

Excellence in Place Leadership Programme 2021

Session 3: Organisational Renewal

Re-imagining the way that our organisations, people and services work

"As we move from crisis to the 'new normal' we need to define what our organisations should look and feel like to be a future employer of choice, providing excellent customer centric services."

Background

The pandemic has created a blank canvas on which to rethink the future of organisations and the way that we all work. As we move beyond the immediate crisis, we need to better understand the new needs of employees as we define and create organisations capable of providing the customer centric services that will be vital in this emerging world.

Across all industries we are seeing new forms of communication, education and work being established. Workspaces are being redesigned and decentralised and we are seeing the labour market shifting across almost every sector. Being able to adapt to this new world is imperative for every employer.

Having seen large proportions of the workforce made to work from home throughout the pandemic, the virtual office, once the exception, has now become the norm and unlikely to disappear entirely. A recent report by the BBC surveyed 50 of the UK's biggest employers with almost all confirming that they do not plan to bring employees back to the office full-time. The future is almost certainly going to see businesses and organisations adopt some form of hybrid home/office working model. This must also work with roles that are unable to adopt new virtual ways of working such as cleaners, highways operatives, retailers, or care workers.

The question, therefore, is how to make it work for the benefit of all. While productivity may have gone up, many employees feel anxious and burned out. Employees feel they have yet to hear enough about their employers' plans for post Covid-19 working arrangements. Many have announced a general intent to embrace hybrid virtual working models going forward, but too few have shared detailed guidelines, policies, expectations, and approaches.

Get it right, and organisations are set for big dividends in terms of greater accessibility to future talent, employee satisfaction, customer delight and productivity; get it wrong, and we face a potential health and welfare crisis and economic missed opportunity. What is clear is that to retain the positives of future hybrid working and mitigate the negatives, we need to find and set the right policy frameworks that drive the desired, preferred outcomes.

Driving innovation: the Oxfordshire approach

The challenge for Oxfordshire County Council was to provide a safe area within the authority to innovate and try out new, potentially risky ideas. The reality is the public sector must focus on its core activities which are often delivered conservatively. Innovation is not seen as something which is easy to do.

The key to securing this safe space was to build a revenue stream with external funding to protect it from any potential public sector cuts. Over 60 projects, worth over £135 million in revenue and involving hundreds of local businesses, have now been delivered.

The key has been to create small, flexible and agile teams. Experience from start-ups show that small teams are generally more effective at delivering innovation.

Finding the right leadership culture is crucial to enable success, based on the idea that "people innovate, not companies" and that "innovation is an evolutionary process, so it is not necessary to be radical all the time".

The fundamental culture at Oxfordshire is to learn quick and fail fast.



The power of people re-imagined

PwC's approach to putting people at the heart of extraordinary business value

Covid-19 has highlighted the remarkable resilience and ability of people to react to change. It has been a great example of collaboration and being able to pivot quickly to embrace new ways of working.

Recent PwC surveys of 5,500 global chief executives and 33,000 workers around the world have demonstrated that a return to 'normal' (the previous way of working) is neither possible nor desirable. 72% of workers felt a hybrid working model was preferable in the future and just 9% wanted to go back to traditional ways of working.

We have also seen clearly that people are smart, resilient and able to cope quickly with change. Before the pandemic, the approach to and views about working from home were very different. The necessity of reacting to Covid-19 made it happen, and made it happen in just six weeks.

Despite fears to the contrary, productivity has held up throughout the pandemic, underlining the ability of people to adapt rapidly to their new surroundings. But that doesn't necessarily mean all is well. This productivity has often come at the significant cost to wellbeing, with just 23% of people saying they take breaks during the day when working virtually.

The conclusion is that we will be back in the office at some point but, the employee voice will come to the fore when employers set out their strategies for future working models. Post pandemic, people more than ever expect flexibility and will demand that they are empowered and trusted to deliver.

"There is a dangerous digital divide looming between those with the skills and tools needed for the future and those without them. Investing in training is no longer just the right thing to do; firms that understand this will reap benefit from increased performance."

Peter Brown,
Partner, PwC



Organisations are working through these issues and looking at how to best support employees. Not least, as we have started to see a number of potentially damaging divides growing across the workforce as we start to embrace new hybrid working models.

