Managing people

Learning from comprehensive performance assessment: briefing 3
The Commission is publishing a series of ‘Learning from CPA briefings’, to accompany the national report *Patterns for Improvement: Using Comprehensive Performance Assessment as a Guide to Achieving Better Public Services* (April 2003). Each briefing examines a key driver for improvement identified by the first round of CPA for single tier and county councils in 2002, describes the critical success factors for improvement and signposts sources of help and advice. As each of the briefings are published they will be made available on the Commission’s website at http://www.audit-commission.gov.uk/cpa/analysis.asp

Introduction

1. The first round of comprehensive performance assessments (CPAs) for single tier and county councils has identified managing people as a key driver for improvement. The purpose of this briefing note is to:
   - briefly explain what the Commission means by managing people;
   - give some of the headline messages and findings from the corporate assessments;
   - describe some critical success factors that have resulted in improved people management;
   - outline future Commission work in this area; and
   - provide sources of further information and advice.

2. This briefing is designed to help those who are interested in and are responsible for improving a council’s people management. People management is not just a responsibility for personnel officers – it is the responsibility of managers at all levels in an organisation. This document will provide a useful starting point for improving people management by building on the key learning points from CPA.

Managing people

3. The Government’s modernisation agenda has placed the spotlight on councils to develop and deliver world class public services. To achieve this, councils must focus on managing their staff well as the basis for driving forward continuous service improvement. Councils must recruit and retain high-quality people and actively engage and support their staff. In an increasingly competitive labour market, councils need to promote an ethos that values employees and makes local government an attractive sector in which to work. Effective people management is more than simply the implementation of policies and procedures – it is an explicit recognition of the benefits of having a committed, capable and skilled workforce that is focused on achieving the council’s objectives and delivering high-quality services to local communities.
Messages from corporate assessments

4 As part of CPA, corporate assessments were carried out at each council by a small team, which included an auditor and inspector as well as officers and councillors from ‘peer’ councils. The outcome of the corporate assessment was a high-level report on the council’s strengths and weaknesses, and a judgement about its ability to improve, which contributed to the council’s overall CPA.

5 There is currently a mixed picture among councils in their management of people. Of the 150 councils assessed, 58 were cited as having sound people management policies and processes linking into achieving the councils’ priorities, and 42 councils were praised for the quality of their staff. Fourteen councils were commended for maintaining up-to-date intelligence on the skills they needed to deliver local services, the level of skills within the council, and what was needed to bridge any skills gaps or shortages. These councils routinely invest in training and development to build capacity and equip the council to meet its current and future challenges.

6 On performance management, 100 councils had an appraisal system linking staff performance and development to competencies based around service and council priorities, although these were at different stages of implementation, and in 54 councils these were not yet consistently applied across the council. Recruitment and retention were identified as particular problems in 53 councils, although more generally, recruitment and retention issues were present in the majority of councils. Having a diverse and representative workforce was also highlighted as an important issue, with just 11 councils commended for good practice.

7 An analysis of a sample of corporate assessment reports has built on previous Commission thinking to identify six factors critical to successful people management (Exhibit 1, overleaf):

- empowering leadership;
- people management strategies;
- managing performance;
- capacity building;
- workforce diversity; and
- recruitment and retention.
Exhibit 1
Critical success factors for managing people

An analysis of corporate assessment reports has identified six factors critical to successful people management.

Success factor one – empowering leadership

Clear and visible leadership is critical in engaging staff in a shared vision of the council and promoting a culture of empowerment. Good leaders lead by example, and are seen as being in touch and accessible, constantly reinforcing the message that their staff matter to them. This applies not only to chief executives and leaders but to all managers within the organisation. Successful councils acknowledge that good people management is a two-way relationship and actively foster a culture of involvement and questioning, promoting open and upward feedback. For example, the Borough of Telford and Wrekin has good mechanisms in place for communicating with employees and for obtaining feedback. Effective consultation with diverse groups within the council fully involves staff in change management, helping the council to establish and embed new ways of working.
9 Effective leaders understand the importance of devoting resources to internal communications and communicating the council’s priorities to staff, enabling individuals to be clear about what is expected of them. Well thought out communications strategies ensure that hard-to-access groups such as part-time and geographically isolated staff are also reached. In East Riding of Yorkshire Council there is a commitment to sharing information and ensuring staff are aware of their responsibilities. The strong internal communications systems include a mixture of weekly management team meetings, corporate management awaydays, use of email and the intranet, ‘grapevine’ newsletters and cascaded team briefings.

10 In successful councils, employee relations are taken seriously and mechanisms for engaging with staff are in place. The London Borough of Camden conducts regular staff attitude surveys and supports staff networks as a means of gauging satisfaction levels and learning about its employees. Positive relations are maintained with trade unions which provide an effective mechanism for communicating with employees, improving workplace relations and reducing disputes. Warrington Borough Council has signed a learning agreement with its unions, enabling staff to acquire and develop further skills to deliver better services for the community. The unions support investment in training and development and act as representatives on best value reviews.

