

Visa Europe: Developing a peak performance culture

Organisation background

Visa Europe is a payments company. Headquartered in London, it provides product solutions, marketing solutions and transaction processing services to around 4,000 European financial institutions and payment service providers.

Over the past few years, the organisation has fundamentally changed its structure, its constitution and the type of services it provides. In the past, it had operated as a branch of Visa International (traditionally an international membership association, operating on a not-for-profit basis and providing its services to financial institutions worldwide). In 2005, it was decided that Visa International should be incorporated as a private stock company (Visa Inc.) and seek a listing on the US stock exchange. In Europe, however, it was decided that the organisation's operations should retain the membership association model.

Visa Europe was therefore established as an entirely separate organisation, exclusively owned and controlled by some 4,000 financial institutions, with an exclusive, perpetual and irrevocable licence to use the Visa brand, products and intellectual property across Europe.

Clearly, such a fundamental change was to have a wide range of implications, including:

- the creation of a new, stand-alone inter-bank processing capability (the organisation having previously relied on a centralised processing operation based in and controlled from the US)
- the establishment of various support and back-office functions that had previously been managed centrally (including additional finance, product development, legal, risk and security functions)
- a significant increase in total staff numbers – which were set to grow from around 400 people to nearly 1,500 people – and a rebalancing of the type of roles people would fulfil

- the need to transform itself from a small, flexible organisation (operating as a branch of a large global organisation) to a much larger, free-standing organisation, which could continue to provide a high-quality service to members within the context of significant contextual changes.

Concurrently, Visa Europe's headquarters moved from a small office in a prestigious part of London to larger premises.

The chief drivers of culture change

Against the background outlined above, the chief drivers for the cultural change can be summarised as follows:

- There was a need to move from a relatively small and highly networked culture to a larger and more structured organisation, but without losing the benefits of creative, entrepreneurial and flexible behaviours.
- Competition in the payment services market was increasing. Key competitors had acquired prestigious contracts and there was recognition of a definite change in the competitive environment.
- Given the intensification of competition, it was acknowledged that Visa Europe should deliver a higher level of service, and a more personalised service to its European members.
- There was a need to engage all staff with a desire to deliver outstanding performance in order to respond to the expectations of members, achieve growth and address the competitive threats.

In responding to these drivers, there was a recognition that any change in culture should:

- emphasise 'peak performance' and challenge existing ways of working
- retain a 'family feel' while becoming a significantly larger and more structured organisation

- ensure that the 'new' culture retained the elements of empowerment, innovation and flexibility that were characteristic of Visa Europe's traditional success.

Thus, the overall challenge facing Visa Europe was the move from a relatively small, internally focused and highly networked organisation to a larger, more structured and performance-focused one, without losing the spirit of innovation, flexibility and responsiveness. Within this context it was necessary to find a means to raise the overall performance of the organisation.

The key culture change activities

To respond to the challenges of achieving the required change, there was the recognition, based on previous experience, that a traditional 'initiative-based' approach would not be appropriate. Instead, there was a need for a new type of approach that could be embedded within the organisation and sustained over time to support continuing growth within the volatile and challenging market environment.

In outlining his aspiration for the organisation, the then CEO suggested that Visa Europe should operate like 'one-touch football' – an approach that required decisions to be made quickly and based on beliefs that empowerment and trust are critical to support such a way of working.

In exploring how such an approach may be implemented, the organisation was introduced to Kevin Roberts (the then CEO of marketing service company Saatchi & Saatchi), who had been involved in applying lessons from studies of peak performance, garnered from the sporting world, to commercial entities.

Working with top teams

Kevin Roberts introduced 'peak performance' to the top team of Visa Europe. The process was focused on the individual and helping each individual to recognise how their own values and aspirations could be connected with those of the organisation in a mutually beneficial way. By realising their own potential, these individuals could therefore contribute to the achievement of the organisation's vision and purpose.

Establishing a clear organisation vision and purpose

It was evident from the initial intervention that work was required to establish a clear, shared and widely understood vision and purpose for Visa Europe. A series of organisation-wide conversations and events were conducted over a 12-month period to build a shared vision and purpose. It was felt that the extensive involvement in these conversations played an important role in enacting the key principles of empowerment and trust that were seen as being necessary to underpin the required peak performance culture.

Rolling out the Peak Performance process

After the initial work with the senior team, as facilitated by Kevin Roberts, Visa Europe decided to roll the process out more widely. In doing so, the organisation was determined to use its own in-house teams and capabilities, rather than an outside supplier. Importantly, Visa Europe did not want to introduce or to portray Peak Performance as a stand-alone programme, but rather a wider organisational process.

