



Building productive public sector workplaces  
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# IMPROVING PEOPLE MANAGEMENT

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# SUMMARY

## Improving people management

There is a management crisis looming in our public services. Whichever party wins the next election will be targeting major changes in public service delivery. But there is an elephant in the corner that is completely overlooked in most of the current political debates over service reform, which is the poor quality of people management at the sharp end of public service delivery.

There are no circumstances in which the next government will be able to avoid dealing with significant job losses in the public sector, and almost certainly continued pay restraint as well. We'd be amazed if the next government didn't grasp the nettle of public sector pensions too.

That is a fairly substantial list of factors certain to have a significant impact on the motivation, engagement and commitment of the people we rely on to deliver our public services. To a very large degree, how hard-pressed public sector professionals are managed on a day-to-day basis will decide if the fundamental changes in prospect for the public sector deliver the intended improvements in service delivery.

Much of the debate about public service reform has been focused around making efficiencies and improving local accountability. Management has often been comprehensively ignored or alternatively it has been castigated on the grounds that it has no useful job to do.

But it is important to recognise that without more effective people management there is no chance of introducing positive and lasting change. Local accountability can help create more responsive and innovative public services but management needs to set priorities, allocate resources and – importantly – support and empower front-line staff.

Public services are not homogeneous. The variation between central government and its agencies, local government and the National Health Service (NHS) is enormous. Front-line services to the public range from tax inspectors through teachers and nurses to police, fire and prison officers. Delivery is to an ever-increasing extent through commercial and voluntary bodies. The specific issues facing public service managers will differ between sectors and localities.

However, CIPD research suggests there is a substantial shared management agenda across public services in responding

to the challenges it faces. This report makes clear that an improvement in the quality of people management, particularly among line managers and supervisors, is central to more effective delivery of public services and greater local accountability. Inadequate people management skills are also often at the heart of catastrophic service failure.

We have highlighted examples of official inquiries or reviews into service delivery in the health, education and social services sectors, including Lord Laming's report into the death of Baby P, which all emphasise the critical importance of people management.

Unfortunately, too often it is the more high-profile recommendations in such reports that are linked to ministerial accountability, such as replacing senior leadership teams, or naming and shaming the failing organisation, which receive all the attention and follow-through.

The more thorny issues of managerial and front-line practice are the ones that get lost.

Despite pockets of excellence, too few public sector line managers and supervisors across the public sector as a whole have the necessary management skills to get the most out of their staff, to manage conflict, absence and performance, and to ensure people are coached and developed on the job to improve service delivery at the sharp end.

It is for this reason that policy-makers must ensure that any drive to make efficiencies across the public sector is combined with a sustained push to improve the quality of people management, particularly on the front line. Spending cuts can drive efficiency but it is only a combination of good leadership, careful change management and excellent line management that can ensure efficiency goes hand in hand with greater effectiveness.

Ministers and potential ministers also need to recognise that they have an important role to play in leading by example. Clear, consistent direction, a demonstration of trust, a commitment to front-line autonomy and a resistance to the temptation to micro-manage or succumb to knee-jerk responses to the latest headlines all have a part to play in building the culture and employee engagement in the public sector that will be crucial to effectively delivering more with less.

# BUILDING EMPLOYEE ENGAGEMENT

## Engaging and energising employees

The enthusiasm and commitment of people working in the public sector is critical to the Government's ability to meet its target of modernising public services. The public sector prides itself on being a 'good employer'. It has been in the vanguard of good practice on issues such as diversity and flexible working. However, too often progressive employment policies are undermined by poor implementation by managers, leading to dissatisfaction or disillusionment among staff.

The ongoing political commitment to public service reform, building on the Gershon and Lyons reports, increasingly underlines the significance of employee attitudes. In addition the recent review of employee engagement by David MacLeod for the Department for Business, Innovation and Skills (BIS) presents convincing evidence of the bottom-line benefits to organisational performance of an engaged workforce. Employee engagement can be defined in shorthand as the extent to which employees are prepared to go the extra mile for their employer. Evidence from the MacLeod review finds there is a clear link between improving employee engagement and improving organisational performance. The Government should lead by example in acting on MacLeod's recommendations and ensure that a drive to improve employee engagement is at the heart of the public service reform agenda.

The public service culture in the UK has tended to focus on target-setting and budgetary control, rather than on the quality of people management. This has to change as it is how people are managed day to day that will ultimately determine if investment in public services has the intended effect on service delivery on the front line.

The current capability reviews of government departments are leading to a sharper focus on the importance of a motivated and committed workforce. But their findings also reinforce evidence about the scale of the challenge. Research by the CIPD into employee attitudes suggests there are likely to be serious continuing problems in the public sector in building employee engagement levels, which are typically below those found in the private sector.

Fairness, trust and delivery on the 'deal' are critical to a positive psychological contract between employer and employee, but the public sector has tended to score badly

on these dimensions. For example, levels of trust in the public sector have lagged significantly, with trust in senior management a particular casualty.

## Building trust

Trust matters as it influences employee motivation and the extent to which they are prepared to go the extra mile for their employer.