Success factor two – people management strategies

11 Successful councils are committed to a strategic approach to people management, focusing on outcomes not processes. Human resources (HR) policies, procedures and terms and conditions support flexibility, innovation and performance improvement and are fully integrated with the wider strategic vision of the council. A well developed and prioritised HR strategy which sets out the council’s needs and how it intends to meet them is essential, and there are clear and explicit links between a council’s HR strategy and its corporate objectives. Bristol City Council set up an organisational development group to look at ways of developing a more strategic and corporate approach across the organisation, which identified ways of supporting and underpinning the delivery of the corporate plan. The council has been working on a three-year HR development plan and has been building capacity through a range of comprehensive, up-to-date and well presented HR policies and through cross-departmental project teams.

12 In successful councils, the staffing implications of new proposals and budget developments are taken into account at the corporate planning stage and flexible HR policies (such as workforce development plans and organisational development strategies) are designed to reflect the changing needs of the organisation. Policies are also sensitive to local conditions. Bracknell Forest Borough Council has a well developed HR strategy which is flexible and robust enough to meet the future corporate needs of the council, linking staff needs to the priorities and objectives of the council. The council participates in a number of partnerships with other councils to build up best practice.
Success factor three – managing performance

13 Good management of performance is key to delivering continuous improvement and developing staff. Successful councils have performance systems that are appropriate to local circumstances, properly embedded, consistently applied and create a performance management culture that is actively promoted by managers. Doncaster Metropolitan Borough Council recently introduced and implemented a performance management framework to strengthen its management systems and processes. Its corporate performance management system cascades corporate objectives into service plans and individual targets. Staff are clear about their role in meeting corporate objectives. Challenging-yet realistic-targets are set in all services for staff and performance is rigorously monitored. Liverpool City Council has an ‘accountability culture’ where shortfalls in the standard or quality of frontline services are honestly and openly discussed and corrective measures taken.

14 Councils with effective performance management ensure that individual performance is assessed through formal appraisal schemes which are consistently applied across the council. This can take the form of performance agreements which are reviewed on a regular basis or through ongoing monitoring of staff performance. Success and achievement are also celebrated, with councils acknowledging high performance from senior management level right through to front-line staff. For example, the London Borough of Wandsworth has placed an increased emphasis on recognising the performance and loyalty of its staff, ensuring that targets are tailored and monitored regularly.


Success factor four – capacity building

15 Successful councils regard a skilled workforce as their single most important asset and invest in staff to increase capacity to deliver improvement. These councils have a strong sense of professionalism and competence and a high level of capability throughout the organisation. This is supported by delegated decision-making and devolution of financial responsibility to service departments, allowing staff the freedom to make decisions and directly influence their own working systems. In Kent County Council, for example, there is a culture of empowerment where innovation, creativity and risk-taking are openly encouraged, reflecting the value placed on staff.
Councils adopt a variety of approaches to training and developing their staff including: internal and external training courses such as management and leadership development programmes based on the assessment of required competencies, self-directed study, the attainment of professional qualifications, secondments, on-the-job training, and coaching and mentoring schemes. Attainment of the corporate Investors in People award often acknowledges the role of the organisation in supporting and developing its staff. In councils that are good at building capacity, staff have personal development plans tailored to their specific needs, with outcomes from training monitored against achievement of the council’s corporate objectives. Development is geared around the needs of the organisation on two levels – corporate and departmental – providing both specific professional and technical training as well as career paths beyond service specialisms. The London Borough of Westminster is committed to staff and councillor development, making extensive use of secondments both internally and externally, and investing in a senior management development programme aimed at developing key skills.

Where skills gaps exist, successful councils are aware of them and equip staff to face new demands, often working with others to increase capacity through, for example, joint initiatives with academic institutions or sponsored graduate training programmes. Norfolk County Council has set up, with its partners, an integrated occupational therapy service, joint management of community mental health services and a unified budget and structure for services for people with learning difficulties.

Success factor five – workforce diversity

Councils that are committed to a diverse workforce recognise the importance of building an inclusive organisation whose products and services are as diverse as the people who use them. By valuing differences in the experience, culture and background of their staff councils can encourage new ideas and perspectives and deliver better services. In these councils there is a clear vision of diversity within the council with senior members and officers acting as public advocates and implementing best practice. Policies are considered and developed against statutory requirements and set out in the council’s race equality and diversity schemes as well as taking into account diversity of age, religion and sexuality, and so mainstreaming equality and diversity into the day-to-day business of the council. In Sandwell Metropolitan Borough Council, 11 per cent of the council’s workforce is from ethnic minorities against a target of 16 per cent in line with the make-up of its local community. Workforce diversity is monitored and reported on a regular basis to managers and scrutiny committees, to which internal and external interest groups are invited.

People will perform better if they feel responsible for something – even if it is only a small piece of the jigsaw.