Key elements included:

- The focus was on the individual participant.
- An important aim of the process was to create an overall 'family spirit'.
- Discussions took place within the context of the Visa Europe vision and purpose.
- Throughout the process there was an emphasis on empowering participants to contribute and pursue their own ambitions. The aim of this was to realise the potential of individual participants.
- There was an overall aim of building alignment between individual aspirations and corporate goals.

The engagement of individuals with the process was enabled by inviting participants to attend a series of sessions which explored the following areas:

- Who are you as an individual?
- What are your aspirations?
- How can you bring value to the purpose of Visa Europe?
- How can you best realise your own aspirations?

The process entailed individuals attending an initial one-day workshop that introduced the theory of peak performance and the background to the Visa Europe mission, dream, vision and purpose. Each of these sessions was attended by groups of around 50 participants. For the following sessions, this large group was broken up into smaller (eight to ten) sub-groups. Each of these was facilitated by an 'inspirational player', who was (usually) a line manager who had been through the process and found it to be valuable. The sub-groups attended three sessions, each three hours long, where they worked through individual values and aspirations, alignment with organisational needs and actions to move forward.

In introducing the process, Visa Europe applied two core principles. The first of these was that participation was completely voluntary. The second was that the roll-out of the process was to be non-hierarchical. Indeed, participation in workshops tended to include participants from all levels within the organisation.

Working on these principles, Visa Europe found that the interest and enthusiasm spread 'virally', on the basis of word of mouth. A powerful component of this was seen to be the power of stories that were told by individual participants.

Change agents' reflections on the culture change

The particular nature of the Peak Performance process means that there is a definite blurring in the distinction between 'change agents' and other staff. Having been through the process, a number of participants go on to become 'inspirational players' and therefore go from being a participant to a change agent in their own right.

Interviews with those involved in both initiating the change and its implementation (in the role of inspirational players) revealed a number of key success factors associated with the culture change.

The importance of commitment from the top

The impact of the commitment of the CEO and top team to an emergent process was seen to be a critical success factor. Similarly, the lack of any 'hidden agendas' (perceived or real) contributed to the success of the process.

The value of this being seen as a business process

The process was not seen to be 'owned' by the HR department. It was largely led by people from within business and this helped to ensure that participants saw its relevance to the work that they were doing.

The focus on individuals

While there was some initial scepticism about the stated focus on individual values, contributions and aspirations, it was this aspect of the process that provided the basis for so many significant changes – particularly to individuals' perceptions of the direct relationship between their own role and the success of Visa Europe.

The importance of empowerment

The genuine efforts to empower participants to effect changes, present ideas and develop their careers led to some outstanding contributions from individuals. The potential and untapped capability of participants, when released, had remarkable impact.

The significance of stories and 'viral communication'

At first there was a degree of cynicism about the purpose and nature of the process. In addition there was some uncertainty that introducing the process on a voluntary basis would be effective. However, the type of individual stories that were shared during the sessions became a powerful way of communicating the authenticity and value of the process. These stories spread through the organisation 'like a virus' and consequently stimulated a demand for increased levels of participation.

Durability of the process

The individual-level process has been sustained for more than six years and continues to evolve. Those involved in implementing the process believe that this sustained impact is due to its organic nature – and the stark contrast with the type of 'traditional initiatives' encountered in so many organisations.

The importance of managing expectations

The process is designed to encourage participants to embrace their own aspirations as well as the organisation's. The challenge for managers is to help participants see their aspirations in a realistic context – but without detracting from the principles and spirit of the process.

Staff reflections on the culture change

In general, participants are very positive about the process and their own experience of being involved. However, it was not always seen as directly relevant to the wider business needs of the organisation. Participants talked about their perceptions of the fluid and voluntary nature of participation, the link between individual and business benefits, and their opportunity to network.

Lack of structure led to scepticism

The nature of the framework used to deliver the Peak Performance process was not structured or seen as particularly clear. Participants automatically expected Peak Performance to be a formal programme and its fluid nature (albeit informed by some core principles) led to a degree of initial cynicism. However, as stories from participants spread throughout the organisation, this cynicism was replaced by growing involvement and enthusiasm.

A further aspect of the cynicism related to a sense of disbelief that the organisation would invest in helping individuals to think about themselves. However, participants who had direct experience of the process recognised the authenticity of this principle. As one participant said: *'...it is wonderful that Visa (Europe) gives you time to think about you; and pays you while you are doing it!'*

Lack of clarity over business benefits

Given the individual focus of the process, some participants were uncertain about the potential business benefits. However, after the introduction, it became clear that the process was being implemented in parallel with a clear focus on good performance management. Furthermore, the overall improvements in business performance, combined with the individual stories about business improvements, overcame these doubts.