First is the divide between those based in the office that can work from home versus the frontline operational teams that cannot take advantage of the flexibility and freedoms this presents.

But there is also a generational divide and a risk that younger people will be disadvantaged and disenfranchised by being unable to advance their careers through shadowing and learning from senior colleagues.

It is incumbent on employers to equip people for the new world of work so training is crucial to everyone at all levels of organisations. The reality, however, is that those with university degrees or above will increasingly be doing jobs that give more effective access to training compared to those who enter the workforce directly from school. A divide that is likely only to increase with the new hybrid working model.

The challenge will be squaring all these circles to embrace hybrid working arrangements. Leadership needs to be clear about the strategies that are being driven, embed a cultural approach and give people the skills and support needed to do their job and develop their careers - wherever they are in the organisation and wherever they chose to work.

Technology is making a huge impact on jobs. Some 40% of respondents think their job will be obsolete within five years and 65% think technology will have a broader impact in the future. We will need to protect people rather than jobs by upskilling them to develop with technology and feel comfortable to progress their careers in new ways and roles which may have not existed before.



The hybrid model

A view from Lane 4 on why engaging with people at a human level is key to embracing change

Working from home is now the accepted post-pandemic norm. While it is a huge opportunity for both employers and employees, organisations need to be intentional about how they approach this new model of work and really understand the future role of the office to ensure that they help people to perform at their best.

An online survey of 1,500 executives suggested that 89% of business executives say hybrid working will form a permanent part of future working. While an aggregated survey of employee data from Robert Half shows 68% of employees want to continue to work from home one to three days a week. The benefits of working from home are certainly clear, but the challenge for employees and employers is taking control of their virtual life and avoiding the well-documented negative wellbeing issues that come with it.

The reality for some people is that working from home is very positive. Yet for others the office world is the clearly preferred model. The same goes for the organisation as a whole – there are pros and cons to every approach.

Virtual working advantages:

- Improved work-life balance
- Higher productivity
- Reduced commuting time
- Better flexibility
- Access to a broader talent pool
- Improved retention
- Reduced carbon footprint

Office working advantages:

- Better networking and relationship building
- Faster, easier access to information
- Greater access to support (task and emotional)
- Increased cross-company networking
- Increased creativity and innovation
- Easier to on-board new employees

It is essential that this new hybrid working model does not dilute organisational culture. Key issues when establishing the new working models might be the need to:

1. Level the playing field for all making sure it's fair and that everyone is in the loop
2. Establish a healthy, hybrid environment that outlaws presenteeism
3. Optimise engagement so that employees understand how they fit in and add value
4. Championing the organisation's culture by finding time for people to get together

We need to be braver about hanging on to work-life balance and constantly challenge old habits. We also need to challenge the disconnect between office workers and manual operators in the field who will increasingly struggle to collaborate because they can't always attend virtual meetings.

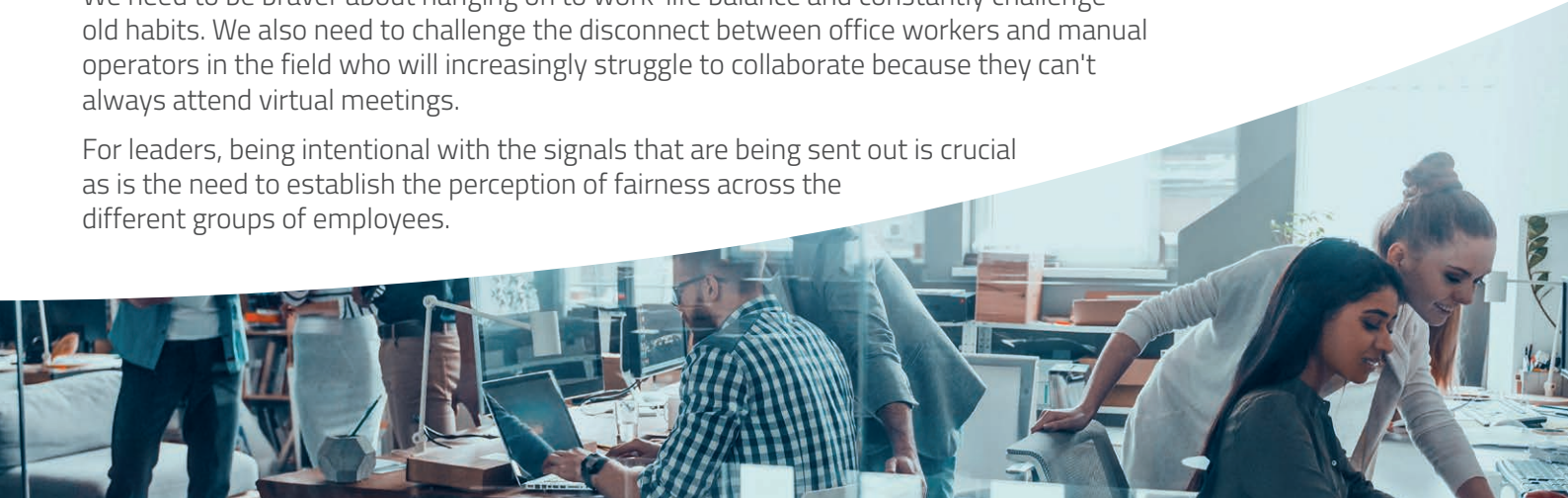
For leaders, being intentional with the signals that are being sent out is crucial as is the need to establish the perception of fairness across the different groups of employees.

