***External Pressures***

Due to increased cutting of funding by central Government and budgets, there was some feeling that there has been a detrimental effect on the way in which the services are being run.

There is a feeling that there is an increase in public demands and expectations, resulting in more pressure on the outcomes and service delivery of the local authorities.

### ***Communication***

There is a view that employees have less contact with their managers than they used to, and that many of those in attendance felt that they often don't know what is going on within the organisation resulting in a lack of clarity, confusion and mistrust between management and staff.

Changes are often not being communicated, either at all, or not properly, leading to confusion, rumours and mistrust and employees feeling irritated or frustrated. Focus groups individuals

explained that they often didn't know reasons for the changes; they were simply just told that they were happening.

### ***Change***

Organisational structures are changing more often. There are more restructures, and realisation that the idea of a 'job for life' no longer exists. This is leading to more uncertainty within the workforce. Due to decreased funding, cost cutting exercises and restructures, there are less staff remaining with increasing pressure being put upon them to continue to deliver the same service, or better, a feeling of doing 'more with less', resulting in some cases with higher levels of stress. There is a feeling of a constant state of organisational change or transformation, along with a reluctance from some individuals to change, a lack of acceptance that change is needed and uncertainty regarding the future.

A key theme from the interview with 'We Are C.Co' was the need for staff to think of change as "business as usual".

### ***Systems and Ways of Working***

People are being asked to work in a more efficient and smarter way, more is being asked of them, and the pace in which they are being asked to work has increased. There is more accountability being placed on everyone within the local authorities, and performance is becoming more important.

Work has become more complex with increasing legislation, politics and bureaucracy.

One focus group noted that the workplace is becoming more respectful. It has also been noted, however, that the attitude of individuals has worsened in some cases, for example, in terms of work ethic and motivation of some, but also in the ways in which managers are operating. In comparison, there were also views that management has improved within one authority.

There are now more females in senior positions within the organisation, and more partnership working and collaboration within the public sector.

### ***Employment***

Focus groups stated that there has been a change in the terms and conditions of employment, with some being not as good as they used to be such as redundancy pay, and others improving.

There was some comments that there was a higher rate of employee turnover, specifically with respect to newer employees, and also long serving members of staff are leaving taking knowledge and experience with them. This does, include, however, the positive acceptance that some “dead wood” has been removed.

### ***Technology***

It has been noted that there has been an increasing use of technology and type of technology, along with a feeling that some of this has been “enforced”.

### ***Commerciality***

Employees are being asked to work with a more business / commercial focus on the way services and teams are being led and run. There is a focus on the output of work and being outcomes driven with a focus on performance monitoring and targets. There is also a focus on looking at ways to generate income, as well as save money or reduce costs.

## **2. What do you believe needs to change for us to survive (who and why)?**

### ***Public / Community (External Pressures)***

There was a general agreement that local authorities need to increase and improve contact with the public and the community, to undertake more consultation the community including tenants of council housing properties. It was also deemed important to provide education for the community where appropriate and considered important to do so.

There was also a comment by one group that local authorities need to become tougher in their decision making within the community, such as in respect of enforcing consequences for fly tipping. Many staff put in hard work to clean up the district, and without severe consequences to fly tippers; it is detrimental and demoralising to those that have worked hard to clean the district.

### ***Communication and Engagement with staff***

In keeping with the theme of communication, a clear outcome of the focus groups was a need for improved communication with staff, as well as a desire to be more involved in decision making. Communication, at all levels, needs to improve, and there was an overwhelming response that if organisations were open and honest with their employees, it would improve working relationships, help put an end to rumours and uncertainty within the workplace and help manage expectations regarding the future and any potential changes.

There was a clear message that employees felt that leaders should listen to ideas, suggestions and feedback from the workforce, as being the people that carry out the work, they know what could help make their jobs more efficient and effective. Leaders should be open to challenge and ideas; this will enable and empower staff to offer more suggestions thus increasing creativity and innovation, continuous improvement and smarter ways of working, in turn fostering even more change.