Our most recent survey of employee attitudes (July 2009) shows just a quarter (24%) of public sector employees agree they have confidence in senior managers (41% among private sector respondents) and just 22% agree they trust their senior managers (39% among private sector respondents). Just 20% of public sector employees agree their senior managers consult about important decisions, compared with 26% of private sector employees. Public sector employees are also more likely than those in the private sector to feel their senior managers don't have a clear vision for the organisation and are less likely to believe organisational communication. When asked what would improve trust in senior managers, public sector respondents identified frequent and honest communications and more meaningful consultation as the key drivers.

A CIPD report on employee engagement in 2006 (Truss et al) concluded that *'the relatively high level of distrust of senior managers in the public sector is worrying, and may well reflect the amount of change that has affected huge swathes of public sector employees in the UK; senior managers in this sector need to give especial consideration to rectifying this situation.'* This conclusion is even more relevant today given the scale of change facing the public services over the next few years.

One of the reasons for the low level of trust is the political framework in the public sector, which can inhibit meaningful consultation and timely and open communication with employees. Senior managers in Whitehall and the NHS are currently too preoccupied with responding to the requirements of their political masters to give their staff the consistent leadership they need. Managing up takes priority over managing down. Delegating responsibility for delivery to local units needs to be accompanied by a real change in leadership culture at the highest level to support initiative, innovation and service delivery on the front line.



The lack of trust may also contribute to typically lower levels of job satisfaction among public sector workers compared with those in the private sector (CIPD 2004a, 2004c). CIPD research also shows:

- Public sector workers report more bullying and harassment than those in the private sector, are less satisfied with the opportunities they have to use their abilities, feel more stressed and pressured, and are more critical of their organisation than those in the private sector.
- Public sector workers rate their own performance lower than private sector employees, and take more sick leave.

Evidently employee engagement in the public sector needs to be increased. However, public sector employers continue to face particular difficulties in maintaining or increasing staff morale:

- Public sector organisations are typically larger than those in the private sector and the problems of managing large organisations are well recognised. At the same time the public sector has inherited centralised employee relations systems, which can make it more difficult for managers to respond to local circumstances.
- Trade union membership is higher in the public than the private sector, which suggests public sector employees are less likely to identify with the organisation for which they work.

The public sector does however have some advantages over the private sector. Public sector employees typically report higher levels of loyalty to customers and clients than to their organisation, their immediate supervisor or fellow employees. This suggests front-line public service workers are more likely to be motivated if they feel that they have the autonomy and discretion to make a difference in their day-to-day dealings with the public.

Policy-makers must ensure that centrally devised targets don't inhibit and disempower front-line staff if local service delivery priorities are to be met. They must also show strategic leadership that is not easily derailed by knee-jerk reaction to the latest media headlines and provide more autonomy for senior managers in the public sector to manage.

Just as importantly, public sector employers have to communicate honestly to all employees what changes are proposed and why they are needed and ensure that consultation is genuine. Consultation with trade unions on the basis of 'partnership' can produce ideas that lead to better solutions. But equally employers should be able to look to unions to support initiatives to increase employee engagement, which are as much in their members' interests as in that of the organisation. Support of this kind has to be based on mutual trust and meaningful and timely consultation.

Private sector employers have shown that it is possible to achieve cost savings and preserve jobs with union co-operation. Public sector unions need to behave in a similarly pragmatic, not ideological, way in the interests of their members.

### **Recommendations**

#### *Government should:*

- Ensure centrally controlled targets for public service delivery don't inhibit, disempower and disengage front-line staff.

#### *Public sector employers should:*

- Build 'employer brand' to highlight to employees the organisation's core purpose and values, as well as the benefits of working for the organisation and the standards of behaviour, performance and service delivery expected in return.
- Invest in developing people management skills of leaders at all levels.
- Focus on business or service to be delivered as a means of increasing employee engagement.
- Adopt a direct, open and participative style of communicating with staff.
- Seek to develop partnership relations with trade unions that support increased employee engagement.
- Ensure that consultation arrangements, both with individuals and employee representatives, deliver real opportunities for employees' views to be taken into account before senior managers make key decisions that affect the organisation.

## More effective change management

One of the few certainties facing the public sector over the next few years is that the process of organisational change will become continuous. The extent to which service delivery can be maintained or improved in the face of radical and sometimes unpopular change programmes will depend on both policy-makers and senior public sector managers understanding the dynamics of change management in large, complex organisations. The most successful organisations in both the public and private sectors are making extensive use of organisational development to achieve necessary culture change and help them deliver on their strategic agendas. Organisational development is a holistic approach to performance improvement and is about getting an organisation's whole system to work coherently. It involves a comprehensive diagnosis of problems and the effective use of this information to create interventions that are owned and, as a result, supported by the workforce as a whole.

The issue of change management is arguably even more of a challenge for government policy-makers as it will not make headlines or sound-bites or show up in consultants' recommendations for public service reform. However, if policy-makers are serious about delivering a step change in public service delivery and productivity, it is crucial that public service managers at all levels, as well as front-line staff, are given greater opportunities to understand and 'buy in' to change.