"Successfully transforming to this new hybrid working norm is about establishing and championing a new culture of work alongside new processes. We need to be aware what triggers people's emotions as we refine their work and invest in supporting the challenges."

Dr Liz Campbell,
Client Service Director,
Lane 4 Management Group

Top tips for leaders

- Challenge biases and limiting beliefs
- Be clear with performance expectations
- Focus on building trust
- Proactively nurture social networks
- Co-create new team hybrid habits and charter



Accelerating cultural change through a pandemic

Amey's reaction to Covid-19 and embedding a new Freedom to Perform strategy

Covid-19 has accelerated a transformation that was already underway at Amey to create a new culture of trust and respect which gives people the freedom to perform. As the world moved towards a new hybrid way of working and mixing working styles, it became even more important for businesses to put their people first.

However, for Amey, the challenge extended to ensuring that their new freedom to perform strategy was understood and included the 11,000 people working in the field. The needs of these frontline employees, almost entirely classed as critical workers during the pandemic, remained front of mind for the leadership team balancing their needs alongside the needs of 5,000 office-based employees.

Amey is going through a major organisational shift, driven by the new Chief Executive and her desire to create a bottom-up culture that embraces and celebrates all roles on the frontline and in the office. As the company has adopted new working models throughout the pandemic, the target has always been to get changes 80% right for 80% of people. Specifically, focusing on ensuring the 11,000 people who are not able to work from home feel engaged with the new culture.

The result of this new culture and way of working have been very encouraging with the business outperforming its 2019 results in 2020 and looking set to outperform its 2020 results this year. This comes from trusting and empowering employees - allowing decisions to be made at the best, most informed place in the organisation.

People have responded well. The business has been able to rely on teams to work effectively from home without constant supervision and moved from statutory sick pay to average hours without seeing any spike in absence.

The key has been to retain a clear, core strategic approach while providing support through the pandemic by:

1. Protecting employees and continuing to deliver for clients and maintain critical services
2. Supporting suppliers and the wider Amey family
3. Supporting the communities that Amey serves

Opportunities for post Covid-19 learning

Crisis management – drive external and internal collaboration; better knowledge of supply chain; understand geographic differences.