Voluntary participation

Although staff were told that the process was entirely voluntary, there was a feeling that people may be expected or coerced to participate. However, management comments and actions indicated that it was 'okay not to participate', and thus the genuine nature of voluntarism was established.

At the same time, many of those people who had participated in the process and had found it to be powerful began to express the opinion that it should become a mandatory requirement for all staff. In some ways this apparent ambiguity has added to the power of the process.

Formation of networks

A major benefit of the process was seen to have been the formation of networks, of contacts amongst fellow participants – many of whom may not normally have come into direct or personal contact with each other.

Sense of exclusion from non-participation

Some participants expressed a concern that those who did not participate in the programme may perceive themselves to be 'out of the loop' and excluded from certain networks.

What was the impact of the culture change activities?

The culture change process within Visa Europe followed an emergent approach. The core beliefs were that 'if we free up and engage individual potential we can create a great organisation'. Given this, there was a view that establishing specific impact targets was irrelevant and potentially limiting. However, there are a number of outcomes that are broadly perceived to relate to the Peak Performance process. These include:

- The key business metrics (for example growth, customer satisfaction, transaction volumes, and so on) remain on a steady upward trajectory.
- Employee engagement scores remain at a high level. Indeed, there is evidence of a clear relationship between participation in the Peak Performance process and levels of engagement scores.
- There are myriad stories about extraordinary changes in the approach and performance of differing teams/areas of business that have been attributed to the process.
- There are many stories of how individual potential has been released and enabled distinctly new career trajectories.

Continuing on the journey

The individually focused process continues and evolves as the business moves forward. However, the value of the process at this level has led to an interest in moving from a purely individual focus to a more team-oriented approach.

Involvement in the process at the team level remains voluntary in as much as teams do not have to participate. However, when a team does want to participate, all the team members need to become involved. In practice this results in team members who have not participated in the individual process deciding to undertake this element before the team sessions begin.

The main focus of the team process is on building a shared understanding of the team purpose and how this aligns with the overall Visa Europe vision, mission, dream and purpose. An important aspect of this is the introduction of customers into the conversations to provide input on their needs, aspirations and perceptions of the team.

The value of both the individual and team Peak Performance processes have prompted Visa Europe to consider how this may be developed further, both at the organisational level and the leadership level. This remains work in progress, but with a belief in the importance of adhering to the core principles.

Meanwhile, the original Peak Performance process continues and evolves. The design principles are essentially those of emergent change and thus there are limited constraints on how future developments might occur as long as they observe the core principles and beliefs. In this way, the change process may be seen as being organic.

The Children's Trust Southampton: Towards a culture of partnership working

Organisation background

The Children and Young People Trust Southampton was established in 2008 in line with statutory requirements. The aim of the trust was to bring together a range of services and agencies to reconfigure the services that address the needs of children and young people in the city.

The trust is one of four partnerships in the City of Southampton and brings together more than 20 partners. The trust reports to the Southampton Partnership and Local Area Agreement Delivery Board and is governed through a trust board, which is chaired by the cabinet member for children's services and is supported by the director for children services.

The main focus of the trust is to develop robust arrangements for working across organisational and agency boundaries to improve the outcomes for children, young people and their families. It is important to note that the trust is not an organisation but a partnership, and thus the trust itself does not have employees, but the children's workforce are all staff working in organisations/agencies as part of the partnership. Since the arrival of the new government, the nature and the future of children's trusts across England and Wales is being reconsidered and local authorities are awaiting guidance.

The chief drivers of culture change

In the Southampton Children's Trust, there were two main drivers for developing a culture of partnership working: the high-profile service failures relating to children and young people, and the need to work more efficiently.

High-profile service failures

The key drivers for change were a number of high-profile service failures across England that resulted in the deaths of children and young people. Following

the Laming Report into the death of Victoria Climbié, the Government published the green paper *Every Child Matters* in 2003. This paper outlined the vision of the Government to establish more-robust mechanisms for different agencies to work in collaboration, ensuring that there are seamless services for children and young people. The identified need of reducing the number of service failures through multi-agency working was subsequently anchored in statute through the Children's Act 2004. This document set out national requirements to create formal partnerships, children's trusts, by April 2008.

While the creation of children's trust arrangements was a statutory requirement, the shape, form and nature of such trusts was not prescribed. Local authorities were free to interpret the visions and aims set out by government, receiving support through general guidelines and the development of a dedicated sector skills council for the children's workforce (Children's Workforce Development Council). The notion of collaboration and multi-agency working was the means by which better outcomes for children, young people and families can be achieved.

A drive for efficiency

Locally, a secondary driver was to work more efficiently, with less duplication and waste of resources – reconfiguration of services into more-integrated and collaborative arrangements were anticipated to produce an additional benefit of making efficiency savings. This driver has gained more prominence in the last couple of years following the sizeable financial difficulties faced by the public sector. While the ethos to work more collaboratively for better outcomes for children, young people and their families still motivates many employees and much of the ongoing change, financial efficiencies have taken over as the main driver for the redesign of services for children, young people and their families.