## Recommendations

### *The public sector should:*

- Invest in developing and supporting leaders at all levels who understand the dynamics of organisational change and are able to take and implement tough decisions while carrying people with them.
- Recruit or grow their own organisational development practitioners and make more use of organisational development methods to review their business and management models and generate more positive attitudes across their workforce.
- Pay attention to findings of employee attitude surveys and address specific factors that may be inhibiting them from achieving higher levels of engagement.
- Build up internal organisational development support for managing the change process so that the negative impact of any necessary cuts on front-line service delivery is minimised.

- Involve employees in change process, with front-line staff and managers providing key intelligence about the obstacles to service delivery, as well as about the changing needs of service users.

A report by Manchester Business School and University of Birmingham (2009) finds that the ways that organisations manage and use information about performance are often connected with how organisations learn or fail to learn.

It suggests many interventions imposed by inspectorates and regulators such as OFSTED and the Audit Commission on failing public sector bodies – for example, top management replacement, threat of sanctions, or pressure on board members to resign – have questionable impact as they are not based on a sound diagnosis of the failing organisation's problems.

The report argues that 'organisational performance requires a well informed workforce but also one that is able to contribute to the vision and strategies and is able to find new ways of realising improved performance. Internal communications and mechanisms for understanding the different part of the organisation are essential to strong performance.'

The ESRC-funded report cites a study of poorly performing NHS trusts, all of whom had received a zero star rating under the NHS performance rating system, which showed that a primary cause of failure was a dysfunction in organisational learning, with senior managers often at fault. Senior managers in these trusts were too often introspective and/or short-sighted, frequently as a result of the distraction of other major initiatives, or alternatively they displayed a 'level of organisational arrogance'.

The report concludes that policy-makers assume that managers, politicians and board members will use performance information to make better decisions – however, in reality organisational and psychological barriers need to be understood and overcome if knowledge is to be acquired, assimilated and applied for the benefit of organisational performance.

# DEVELOPING AND SUPPORTING LINE MANAGERS

One absolute priority for action if policy-makers are really serious about achieving a lasting step change in public service delivery is improving the quality of the sector's front-line managers and supervisors. CIPD research consistently identifies good quality line management as one of the core drivers of employee engagement (Purcell and Hutchinson 2003; Truss et al 2006). It is the day-to-day behaviours of line managers that will, to a large degree, decide the extent to which employees will go the extra mile in their jobs and remain loyal to their organisation. It is line management behaviour that is also central to the degree people learn at work, their well-being and resilience and ultimately their productivity.

## The importance of effective senior leadership

Of course good people management on the front line cannot exist without the support of effective leadership. The CIPD's three-year Shaping the Future action research and engagement programme, which is exploring the drivers of sustainable performance in a number of private and public sector organisations, emphasises the importance of shared purpose, alignment and distributed leadership.

### Shared purpose

Senior leaders need to create a sense of shared purpose within the organisation, in which its identity and reason for existing is understood and supported by all employees.

### Alignment

Alignment is needed between an organisation's values and the way business is conducted through individual behaviour. An organisation should be viewed as a whole system, geared towards achieving its ultimate objectives and purpose, especially when implementing change.

### Distributed leadership

Distributed leadership involves senior leaders in the executive team and heads of business areas, setting strategy and then empowering both middle and line managers to innovate and hence drive sustainable organisation performance. Empowering middle and line management is essential to the implementation of change as they can both be enablers and blockers to sustainable performance. They have a critical role in engaging employees to embrace change and connect with organisational purpose – providing they themselves have been engaged.

Line managers need a clear understanding of the link between the strategic objectives of their organisation, their department or team objectives and their day-to-day people management in areas such as: communication and consultation; training and development; and conflict, stress and absence management. In addition, line managers need to be given the opportunity to learn the key people management skills necessary for their role. Most line managers, in both the private and public sectors, are promoted because they have particular skills or technical expertise, not because of their ability to manage people.

Evidence shows that UK line management capability is poor compared with our major competitors. A 2008 survey of 6,000 employees across the UK, US and Europe (Skillsoft 2008) found that 80% of UK managers had been asked to do things at work for which they had received no training, with managing people at the top of the list. The survey also revealed that 78% of UK employees identified line management as the job function in most need of additional training. This figure was far higher in the UK than in the US or the rest of Europe, where respondents appeared to have more faith in line managers. This is not surprising given that the UK spends less per manager on management development than any other European country (Leitch 2006).

But the issue is not just about how much money is spent on training but what that training entails. Government figures indicate that public sector managers in the UK are much more likely to participate in both on- and off-the-job training than their private sector counterparts (DCFS 2008). However despite this investment, the CIPD's research suggests the problem of inadequate people management skills among line managers and supervisors is particularly acute in the public services.

This report highlights evidence suggesting that the quality of line management in the public sector generally lags that of the private sector and needs particular attention if service delivery is to improve, specifically in the areas of absence, conflict and performance management. We also include a number of recommendations to drive a step change in front-line people management capability across the public sector.