Focus group participants accepted that change is required, however, improved communication and engagement with employees explaining why changes need to happen will help transform the success of change programmes by increasing transparency, trust and openness, thus reducing uncertainty, rumours, and falling motivation and morale. This links to the work of Simon Sinek and the interview with Richard from 'We Are C.Co' around engaging employees with the 'why' as most people will find it "hard to argue against what is right" - 'why' you are doing something.

### ***Leadership***

Strong, clear and visible leadership was considered a critical element to ensuring the sustainability of the local authorities involved in the focus groups. Communication with staff as described above, at all levels, and in line with their own responsibilities is an important part in this. Leaders need to be open and honest about the financial situation of the organisation and to ensure all staff are aware of their priorities, e.g., in the form of a corporate plan / vision / objectives. Richard from 'We Are C.Co' talked about the importance of leadership - the message of changes and engagement of culture coming from leaders, including quick wins, and story-telling.

Behaviour of all local authority employees was discussed, and how everyone needed to be adaptive and flexible to change. It was also suggested that there needs to be a change in mindset, attitude and behaviour at all levels. This provides a clear link to this piece of research and the need for a shift in the culture of the public sector.

Leaders need to inspire the workforce so that they follow because they want to and not because they have to (Simon Sinek). Those who start with why have the ability to inspire those around them and are those that find others that will inspire them.

Also important to the ongoing success of the organisations was a recognition of the requirement of excellent customer service, ensuring that everyone was working together to provide the desired outcomes. This includes working in partnership with other organisations as appropriate. Taking accountability for decisions and performance was also considered essential, with poor performance being managed rather than being overlooked.

### ***Employment***

There were a number of positive suggestions regarding the way in which local authorities could improve their image, included investing in the younger generation, utilising apprenticeships, ensuring succession planning and reviewing and updating induction and onboarding of new members of staff.

It was realised that a skilled and dedicated workforce is essential to the success of the local authorities, and to support this, ideas included the introduction of performance related pay, bonus, and free gym membership. Reward and recognition of good performance, along with celebrating successes was deemed important for staff, as was the critical nature of the recruitment and selection process, i.e., hiring the right people with the right capability and values, and development opportunities for current staff via a range of different methods, including promotion and secondment opportunities.

Individuals also shared that standard treatment of staff across the Council was important and that equality across all departments was considered.

There was one suggestion that current office buildings should be reviewed to ensure that they were fit for purpose, and whether there were any improvements to ensure a comfortable working environment with basic facilities required by employees.

### ***Technology / Digital***

Whilst there was recognition that there have been significant changes in the use and type of technology being introduced and used within the local authorities, the view remained that further investment, modernisation and improvements were required to help the organisations move forwards providing that any new technology implemented was practical and resilient.

### ***Income Generation / Commerciality***

The focus groups accepted and understood the need for all employees to start thinking in a more commercial and different way, with the need to consider ways in which to generate income and work more efficiently and effectively being key to the sustainability of the organisations, as well as making savings.

There were a number of ideas and suggestions raised within the focus groups that proved by asking employees to think of commercial ideas, how to generate income, and to promote our organisations in a positive way proves that by engaging staff can have positive results. Suggestions included using in house skill sets to undertake private work for an agreed price, adoption of private sector practices as appropriate, managing stock more effectively, and advertising services in a more positive and proactive way.

### **Conclusion**

Our research was to test the hypothesis that the 'why' mindset is absent in our organisations and our organisations require a shift in culture to take this into account; this is required to meet the current and future challenges of the public sector.

