

Case study – Isos Housing

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Isos Housing case study

Background

Isos Group is a housing association in the north-east of England, providing affordable houses through a network of 17,000 homes. In addition, it offers a range of specific support services to residents, including mental health and learning disabilities support, financial advice, as well as accessibility support, for example for older residents.

Isos operates in the context of radical change in the housing sector, impacted by the broader economic and societal factors. There is a growing demand in social housing in general, coupled with the increasing differentiation in residents' profiles – all requiring customised but affordable housing solutions. At the same time, there is a decrease in public funding of housing, which puts the pressure on housing associations to develop a commercial mindset, partnering within local communities to provide the necessary services in the short term and investing in their ability to meet the housing needs of the future.

Keith Loraine, Group CEO, says:

'Everything we do is about the long term. We are in the business of building and leasing homes, dealing with time horizons of 20–30 years long. A lot of our work is about managing risk, building relationships, based on commitment and trust, and supporting the livelihoods of our customers.'

'So for me, taking a short-term view is a false economy. Yes, we are commercial and we want to

make a profit, but we reinvest it wisely into building new homes. We are operating in the context of shrinking public funding, and in making a profit we don't want to damage the resources we rely on. So if something doesn't make an immediate return it doesn't bother me as much, as I'm looking to create long-term value.'

To retain and grow its competitive advantage Isos aims to attract the best people and enable them to deliver exceptional levels of customer service. Because of the specific nature of the challenges that employees deal with day to day, Isos is looking for particular types of skills and – even more importantly – attitudes, emphasising the culture and values that enable successful service delivery. One leader said:

'People set our reputation. They are the ones dealing with the customer on a day-to-day basis.'

'One of the areas we've been really successful in growing from a commercial point of view is our trade staff, who do all the repairs. In one instance we initially lost an external contract in that area to an organisation that was purely looking at the amount of money that it was going to cost. However, choosing a low-cost provider over us, the sponsor got to a point where they were getting really poor customer service feedback. So they've come back to work with us, as they are recognising the added value of quality and the customer service that our staff are able to deliver, and that we pride ourselves in.'

Creating a common vision and values

Ensuring clarity of vision and organisational values has been central to the company's OD function since 2010, when the three housing providers that previously formed Isos Housing started to operate as a single business. This decision was partly made to increase efficiency in the organisation, centralising some of the services. However, a greater challenge was to ensure consistency of service delivered by the different arms of the business.

The change programme, 'Better as One', included revision of strategy and organisational structure, leadership and management capability development, staff roadshows and workshops. One of the important early decisions was a combined focus on the right skills and knowledge, as well as the right attitude and the right values. This decision drove the restructure and recruitment exercise from the executive level down to the front line.

The restructure and cultural change led to some individuals choosing to leave the business. However, the leaders believe the process allowed the organisation to become more commercially minded while ensuring fairness of the change process, taking into account individual circumstances. This was enabled in particular by articulating the behaviours that all staff were expected to demonstrate. One leader explains:

'We know that there's not an unlimited pot of gold. But, it's about using what we've got wisely.'

‘Isos operates in the context of radical change in the housing sector, impacted by the broader economic and societal factors.’

The Better as One campaign highlighted that we have to change the way we work, to restructure the business, to align the hours to when the customers need us. That was quite a difficult message, because we had to explain to all of these people that their jobs were going to change and some of them would lose hours, there weren't going to be enough jobs for everybody that we had at the moment.

‘We engaged with our teams to discuss the options every step of the way, agreeing that we still wanted to deliver a really good service. We had individual meetings with people, told them what was going to happen. It wasn't pleasant and it was pretty difficult, but we got through it and we've ended up with a brilliant team of people who are really committed to what they do and are delivering a fantastic service in the same way. So, it was worth doing and saved a lot of money and delivered a better service.

‘What I say to people is, “If you want a quiet life, don't come to us because you're not going to get one. If you look at that vision, all the stuff that we want to do, and if that excites you and that energises you then you're going to fit in really well here.” That's our proposition. If we can get that alignment between people and our ambition, we're going to really engage some people and capture their energy and their goodwill, if you like.’