## Managing performance

Evidence shows that poor performance management by front-line managers is a particularly big problem in the public sector. Forty per cent of public sector respondents believe that poor performance is a major problem in their organisation



compared with 27% of private sector respondents (Chiumento 2006). Respondents in local and central government and health and education, as well as the retail sector, report the highest proportion of poor performers. Four in five respondents to the survey believed line managers were the root cause of poor performance not being dealt with promptly in their organisation, with a lack of skills cited as a principal reason. The survey also showed that 39% of respondents believe the culture in their organisation is tolerant of poor performance, rising to 63% among government sector respondents. A 2008 report by Deloitte exploring public sector performance noted: *'Public sector organisations have traditionally struggled to address poor performance as a result of deeply embedded cultural and process barriers. The solution could lie in providing line managers with the skills and confidence to address poor performance head on, and create stronger individual accountability mechanisms to illuminate unsatisfactory performance where it occurs.'*

CIPD research highlights particular areas of performance management in the public sector that need to improve to support more effective service delivery:

- managing absence
- managing stress
- managing conflict
- supporting learning and development.

### Managing absence

High levels of employee absence have a direct impact on public service delivery through increasing the workloads and stress levels of the remaining staff and putting pressure on resourcing budgets. High levels of employee absence also suggest low levels of employee engagement and productivity, with CIPD research finding that engaged employees take fewer days off and perform better (Truss et al 2006).

The CIPD's 2009 *Absence Management* survey finds that public sector levels remain stubbornly high, averaging 9.7 days per employee per year compared with 6.4 days for the private sector. The survey also shows that the gap between public and private sector absence increased from 2.6 days the previous year to 3.3 days. There is no straightforward explanation for the public-private absence gap, with a number of factors at play. These include differences in demographic profiles

between the sectors, with a higher proportion of women and older workers in the public sector. The public sector also has a higher proportion of challenging public-facing roles such as those in policing, nursing, teaching and social care. These front-line public service workers frequently have to deal with the public in difficult and emotionally charged situations, which probably contribute to higher levels of stress-related absence in the public sector.

There is however a fundamental difference in management culture and absence management practice between the public and private services (CIPD *Absence Management* survey reports 2005–09). The public sector is more likely than the private sector to use trigger mechanisms to identify high levels/patterns of absence and to provide leave for family circumstances. Public services employers are also more likely than their private sector counterparts to provide access to occupational health services, counselling services and physiotherapy.

However, public sector employers are less likely than private sector organisations to:

- refer to disciplinary procedures in absence policies
- discipline or dismiss employees for unacceptable levels of absence
- restrict sick pay to help manage absence
- use absence records when selecting for redundancy
- take account of individuals' attendance records in conducting employee appraisals.

Line managers are key to effective absence management and they must be confident to take firm action where appropriate, with the support of HR. Training for public sector managers should include a focus on the more challenging aspects of absence management, including having difficult conversations about unacceptable levels of absence and using the absence review and disciplinary process where necessary. Effective absence management involves finding a balance between providing support to help employees with health problems stay in and return to work, and taking consistent and firm action against employees that try to take advantage. Some public sector employers have still not got this balance quite right.

### The public–private sector absence gap: why size doesn't matter

It is sometimes argued that one of the reasons for the absence gap between the public and private sector is that public sector organisations are typically larger than their private sector counterparts and large organisations tend to

Table 1: The effect of workforce size on absence levels in the public sector

	Average working time lost per year (%)	Average days lost per employee per year
1–99	3.1	7.0
100–249	3.3	7.6
250–499	3.6	8.3
500–749	4.8	10.9
750–999	4.2	9.5
1,000–1,499	4.2	9.6
1,500–1,999	4.0	9.1
2,000 or more	4.9	11.0
<b>Survey average</b>	<b>4.3</b>	<b>9.7</b>

have higher levels of absence than smaller ones. However, the CIPD's annual *Absence Management* survey shows that almost without exception, public sector employers suffer from higher levels of absence regardless of size. See Tables 1 and 2.

Table 2: The effect of workforce size in the private sector (manufacturing and production, and private services sector combined)

	Average working time lost per year (%)	Average days lost per employee per year
1–99	2.2	5.0
100–249	2.8	6.3
250–499	3.2	7.2
500–749	3.9	8.8
750–999	2.8	5.9
1,000–1,499	2.9	6.5
1,500–1,999	3.7	8.4
2,000 or more	3.9	9.0
<b>Survey average</b>	<b>2.8</b>	<b>6.4</b>

Narrowing the employee absence gap between public and private sectors should be a key public policy objective. Halving it would reduce the total number of working days lost in the public services by around 10 million each year. Reducing the gap between employee absence in the public sector and absence in the private sector by half would cut the annual cost of public sector absence from £4.5 billion to £4.15 billion – saving the taxpayer £350 million per year.

### Managing stress

Stress is, behind musculoskeletal problems, the biggest cause of time lost through employee absence, accounting for 13.4 million lost working days a year, according to the Health and Safety Executive (HSE). Stress also tends to result in long-term absence, with CIPD research finding that the average spell of stress-related absence is 21 days (CIPD/AHP 2007).