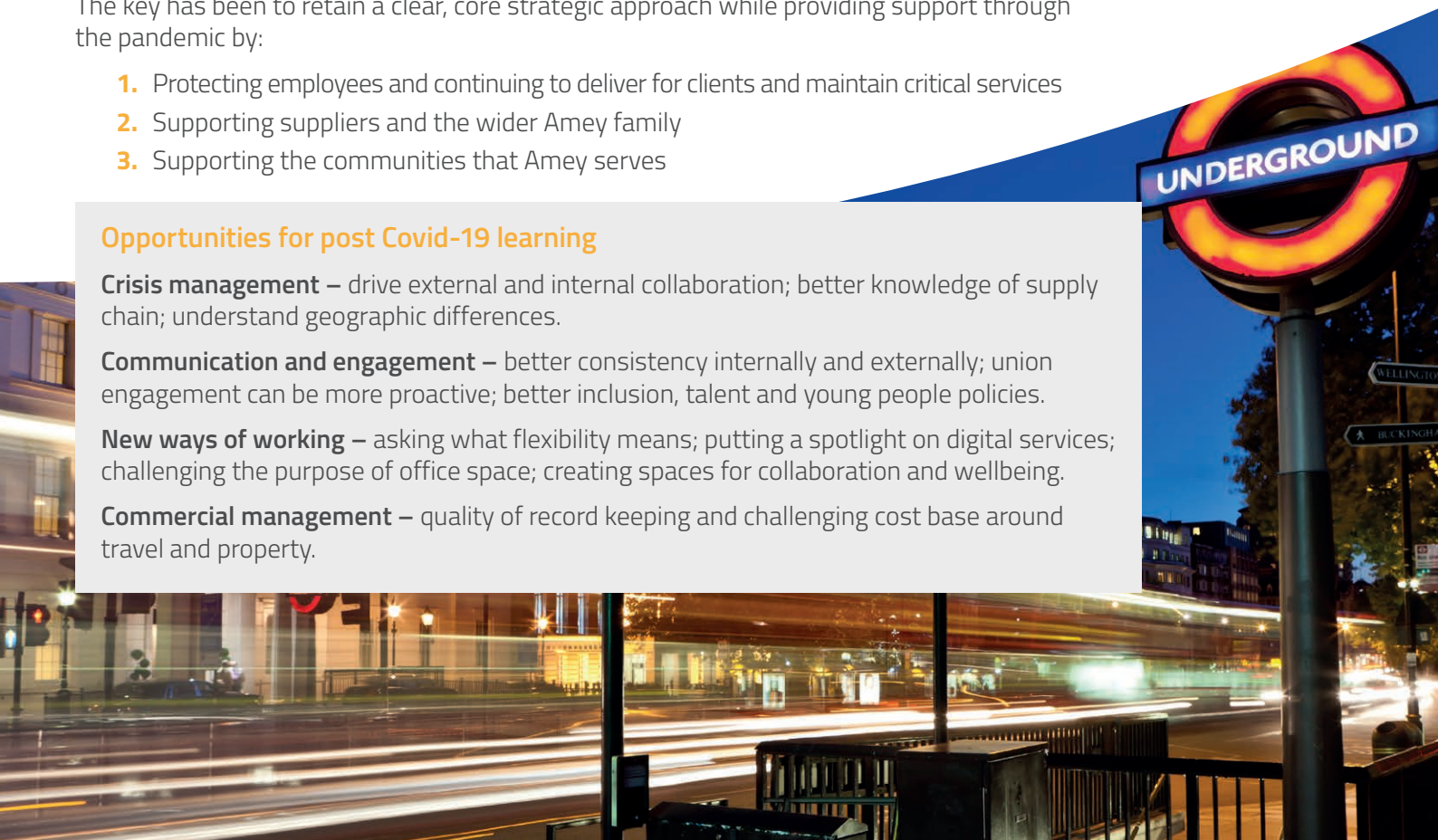
Communication and engagement – better consistency internally and externally; union engagement can be more proactive; better inclusion, talent and young people policies.

New ways of working – asking what flexibility means; putting a spotlight on digital services; challenging the purpose of office space; creating spaces for collaboration and wellbeing.

Commercial management – quality of record keeping and challenging cost base around travel and property.

"The pandemic in many respects meant that the business had no option but to change to become more agile in response to the new business environment. The culture has changed from one where employees wait to be told to one where people are empowered to take the initiative."

Carol Elderfield,
HR Director, Amey



Organisational Renewal Workshops

This session aimed to help place leaders investigate and identify routes that will assist their own organisations to navigate through the post-Covid challenges workplaces face to adapt to their employees' needs whilst satisfying the organisation's strategic plan. The first workshop focused on the current situation organisations find themselves contending with and what could be changed. Each group prioritised their top brakes, blockages and changes. The second workshop moved onto building a roadmap for delivering the top changes identified. Each group looked at the problem statement through one of the following specific lens:

- *Ambition and leadership*
- *Capacity to innovate and skills*
- *Collaboration opportunities with public and private sectors*
- *Technology and data opportunities*



Workshop 1:

What is holding organisations back in their renewal - what are the brakes and blockages and what needs to change?

Ambition and Leadership

What are the brakes and blockages?