Audit Commission, Performance Breakthroughs: Improving Performance in Public Sector Organisations
Successful councils also use a range of methods to encourage recruitment from under-represented groups, including targeted recruitment drives, establishing positive action trainee programmes, setting up mentoring schemes and supporting staff networks for ethnic minority, disability and women’s groups. Training resources are made available to develop staff capacity to deal with diversity issues and guidance is given to managers on how to manage diversity. Within Bristol City Council there is a high level of commitment to promoting equality and diversity backed up by resources. Active support is given internally to a number of self-organised staff networks and the council has achieved level 3 of the Commission for Racial Equality Equality Standard. There is a good level of representation of black and minority ethnic communities on the staff and the council has been successful in recruiting disabled people as well as promoting women to senior posts.

**Success factor six – recruitment and retention**

A large number of authorities face recruitment and retention issues, with councils having to compete hard to attract and retain staff in a highly competitive labour market. Successful councils ensure that HR strategies are underpinned by clearly stated policies on recruitment and retention. Effective monitoring and review is essential to identifying recruitment problem areas and making changes to policy and practice as necessary. This requires regular review of trends in workforce supply and demand, good labour market intelligence, up-to-date knowledge of the council’s staff skill base and analysis of staff turnover figures across services and categories such as gender, ethnic origin, education and age. Using this data, councils are able to address recruitment hotspots through a range of initiatives including trainee schemes, developing consistent pay and workforce strategies which take into account local or regional challenges, comprehensive reward packages that include pensions, incentive payments, annual leave entitlement and job flexibility as well as broadening the council’s approach to recruitment by securing skills from other sectors of the economy. The London Borough of Ealing established its own employment bureau to address a shortage of teachers, social workers and information technology specialists. This provided much needed short-term capacity while at the same time focusing on securing long-term appointments.
Retention of staff is affected by relations with line managers, terms and conditions, performance management, training and development, diversity and morale. Successful councils establish clearly defined policies such as succession planning for key posts, conducting exit interviews for leavers and publishing guidance for managers on how to address issues such as stress and absenteeism. Councils which are committed to retaining their staff provide a supportive environment in which to work – an environment where staff feel valued, motivated and share a sense of ownership of the council’s vision for the local community. Some councils have developed innovative approaches to working conditions by creating family-friendly policies and supporting flexible working by offering part- and term-time working, home working or job sharing. In the Borough of Poole retention issues were addressed through flexible working arrangements, encouraging a balance between work, family and other commitments, placing a value on an appropriate work-life balance that will help to retain experience, skills and knowledge that could otherwise be lost to the council.

Case Study 1

Bracknell Forest has many of the critical success factors in place. It has a well-developed and focused HR policy, and a new HR strategy has recently been developed to consolidate and extend this. Considerable resources have been invested in the council’s workforce and a range of innovative and flexible approaches to HR management have been used to empower the workforce so that they can fully influence their own working system. This approach has been warmly endorsed by staff and trade unions, resulting in significantly improved retention rates. This supportive environment has enabled the council to make substantial changes without threatening the stability of its employees, which has been a critical factor in helping the council quickly to establish and embed new ways of working. Staff commitment, enthusiasm and loyalty is an asset and the council has also shown itself willing to invest in new staff by establishing an entirely new management team in Social Services and Housing, which is now showing signs of improvement. A strong performance management and service planning culture is well established throughout the council with clear links between the corporate plan, objectives and other strategic plans. Priorities are cascaded through to service plans and individuals, using an effective staff appraisal scheme. People know what is expected of them and they are clear about how they are contributing to service and corporate objectives. Staff are empowered to be innovative and to challenge existing processes where these are seen as a barrier. The ‘can do’, entrepreneurial culture, which is found from the frontline to the senior team, has created an environment where successful outcomes are applauded and failures seen as a future challenge. Successes are enjoyed and shared across the council and seen as a team achievement.

Source: developed from Audit Commission Corporate Assessment Report

Different workforces require different recruitment and retention challenges, and demand different strategies. For example, the higher proportion of part-time and female staff in the public sector sharpens the needs for flexible working policies. The higher proportion of qualified staff means that time spent in training is a key supply issue.

Audit Commission, Recruitment and Retention: A Public Service Workforce for the Twenty-first Century
Future Audit Commission work on managing people

22 The Commission is committed to carrying out further work on managing people as part of its improvement planning agenda. This includes:

- where people management has been identified as a local priority, supporting the council’s improvement efforts by targeted audit and inspection work;
- follow-up work on the Audit Commission’s Recruitment and Retention report; and
- Audit Commission Relationship Managers will share notable practice arising from CPAs with authorities.

Sources of information and advice

23 Further information and advice can be found in the following publications.

Audit Commission Publications

(information available from www.audit-commission.gov.uk)


Local Authority Recruitment and Training Follow-up: Progress Against Indicators from On Merit, Audit Commission, 1999.


Patterns for Improvement – Learning from Comprehensive Performance Assessment to Achieve Better Public Services, Audit Commission, 2003.

Other Resources

Chartered Institute of Personnel and Development – www.ipd.co.uk
Employers Organisation – www.lg-employers.gov.uk
Society of Chief Personnel Officers – www.socpo.org.uk
IDea – Knowledge – www.idea-knowledge.gov.uk
Equal Opportunities Commission – www.eoc.org.uk
DTI – Department of Trade and Industry – www.dti.gov.uk
Dfee – Department of Education and Skills – www.dfes.gov.uk