The recession is likely to add to the levels of stress at work as a result of workforce cuts and increased competitive pressure. CIPD research finds that stress-related absence is particularly high in the public sector, with the high proportion of staff in challenging public-facing roles likely to be partly responsible.

It is not just time lost as a result of stress that undermines productivity, as many people suffering from stress and other common mental health problems remain at work. Research by the Sainsbury Centre for Mental Health (2007) estimates the annual cost of such 'presenteeism' attributable to mental health problems amounts to £605 for every employee in the workforce. Stress is also a significant cause of conflict at work and contributes to staff turnover.

Managers are in many cases part of the problem, as well as central to the solution. CIPD research finds that managers are the category of employee most likely to be identified as bullies within organisations (CIPD 2004b) and that workload and management style are the top causes of stress at work (CIPD 2008a). Joint research by the HSE, CIPD and IIP (2008) has identified four areas of management competency that are key to managing and mitigating against the causes of stress:

- 1 managing current and future workload
- 2 managing emotions/acting with integrity
- 3 managing difficult situations
- 4 managing the individual.



These are all generic people management skills that public sector managers at all levels should be equipped with, not just to manage stress but to manage performance and underpin employee engagement.

**Managing conflict**

The cost to employers of employment tribunal applications, both in monetary and reputation terms, is well known. However, the vast majority of interpersonal conflict at work never reaches an employment tribunal but plays itself out in the workplace to damaging effect. On average employees spend 12 working days each year dealing with conflict in the workplace – significantly more than time lost to employee absence (OPP 2008). One of the challenges in managing workplace disputes effectively is that, as a result of the increasingly complex legal landscape, more employers are relying on their HR departments and specialist legal advice. Line managers are shying away from tackling conflict in case they say or do something that exacerbates the problem, or which could be held against them during any formal proceedings (CIPD 2004b). This is counterproductive, as evidence shows that conflict is much less likely to escalate where managers have the skills and confidence to tackle conflict situations when they arise. Inadequate line management was cited as one of the main causes of conflict at work by respondents to a 2008 CIPD survey, *Leadership and the Management of Conflict at Work*.


Conflict management is a particular area of weakness among public sector employers. Public sector employers are less likely to rate their line managers positively in terms of their ability to resolve conflict informally compared with respondents from the manufacturing and production or private services sectors (CIPD 2007).

Public sector managers also appear to shy away from taking formal disciplinary action and discipline proportionately far fewer employees than managers in the private sector. According to CIPD research, public sector organisations average one formal disciplinary case per 364 employees each year, compared with one disciplinary case per 119 employees among private services employers and one disciplinary case per 72 employees among manufacturing and production organisations (CIPD 2007). New analysis of the research for this report confirms that public sector organisations discipline proportionally far fewer staff than those in the private sector, regardless of size of organisation. See Table 3.

Public services employers also spend far longer than their private services counterparts dealing with formal disciplinary and grievance cases, averaging 21 days of management time on every formal disciplinary case (11.5 days for private services organisations) and 12 days on every grievance case (6.7 days for private services employers).

Table 3: The average number of formal disciplinary cases, recorded per organisation in the last 12 months

Private sector (private services sector and manufacturing and production combined)							
All private sector	Up to 50	51–250	251–500	501–1,000	1,001– 5,000	5,001–10,000	Above 10,000
21	1	7	17	33	61	389	171
Public sector							
All public sector	Up to 50	51–250	251–500	501–1,000	1,001– 5,000	5,001–10,000	Above 10,000
16	0	3	4	7	14	34	129



Conflict management should be an integral part of leadership and management training. Managers at all levels must be able to identify the early signs of conflict and intervene and defuse situations before they escalate if teams are to work productively and harmoniously. Managers must manage underperformance firmly and consistently, as well as pick up on when banter starts to become bullying or when workloads become excessive. They should have training in handling difficult conversations. Just as importantly, managers must learn to manage in a way that does not create conflict by providing clear objectives, communicating effectively and planning and managing individual and team workloads appropriately.

### **Supporting learning and development**

A critical area of line management capability that is often overlooked in both the public and private sector is the line manager's increasing role in supporting learning and development. If public sector training and development budgets are to have maximum impact, it is important that the role of the line manager in this area is properly understood and valued.

CIPD research has identified a shift over the last few years from training as an instructor-led, content-based activity to learning as a self-directed, work-based process in which the line manager plays an increasingly important role (CIPD 2008c). Line managers now have greater responsibility over people's career development and promotion, as well as for coaching and supporting informal, on-the-job learning. However, according to our spring 2009 *Employee Outlook* survey report, 44% of employees say their line manager rarely or never coaches them and a third of employees report that their line manager never or rarely discusses their training and development needs. Fewer than half of employees say their line manager usually or always provides feedback on their performance. If public sector organisations want to ensure that their investment on training and development has maximum effect, they must ensure that they develop line managers' ability to support, accelerate and direct learning in the workplace. Line management behaviour will also largely determine the extent to which employees are given the opportunity to use their skills and are motivated to put in discretionary effort.