The findings from the focus group proved that the 'why' mindset is absent within our organisations because all participants focussed on how the Council did things rather than 'why' they did things, and there was little discussion about improving outcomes for the public. C.Co identified that the employees who join the public sector are initially motivated by the 'why' but this is sometimes forgotten, either due to culture or vested interests. C.Co supported Simon Sinek theory that when employees 'buy into' the why they will be more engaged. Wigan

Council demonstrated how they had re-ignited and embedded the 'why' mindset and public sector ethos.

The positive outcome from the research was that all employees across each organisation recognised the current and future challenges the sector faced and recognised a need to work differently e.g. change in behaviours, roles and skills required. There was a lot of synergy between "The 21st century Public Servant" and the results from the focus groups: the need to change, the recognition that different skills were needed, particular commercial skills, the need to involve the public and the importance of working together with citizens, and the importance of leaders in motivating the workforce. In addition staff acknowledged and felt the impact of budget cuts along with an increase in public demands and expectations. This sentiment of budget cuts and increasing demands within the public sector was also evident from the discussion with 'We Are C.Co'. The main impact of this has been employees are expected to work in more efficient and different ways, to do more with less resource, and there is a stronger reliance on technology and a marked emphasis on the need for local authorities to work commercially and generate income.

It is clear that employees want to know what's happening in the organisation - they want to be communicated with and engaged in decisions and this need to form part of the future culture. The importance of this was highlighted in the focus groups in the context of change being a constant in today's environment. There was a recognition from staff that change needed to happen, but there was no evident understanding presented by any of the focus groups about the 'why' of the organisations. An understanding of 'why' the local authorities exist would support a new culture and would enable employees to understand the need for changes (Simon Sinek).

The employees provided some valuable insight into how things could be improved and it was clear that many had good ideas about engaging with communities, recruiting the right staff, rewarding good performance, and rebranding local authorities so they are attractive for people to work in. Employees also accepted that local authorities needed to be more like a business and generate income and some ideas about how this could be done were provided at the focus groups. The staff in the focus group therefore identified many of the requirements needed for the 21st century public servant, including the need for commercial skills, digital skills, and the need to respond to the increasing demands of the public.

Another key theme linked to change and managing it more effectively was open and honest communication from leadership. Staff felt strongly about this and identified the need for senior leaders to be visible and listen to staff ideas. This has strong resonance with the importance of leaders in building a collective sense of purpose for staff and using the “why” mind-set to do this.

## **Recommendations**

The research concluded that a cultural change programme is required to achieve an organisation to meet future challenges.

In order to inform this programme, organisations need to understand where they are now culturally and where they need to be to achieve a new way of working. We would therefore recommend that a cultural diagnostic is undertaken, e.g. using Gallup 13.

Based on our research we would recommend the programme includes:

- Development of a clear organisation vision, including values that fit and appeal to the public service ethos. Staff need to understand why they are doing their jobs. **A vision that communicates the “why” (Simon Sinek): start with why, articulate it and engage people with it and link it to everything you do.**
- Clearly understood values and behaviours which articulate the 21st public servant
- Strong and clear leadership to articulate the vision, behaviours and role model
- A programme of staff engagement to re-ignite public sector ethos and the ‘why’ and gain buy in. This would include visible leadership - Regular open and honest communication and engagement with employees with senior leaders listening to ideas and being open to challenge. Storytelling, quick wins.

## HR/OD role

We feel HR / OD can add huge value in supporting the organisation to deliver such a programme. Their role includes:

- Working with Senior Leaders to articulate the vision, values and behaviours. **A vision that communicates the “why” (Simon Sinek).**
- Facilitating the cultural diagnostic and determining a programme for the future
- Embedding the vision, values and behaviours, linking it to everything the organisation does - the brand, recruitment, performance appraisal, communications, partnership and community working.
- Shining the spotlight and holding Senior Leaders to account when they do not demonstrate behaviours / values
- Providing learning and development interventions to deliver the shift e.g. coaching and mentoring
- Developing creative interventions to engage staff e.g. staff events, use of technology, blogs etc.

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