- Indecisive and ineffective leadership
- Lack of vision for the future
- Insufficient skills and capacity to change
- Inability to prioritise
- Lack of collaboration
- Political leadership cannot prioritise long term issues
- The desire to return to the pre-pandemic status quo

What needs to change?

- More focus on setting a vision
- Greater agility of decision making
- The way that we engage with the public

Capacity to Innovate and Skills

What are the brakes and blockages?

- Volume of work too great for capacity of individuals
- Lack of infrastructure and IT in rural areas
- Lack of opportunity to meet and share ideas
- Public sector is less attractive employer compared to private sector
- Red tape and political cycles hold back innovation
- Lack of talent

What needs to change?

- Better understanding of individuals and what makes them tick
- Greater focus on the delivery and etiquette of hybrid working
- Creating more space for speech and thought sharing
- More cross-organisational knowledge sharing



Workshop 1:

What is holding organisations back in their renewal - what are the brakes and blockages and what needs to change?

Collaboration Opportunities with Public and Private Sectors

What are the brakes and blockages?

- Lack of understanding around civic identity
- Cultural differences holding back change
- Fast pace of work leads to a focus on short-term objectives
- Narrow thinking about strategic objectives
- Funding decisions are not focused on the wider community issues

What needs to change?

- Remove blinkers to consider what customers actually need
- Build partners into our thinking
- Make wellbeing a priority
- Establish common goals around shared services
- Engage with the private sector