In addition, line managers play an essential role in effective change management and helping ensure that employees receive the necessary training and development to be able to take on new ways of working and adapt to new demands in front-line service delivery.

### **Recommendations**

#### *Government should:*

- Ensure national skills policy articulates more clearly the importance of people management skills development to help build demand for these skills.
- Lead by example and ensure public sector organisations prioritise line management development.
- Conduct a review of management training in the public sector to identify how to improve people management skills development among front-line managers.
- Set out clearly what is meant by high-quality people management so that the necessary skills can be developed by front-line managers across the public services.

#### *Public sector employers should:*

- Build a clear sense of organisational purpose across the organisation and ensure there is alignment between the organisation's values and the way business is conducted through individual behaviour.
- Ensure senior leaders act as effective role models for people managers at all levels and empower middle and line managers to innovate and engage their staff.
- Ensure learning and development budgets prioritise people management skills development for supervisors and front-line managers, including conflict, stress, absence and performance management generally.
- Encourage line managers to coach and support on-the-job learning as part of their people management skills development.

## SOCIAL SERVICES

The issue of child protection is an area where effective line management and supervision is crucial, however there appear to have been few lessons learned between the tragic deaths of Victoria Climbié in 2000 and Baby Peter in 2007. The 2003 report by Lord Laming into the death of Victoria Climbié highlighted the need for much improved front-line management. Five of the report's recommendations related directly to the need to improve supervision. These included ensuring:

- supervisors read, reviewed and signed case files at regular intervals
- that referrals to other agencies are only made by the social worker and/or their supervisor
- that when staff are absent from work, systems are in place to ensure that post, emails and telephone contacts are checked and actioned as necessary
- no case is allocated to a social worker until their manager ensures they have the necessary training, experience and time to deal with it
- supervisors ensure that when a case is allocated, the social worker is clear about what has been allocated, what action is required and how that action will be reviewed and supervised.

Other recommendations called for directors of social services to ensure their staff received thorough induction and benefit from ongoing training, both of which rely on effective line management if they are to happen.

Had these recommendations alone been followed through by more effective liaison between social services directors and HR directors, then the circumstances that led to the death of Baby Peter eight years later would have been less likely to be repeated. Indeed, Lord Laming noted in his 2009 report on the death of Baby P that 'one of the main challenges is to ensure that leaders of local services effectively translate policy, legislation and guidance into day to day practice on the frontline of every service.'

He went on to state: 'Front line staff in each of the key services have a demanding task. Their work requires not only knowledge and skill but also determination, courage and an ability to cope with sometimes intense conflict. This must be recognised in their training, case loads, supervision and conditions of service and their managers must recognise that anxiety undermines good practice. Staff supervision and the assurance of good practice must become elementary requirements in each service. More should be done to ensure the wellbeing and confidence of the staff who undertake such an important task on behalf of us all.'

The government policy paper *Every Child Matters*, which was developed following the death of Victoria Climbié, has a section on integrated front-line delivery that highlighted the need for sufficient, suitably trained staff and for the development of multi-disciplinary teams and lead professionals, but it only touched on the need to improve front-line supervision. Similarly, the 2006 government paper *Working Together to Protect Children: A guide to interagency working to safeguard and promote the welfare of children* emphasised the need for appropriate training for front-line staff but did not touch on the importance of high-quality people management by supervisors in any detail.

A survey of more than 400 social workers by *Community Care Magazine* in 2008 revealed the poor quality of front-line management still experienced by most social workers five years after Lord Laming's 2003 report. It found that 28% received no supervision at all and 31% said the supervision they received was not adequate for their case load. Lord Laming in his recommendations in his 2009 report on the death of Baby P was obviously frustrated by the lack of progress. He commented: 'The utility of the policy and legislation has been pressed on me by contributors throughout this report. In such circumstances it is hard to resist the urge to respond by saying to each of the key services, if that is so, "NOW JUST DO IT!"'

It is to be hoped that the Government's response to Lord Laming's 2009 report, *Building a safe, confident future – The final report of the Social Work Task Force*, which includes a focus on improving line management, leads to a step change in people management capability and front-line service delivery.

## HEALTH CARE

The investigation by the Healthcare Commission into high mortality rates at Mid Staffordshire NHS Foundation Trust published in March 2009 pinpointed people management failure as a significant factor behind the catalogue of deficiencies identified. The commission identified poor training and supervision of doctors and nurses across the NHS trust. Junior doctors were put under pressure to make decisions quickly, without advice and support from senior doctors. Trainee doctors in particular needed more support from more experienced doctors to help them make clinical decisions regarding critically ill patients and get the right balance between being trained and providing a front-line service role.

The report found that there was 'non-existent culture' with regards to education and training of junior doctors, with dedicated teaching sessions frequently cancelled on operational grounds. There was also a lack of senior nursing leadership with no training plan or induction for new nursing staff. It called for the trust to ensure that nursing staff and junior doctors were clear about their roles and about the expectations placed upon them, and were receiving the necessary support.

