

## Case study – Public Sector Organisation

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# Public Sector Organisation case study

## Context

This public sector organisation (PSO) is relatively small and employs fewer than 5,000 people in the UK. The organisation has a number of national and international stakeholders, which comprise a mix of legislative, governmental and social purpose organisations and governmental departments. The organisation regards the UK public as one of its major external stakeholders. PSO works mainly out of one UK-based office.

## Structure and culture

The organisation itself is typified as having a hierarchical and deferential structure, based around a formal role structure and clear reporting lines throughout the organisation. Managers describe it as being between private and public sector, characterised by low employee turnover and high average workforce age, with highly technical skills being developed internally and, in the recent past, little internal cross-department movement (internal department moves were more frequent). As a result, employees develop a strong connection with their roles and the organisation they work in (they become institutionalised), and any disruption – such as changes of government in 1997 and 2010, the financial crash of 2007, and change of leadership – can cause significant issues. One manager explained:

*'There is something about PSO; you know, all institutions, all employers want some loyalty and some connection with their employees, but institutions like PSO.... There*

*is something psychologically slightly different about the contract between employee and employer. When change happens and you see your contract changing, I think that can be very stressful.'* Line manager

## Building inclusive organisational systems and culture

The organisation employs a highly technical workforce with specialised skills in niche subject areas, often requiring significant prior training and experience. In its operating model these specialisms have been treated as unique to individuals: their human capital has been developed specifically for the completion of highly complex tasks, specific to PSO. However, following a merger with another public sector department/organisation, a different culture has started to develop. No longer are individuals at PSO expected to remain in their positions for the duration of their careers, with less opportunity for sideways movement. Career progression now recognises individual needs, although there is still some way to go before the organisation is able to offer individual 'deals' to every member of its large workforce with diverse and unique needs. A directorate manager said:

*'[At present] everyone must go through the same training courses and they should do the same modules in the same kinds of things. Not really recognising that people will come here from different backgrounds and some will want to, and will, succeed as technical specialists. Some will want to be team people*

*that develop in different ways. We haven't yet found a way to represent it as a big family, but of people that are very different in very different circumstances.'*

Nowhere is the inclusion and diversity challenge more clear than in the internal jobs market, where managers traditionally offered promotion to 'those in the know' and trusted individuals around the business. This process is being reviewed to ensure a fair opportunity to those wishing to transition into new roles, or new employees looking to develop their expertise. Invariably the old route has been advantageous only to employees of a particular profile, and a more inclusive approach is welcomed by the increasingly diverse workforce. A directorate manager explained:

*'The way vacancies for promotions were advertised, and because of the long service culture in PSO, [the process] was not really open to everyone. People developed job profiles with particular individuals in mind. ... Previously, in the old PSO, you succeeded by hanging onto the coattails of someone who would take you up the ladder as their private secretary, and that would be a fast track to promotion.'*

HR is clear that the new systems should be based on individual skills, knowledge and competencies, and not predominantly on the individuals' relationships with one another. This change is being supported by diversity and inclusion champions. One of the HR managers said about the internal jobs market:

## *‘Nowhere is the inclusion and diversity challenge more clear than in the internal jobs market.’*

*‘It should be based on merit. It should be based on everyone having the opportunity to be able to access things like work-shadowing. If there is an opportunity of a project in a senior leader’s office, for instance, it shouldn’t be that they have been speaking to somebody about doing that job. It should be that actually it is a fair and open process. It is advertised and people apply for it, etc.’*

The financial crisis of 2007 sparked PSO to improve its capability and appeal to a growing number of stakeholders. As part of its evolution, PSO started investing in specific activities providing an effective employee voice, particularly supporting diversity as an area of strategic importance to sustainable people practice. In 2014, the senior leaders chose to focus specifically on supporting ethnic minorities working at the organisation and on developing mental health awareness to respond to the growing desire amongst staff for support for mental health issues. An HR manager said:

*‘Our staff networks are incredibly active. ... In the last two years we have really increased their presence. Their memberships have increased. They have worked extremely hard to be the voice of staff. Now we are at a point where the majority of changes in HR go out to the networks. Both the mental health network and the ethnic minority network have been instrumental in actual policy change and progress at PSO. They’ve done this in partnership with HR, in partnership with community affairs, but a lot of the ideas have come from the networks because staff have said they want change.’*

Both networks appear to be having an impact both inside and outside PSO, extending their activities to

support the social purpose of the organisation. For example, through the action of the ethnic minority network, PSO now has a formal scheme to increase the diversity of the recruitment channel into the organisation by providing scholarships to young people with Black African or African Caribbean backgrounds at universities. This scheme, the team says, is something which would not have existed before:

*‘Previously you might have taken a decision, you might have written a paper and taken it to the exec committee for approval. They could ultimately say, “That is not how PSO does things.” We have broken that down quite considerably. Two years ago we would never have thought about offering a scholarship to three black students through university.’* Line manager

The reason for this, interviewees believe, is that the previous recruitment strategy of PSO required individuals to provide examples of prior work experience in the professional area they were applying for. Little flexibility was given to those wishing to learn a new discipline without already having some formal training or experience.

### **Recognising individual needs: tailoring the HR offer**

The new relationship that PSO aims to have with its workforce requires tackling the challenge of balancing attention to individual circumstances with consistency and fairness of HR policies to all staff. One employee described the failure of the organisation to support his emotional and physical well-being:

*‘In some ways I think they were trying to be paternalistic. Because I didn’t want to go back into supervision or my current role, I*

*could do a secondment. But after that secondment, which was initially for six months, I would only have three months to find a job or leave. ... Because they were following the policy, they weren't actually thinking on a case-by-case basis.'*

However, from the HR point of view there is a challenge of operating with individual needs in mind but providing a level of process and structure within an organisation. The goal for HR is to design a flexible and personal approach to people issues which can support everyone in the organisation. One HR manager said:

*'I see the role of an HR department in being more creative and flexible to support every single person in the organisation. It is not about blindly following either what senior management want, or what the policy says, or what the individual says. It is about being at that point at which everybody's needs are examined and then you help find a workable solution.'*

### **Key findings**

The critical challenge and opportunity for PSO is in modifying its approach to retaining and developing its key talent through a period of significant disruption to its own business model and that of the very many stakeholders it serves. The organisation is evolving to meet the needs of this new world by:

- empowering employees through the provision of a network relevant to the needs of people in the business, including its diversity and mental health awareness networks
- committing to bringing diverse talent into the organisation through a new programme of apprenticeships for minority members of the community, which better reflects the ethnic

- mix of its main stakeholders (including the UK public)
- reviewing its internal job market structure and applying a new, more transparent and open way of managing the process of managing movement of individuals between internal roles, including a focus on widening accessibility.

*'The critical challenge and opportunity for PSO is in modifying its approach to retaining and developing its key talent.'*



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