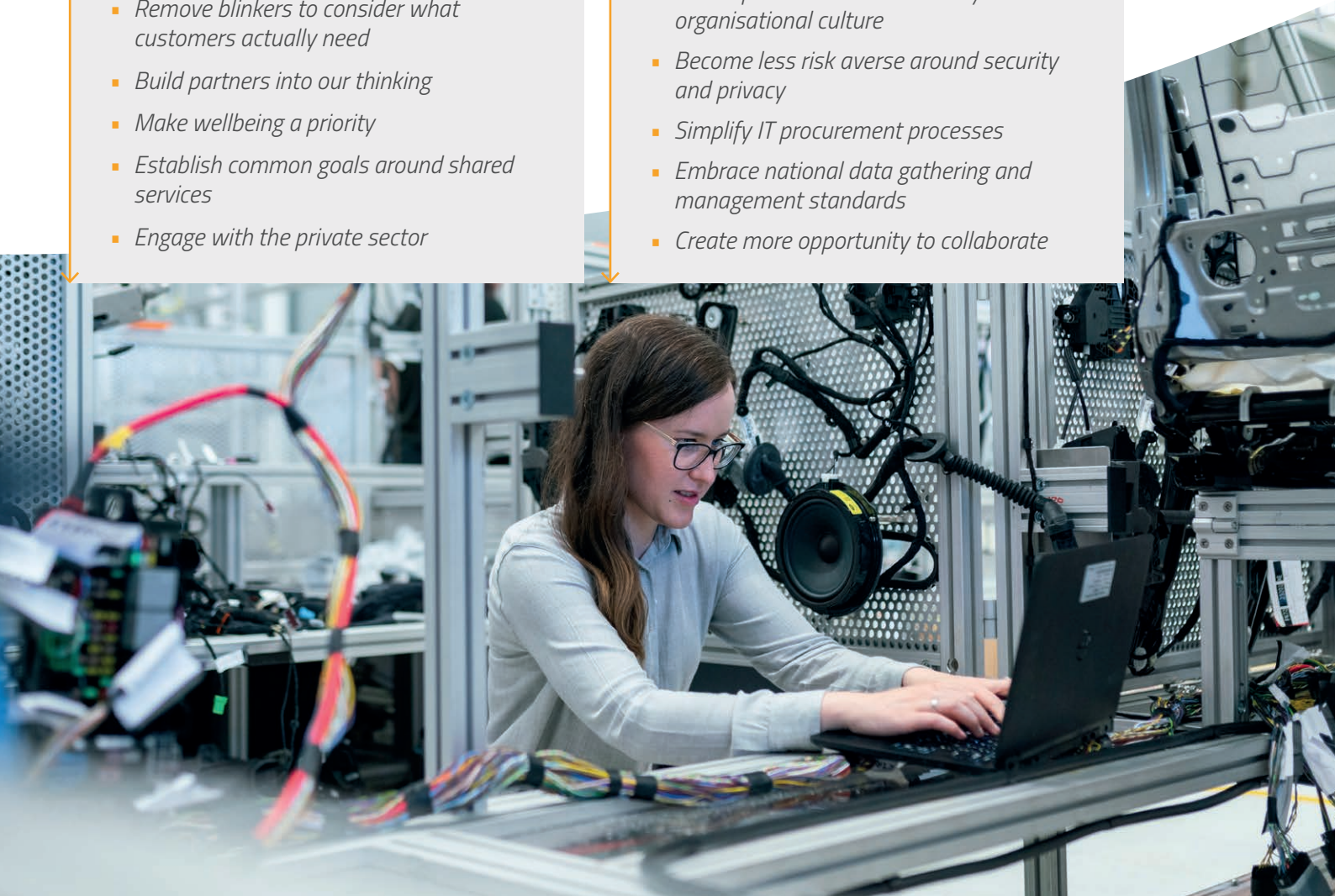
Technology and Data Opportunities

What are the brakes and blockages?

- Lack of access to IT systems
- Insufficient core and consistent policies
- Risk aversion around security and privacy
- Lack of ability to collaborate
- Loss of skills and resources

What needs to change?

- Empower people to drive change
- More openness and consistency within organisational culture
- Become less risk averse around security and privacy
- Simplify IT procurement processes
- Embrace national data gathering and management standards
- Create more opportunity to collaborate



Workshop 2:

What looks better and what's your plan to get there?

Ambition and Leadership

What does a re-imagined organisation look like?

"A collaborative organisation with vision, authentic leadership and a clear direction of travel."

The plan to get there

1. Engagement with teams across the organisation but keeping it simple; having the right people with passion and a shared direction
2. Creating value across design principles; honest conversations creating trust and empowerment; find disrupters that can implement collaborative working
3. Communicating to create buy in; create leaders at all levels and from within to sell the vision and direction; embrace the diversity of thought
4. Focus on what needs to be done and prioritise
5. Nurture the employee voice so they can be heard