Strategically, a clearer vision and refreshed set of values were seen as a foundation for the organisational reputation externally. Not only did this support the commercial priorities of the business, but also helped attract the right kind of people and partners to ensure sustainable operation. It also challenged some of the old legacies between the previously independent

organisations, who had different ways of ‘doing things around here’, streamlining decisions through a single standard of working. Finally, this was an opportunity to re-engage with staff through conversations about a bolder ambition for the future, ensuring involvement and bottom-up feedback into the change process.

Engagement and involvement of diverse workforce

‘To enable our staff to be the best they can be’ is one of the four strategic priorities of Isos, alongside business efficiency and growth, and customer satisfaction. This is evident in the way the organisation is run day to day, as well as in the approach taken to develop the vision and values under the ‘Better as One’ campaign.

Richard Fryer, Executive Director for Business and People, adds: *‘We wouldn't apologise that there is an ethical dimension to this as well. We know that if we are really good at employee engagement, our performance and productivity will improve. The work that we've done with the Best Companies organisation demonstrates that win-win approach.*

‘But if somebody produced a piece of research tomorrow that said, “What you need to do is get all your people in a room every day and whip them. That's the way to get productivity,” that's not the kind of employer we would want to be.

‘One of the choices that we still wrestle with is between commercialism and social purpose, and that definitely was a debate in setting out our vision. We could've settled to be much more commercial, focusing on profitability. We made a deliberate decision that we are going to do some commercial activity

to create subsidy for the social purpose, but we're going to keep it proportionate to our social ethos.'

One of the examples of how sustainable two-way relationships with staff are formed is the commitment to listening to the employees' voice and involving people in important decisions. At the beginning of the change campaign, once the executive team set the vision for 2020 and shared that with the organisation, they wanted to define the behaviours that would support attainment of that vision. In order to ensure that the new set of values resonated with people who would be expected to demonstrate them day to day, the OD team ran a series of engaging workshops. The values were then supported through induction, performance and reward mechanisms to ensure they embed in the business. One leader explains:

'We recognised we needed a new set of values, but they needed to be the staff's values and not ours. There were all sorts of weird and wonderful workshops that happened. I think we involved the best part of staff from all parts of the organisation, all levels. There were visual metaphors that were being used, you know, "If Isos was a car, what would it look like?" This was quite a long process, but the values came out of that.'

'We've really embedded them through [the organisation]. We created a visual metaphor to illustrate how we will deliver our strategic plan which shows the Isos bus winding its way to 2020 and your ticket for the bus is the values. The 2020 Journey Map was created with involvement from a number of staff across the organisation and launched at a staff conference in 2012. It continues to be used now in staff inductions and we've got the Isoscars awards [or Isos Oscars],

where there is an award for each value as well as a competency framework, "Behaviour Matters", which is all about how the values translate into everyday behaviours.

'And if you're not going to buy into those values, you shouldn't get on our bus. Through the staff surveys people have said, "Look, sometimes there are a minority of people in the organisation who are actually not on board with the values. We want you to be a bit tougher with them." So that's been a message.'

Another example is the fairness in how people are treated by the organisation. This includes offering development opportunities (for example, apprenticeships and professional qualifications) and a range of benefits (for example, medical insurance). Despite operating in a market competing on cost, Isos deliberately set the reward package in a way that does not compromise the quality of service delivery. Mark Reid, Executive Director for Finance, said:

'When applying for external contracts, we find we are perhaps less competitive when it comes to cost but not when it comes to quality. So we could revise the terms and conditions of people who deliver commercial contracts, even though they still work for Isos, to have a competitive advantage on cost.'

'However, we're looking at it from a long-term view. If we provide the right terms and conditions, the right benefits and pensions, which was the particular issue, we are going to attract the right staff in terms of the overall package. That might cost us a bit more in the short run, but in terms of the long-term benefits, in terms of the service and the quality of staff, in terms of the customer relationship, we need to get the people who will be able to do the job for us.'

Key principles

- balancing the respectful treatment of people and getting the work done
- involvement of staff in decisions, and engaging them through the process
- keeping the social purpose in mind, and reflecting that value internally
- aiming for the long-term business priorities.



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