In addition there was a lack of feedback from managers to shop-floor staff where there had been serious incidents. This meant that there was a lack of learning as a result of incidents or complaints. There was also a lack of staff briefing meetings and a large number of medical, nursing, reception and portering staff reported that performance appraisals had not taken place. Some staff had not received an appraisal for as long as five years. There were also high levels of staff sickness absence across the NHS trust. Effective absence management by managers would have reduced staffing pressures and prioritising training and communication and effective feedback would have improved deployment of front-line staff across the NHS trust.

The report found that many of the trust's problems stemmed from an over-preoccupation with targets, finances and strategic objectives at the expense of day-to-day quality of care for patients, as well as significant understaffing. However, there is no doubt that if professional senior medical staff had better people management skills, many of the problems identified would have been managed more effectively. The Healthcare Commission's report highlights the need for the medical professions to incorporate people management training as part of the professional development of their members at all levels.

## EDUCATION

An example of the importance of effective front-line management is provided by a 2008 evaluation by Ofsted of National Strategy intervention programmes for pupils who are working below national expectations. The report found that the quality of the leadership and management of intervention was a key factor in determining their impact.

The National Strategies define the target group for intervention as: those pupils who are working below

national expectations, but who have the potential to reach the levels expected of their age group if they are given timely support and motivation.

The report cited the importance of regular monitoring and evaluation of service provision by senior staff and good-quality training for staff. In the best examples of intervention, the report states that the 'quality of provision and teaching was carefully monitored by senior staff'.

## SUPPORTING LOCAL ACCOUNTABILITY

The role of improved management and in particular front-line management is particularly important in the context of increasing pressure for more localised delivery of public services. There is persistent pressure for responsibility for delivery of public services to be moved down the line, often referred to as 'localism'. Together with more local responsibility, the assumption is that this will mean more discretion for local units to decide on quality standards and priorities, and give greater accountability to local consumers. David Cameron has spoken of 'giving power back to the people'.

Is the ambition for greater local accountability realistic?

The answer is yes, but with caveats. First, ministers must be willing to surrender some measure of control. The 'Next Steps' initiative introduced in the 1980s was effectively killed by ministerial reluctance to cede political accountability for the day-to-day activities of agencies to the people appointed to run those agencies. In a period of financial austerity such as the UK is now entering, ministers may be more ready to leave it to local bodies to make and defend many of the hard decisions that will be required on spending.

Second, there will always be some ambiguity about where responsibility rests within complex delivery networks. In a speech to Reform on 6 July 2009, David Cameron explained that 'with a Conservative Government, any delegation of power by a minister to a quango will not mean a corresponding delegation of responsibility... So even when power is delegated to a quango...the minister will remain responsible for the outcomes.' This is in effect little more than a restatement of the prevailing constitutional convention, and a similar logic applies to the relationship between central government and the health or education services.

But third, there is currently little recognition of the role that management has to play in delivering efficient and effective services. David Cameron told Reform: 'I have said that our goal is democratic accountability, not bureaucratic accountability – and I mean it.' Nobody wants to defend bureaucracy, but no amount of local accountability will compensate for ineffective management. Much of the rhetoric about reform implies that management is the problem, whereas in reality good management is a critical part of the solution. Better management is not just a nice-to-have, it is a crucial prerequisite if the potential benefits of localism are to have the slightest chance of being realised.

However, for managers to be able to use their discretion to respond to change as it affects their individual workplaces and local service users, the public sector also needs to move away from the centralised systems of employment relations and pay determination that the trade unions and other professional vested interest groups stoutly defend. National pay bargaining is further undermined by distant, opaque and cumbersome pay review bodies that allow little room to reflect organisational, let alone individual, performance and leave insufficient discretion for managers at a local level to incentivise and reward performance effectively.

The aspiration to push more decisions down the line to local level – within a framework of national standards and targets – has been evident in education and health for some years. However, this has not always been matched by comparable efforts to strengthen the delivery capability of public services. This requires continuing attention to creating effective senior leadership and supporting front-line management. Only by these means will an engaged and innovative workforce be enabled to deliver more responsive services and meet ever-increasing public demands.

The CIPD report *Public Service Delivery: Engaging and energising people* (CIPD 2003) emphasised the importance of giving local managers more responsibility for the design and development of services around the needs of local people. The report commented on the need to adopt 'working practices comprising elements of autonomous working, devolved decision-making, relationships based on trust rather than control, [and] people being able to learn new skills and behaviours and to direct their own learning.'



## **Recommendations**

### *Government should:*

- Give public sector organisations more freedom to manage their business (as with NHS foundation trusts) – reinforced by greater local accountability.

### *Public sector employers should:*

- Give more responsibility to local units to help build staff commitment and encourage innovation.
- Prioritise limited resources for investment in improved front-line management capability.