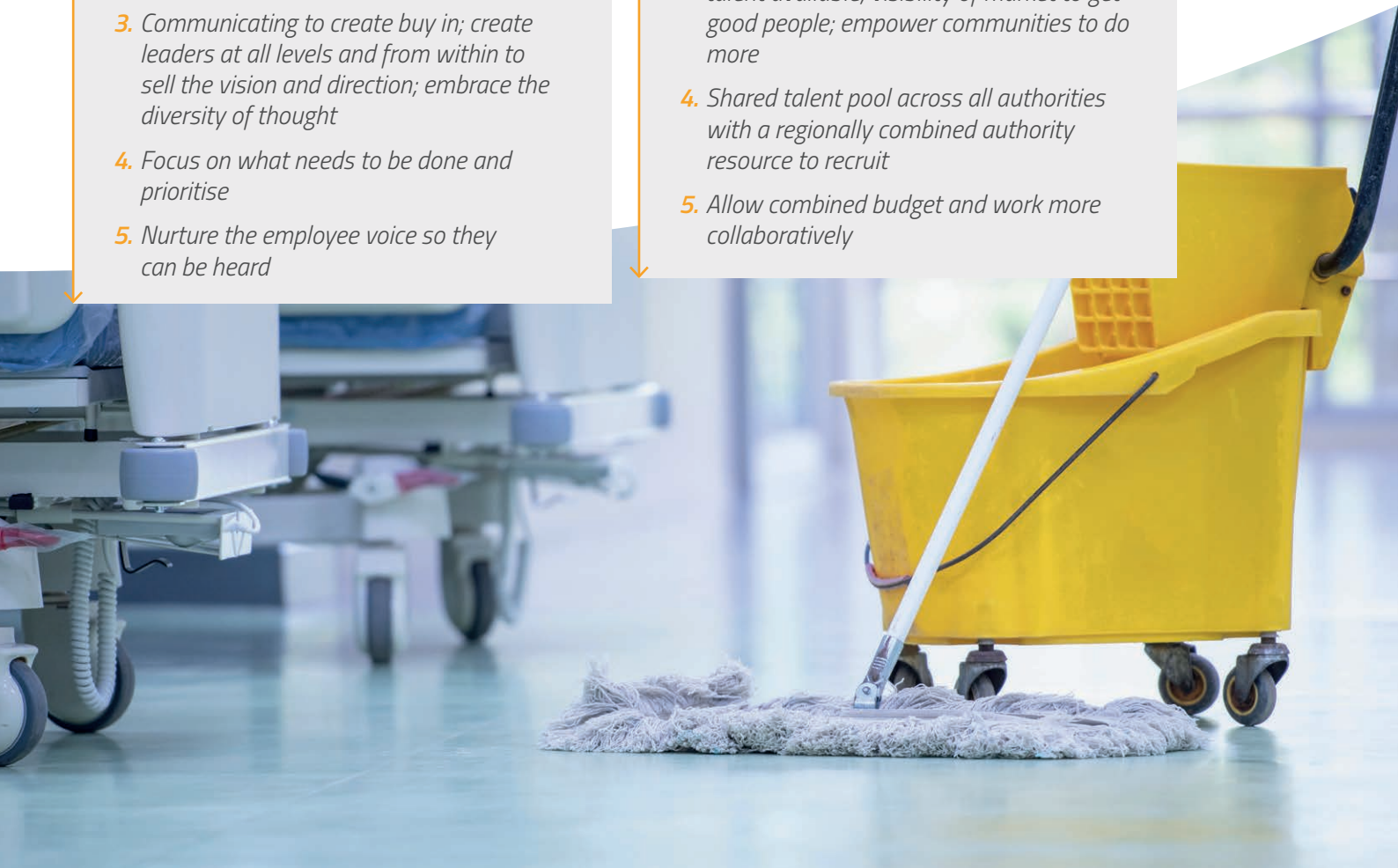
Capacity to Innovate and Skills

What does a re-imagined organisation look like?

"An agile organisation that creates flexibility for the workforce, keeps productivity high but balances wellbeing."

The plan to get there

1. Create a talent pool to enable work across services and teams; open recruitment to find the right people when they are available
2. Establish a talent bank with flexible funding; train and equip teams correctly
3. Ability to access and use the resource and talent available; visibility of market to get good people; empower communities to do more
4. Shared talent pool across all authorities with a regionally combined authority resource to recruit
5. Allow combined budget and work more collaboratively



Workshop 2:

What looks better and what's your plan to get there?

Collaboration Opportunities with Public and Private Sectors

**What does a re-imagined
organisation look like?**

"An agile dynamic organisation to balance the needs of our customers and communities and the wellbeing of our employees with a strong collaborative culture. Emotionally bought into a shared goal."

The plan to get there

1. Engagement with a diverse group of strategic partners, communities, workforce; develop an inclusive offering; understand how the needs and expectations of the communities have changed
2. Create deliverables under each of these themes / groups; engage with partners to understand their approach; hold lessons learnt sessions and share best practice
3. Communicate the road map, trials and testing
4. Shared prioritisation of short, medium and long-term evaluation of response
5. Performance management and cycle of continuous improvement; implementation and continued evolution as changing needs come forward

Technology and Data Opportunities

**What does a re-imagined organisation
look like?**

"An easily accessible, collaborative, user-focused system approach."

The plan to get there

1. Understand the requirements of our people and our customers
2. Define the outcomes of what we're trying to achieve (not the outputs)
3. Understand the culture, mindset, capabilities and skills within the organisation
4. Align skills and behaviours with organisational values and vision; build out the action plan for the future model
5. Define and find all of the best strategic partners (broadest remit) for delivery and to ensure success



Questions for discussion at the start of EiPL session 4

Question 1: What tips and tools are available to help local authority leaders encourage senior officers and politicians to make brave decisions that move the future organisation structure beyond simply maintaining the status quo?

Question 2: How can local authority leaders create a culture of fairness across the organisation and its supply chain?

Question 3: What is civic identity and how does it impact the ability of local authorities to deliver improvement in services to communities?

Next session

Thursday 9th September – Friday 10th September

Economic renewal: Re-imagining our town centres and high streets

"We are presented with a unique chance to tackle one of the Country's greatest unresolved challenges - to reimagine our high streets and town centres with strong communities, prosperous futures and innovative plans for regeneration.

Today we want you to evaluate the regeneration ambition and plans for Walsall Town Centre against the current challenges that town centres are facing, utilising best practice thinking and to present back any recommendations for how these plans could be strengthened."