## **Who delivers?**

One aspect of the drive to localise public service delivery is the increasing trend for public services to be outsourced to the private sector and – to a more limited extent – voluntary bodies. The crisis in public funding is likely to see this shift continue and be reinforced. To the extent that commercial and voluntary organisations can deliver the same or better results with fewer resources, this can only be a good thing. However the evidence on this so far is inconclusive.

A driver behind the Government's enthusiasm for outsourcing service delivery is a belief that the private sector achieves efficiencies by better management. The indications are that this may indeed be the case. Performance management in the public sector is notoriously a problem area. A survey by the IES for the CBI in 2006 found that suppliers saw performance management as one area where they could improve on what the public sector had delivered: active absence management policies, for example, reduced absence levels in all but one of the case study organisations. Other areas where suppliers focused on raising standards were more job-focused training, increased opportunities for promotion to help build employee motivation and skills, and consulting and involving staff on an ongoing basis.

One inference to be drawn from these findings is that, in the absence of a serious upgrading in public sector management skills and capability, pressure to build on the contracting-out agenda will continue and the 'in-house' public sector will continue to shrink.

## **Recommendations**

### *Government should:*

- Base decisions on whether public services are suitable for outsourcing on the quality of service delivery at a local level, not on any preconceived views.

### *Public sector employers should:*

- Regularly review decisions on whether to outsource or not, and which parts of service delivery might be best suited to outsourcing.
- Ensure unions understand that it is in their interest to support efforts to improve employee engagement and performance management in the public sector if they want to avoid a further push to privatisation of public service.

# CONCLUSION

Tough times are coming for the public sector. Yet taxpayers expect more effective services and better value for money. The challenge for policy-makers, covered in this report, is ensuring the public sector workforce is motivated and engaged to deliver that change, despite the need for pay restraint and redundancies. Success could bring a productivity dividend and applause from the public. Failure risks derailing the next government's efforts to reform public service delivery and get a grip on the public finances.

Einstein's definition of madness – 'doing the same thing again and again hoping for different results' – is often overused but is depressingly appropriate in the context of previous attempts to make efficiencies and reform the public sector. The last ten years has seen very significant government investment in the public sector's workforce and its infrastructure; however official figures suggest overall public sector productivity has declined over this period.

Attempts to increase efficiency must be underpinned by a recognition that wider public service delivery objectives and political commitments are at risk if shared purpose is not created through an improved standard of people management across the public sector, together with a commitment from the top to the achievement of effective and lasting transformational change.

We recognise the need for back-office cost-cutting. But we're also highlighting that sustainable improvements in front-line public service delivery require public service employers to prioritise greater investment in people management skills development, particularly among their line managers and supervisors – even if overall HR budgets are being cut.

The point is backed up by the excellent Macleod review of employee engagement, commissioned by the current government, which looks at engagement across the public and private sectors. It underlines the importance of line management capability as a driver of employee motivation and commitment, as well as organisational performance – and government should lead by example in acting on its recommendations. The best-performing public sector organisations already provide beacons of good practice and demonstrate the value of effective people management.

However, the evidence presented in this report shows clearly that line management capability is inadequate across too much of the public sector in a range of areas that have a direct impact on service delivery, including absence, conflict and performance management generally. High levels of employee absence and poor performance need to be addressed as an absolute priority. Front-line managers need to be equipped with generic people management skills, including communicating current and future workloads, managing conflict and difficult situations, managing the individual within the team and acting as good role models. Managers also need to support learning and development and provide regular feedback and informal on-the-job coaching.

Not only are these behaviours the key to better-performing public services, as we've covered in this report, they're also essential to guard against critical public service failure, for example in the areas of child protection and patient care, which becomes more likely in an environment where public sector funding is being cut.

Improved front-line management capability is also crucial if more localised delivery of public services is to be achieved effectively. In people management terms, there is much to commend localised delivery over monolithic, centralised, top-down service delivery. But policy-makers need to recognise that it is well-motivated line managers and front-line staff, invested with sufficient trust and autonomy, that hold the key to the success of a localisation agenda.

Of course line management behaviour and performance is intrinsically linked to the quality of senior leadership, which also needs to improve – particularly in the area of trust and consultation. Research consistently identifies trust in senior management and opportunities for employee voice as essential to employee engagement. Public sector culture has to evolve from one where change is imposed on employees to one where staff feel involved and empowered if improvements are to be realised on the front line. Ministers need to recognise that this is a message for them too. Political leadership, direction and accountability are essential. But so too is a strenuous effort to avoid the understandable tendency to micromanage – a tendency that can sap motivation and crush innovation and dedication on the front line.



Effective public service delivery improvements require front-line workers and managers who feel trusted and empowered to exercise their professional judgement. Policy-makers need to appreciate and respect the dynamics of effective change management in large public sector organisations if change is to happen on the ground. If government is serious about delivering real improvements in public service delivery and productivity, it is crucial that public service managers at all levels, as well as front-line staff, are given greater opportunities to understand, contribute to and buy in to transformational change.

The messages in this report are not new. The recommendations have been made before – sadly all too often in critical reports following major service failures. There now needs to be a concerted effort to make them happen if any future government is to have a fighting chance of delivering on their public service reform agenda.

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