The key culture change activities

Interventions focused on the organisation's structure, developing values to support the strategy and structure and the role of leaders as change agents.

Designing the organisational structure

The need to change was politically driven, and the publication of the green paper and the Children's Act set an early expectation of change in 2004–05. Many local authorities and agencies delivering services for children and young people anticipated major restructuring in order to implement the statutory requirements. Developing and changing the structure of the organisation was seen as an integral part of developing and embedding the ethos, promulgated by the rhetoric of multi-agency working. While a similar expectation was apparent in Southampton, the speed of implementing a different structure to create the children's trust was slow.

Over the last three years the trust's structure has changed three times. Most of these restructurings were accompanied by major redevelopments of job roles, resulting in redundancies and changes in job descriptions and responsibilities in organisations that are partners in the trust. Most affected by the structural changes owed to the children's trust arrangement were local authority services including social care, education, youth work and early years childcare provision.

Since the formal creation of the trust in 2008, a more accelerated structural change project began last year, with a substantially different senior management team as change agents in the local authority. The trust is currently in the process of embedding this new structure that has led to the development of locality-based multi-agency teams. The structural changes were complex in that not all partner agencies constituting the trust changed, or needed to change, their structure. Furthermore, some partner agencies/ organisations had different drivers for change that informed their structural changes, for instance the changes in the structure of primary care.

Developing values to support the organisation's strategy and structure

With the lead from the local authority, the children's

trust developed the value base that accompanied the publication of the green paper *Every Child Matters*. The trust set examples of multi-agency working by encouraging the employment of a strategic workforce manager that was employed across partners, rather than by one individual agency. This role was to span the entirety of the trust and work with all constituent partners on exploring the ways in which collaboration can be fostered. Furthermore, a children and young people plan was developed as a strategic document setting out the value base for the trust and the anticipated outcomes over a five-year period. Efforts were made to develop shared protocols, such as induction standards and information-sharing agreements. In the earlier phases of the development of the trust, large conference-style meetings were held as a means to disseminate to and consult with the broadest range of staff.

The earlier parts of the change project focused substantially on developing and sharing the vision. The recently renewed children and young people plan re-emphasises the vision and values focusing on improved outcomes, collaborative working and value for money. Internally, the ongoing reconfiguration of services is now perceived to be mainly driven by the budget deficits, with multi-agency working as a means to save money. Economic terms seem to have overtaken social terms for the rationale of the change.

Leaders as change agents

Being politically motivated, the change leadership mainly sat with the cabinet member for children services and the director of children services, who was employed in 2005–06. Leadership took the form of providing blueprints of the new structures and setting the vision and values for the children's trust.

The most recent restructuring as part of this change project was headed and led by the deputy director for children services, who was brought in as a change agent and sits within the local authority. She increased the centrality of the decision-making, although the implementation of the change was delegated down the hierarchy. The latest structure emphasises line-management relationships rather than professional affiliations, which is supporting the embedding of the values associated with the trust.

Change agents' reflections on the culture change

From their experience of implementing the new way of working, change agents identified a number of learning points concerning what has worked well in addition to the challenges faced.

The need for effective communication during change

While the change agents were part of the delivery of the change, it was recognised that communicating the vision was not done effectively. There was a real sense that many were unclear at the beginning about what the vision was, and that much of this communication was top-down and rarely in a format that was accessible to the diversity of employees across the children's trust. Much of the communication took place through formal channels, such as meetings and formal conferences, and change agents recognised that often the message did not filter down through the organisational levels.

The challenge of implementing culture change in a politicised context

The ethos of children's trusts seemed clear, as was its necessity – this was recognised both in regards to the value that more integrated working would bring and in regards to the political, statutory requirements associated with children's trusts. However, leading change in such a politicised context often meant that change agents had to undertake rationalisations (such as making staff redundant, reconfiguring services, and so on) to demonstrate movement, while maintaining a positive message about the cultural change.

This complexity was confounded when the budgetary pressures rose and the partners in the trust had to be seen to address such issues – often working towards their own performance measures. It often left change agents in situations of having to take forward activities to integrate and build the new culture, while disrupting and diminishing existing services to demonstrate to both the public and politicians/government that the change challenged the issues. Frequently, this led to change agents feeling isolated, as they were often seen as the enforcers of the change without due concern or appreciation of the realities of practice.

Limited staff involvement in the change process

All the change agents recognised that involvement may have been neglected throughout the process. Often, the extent of change and the focus of change were decided at the highest level – this was particularly noticeable at the beginning of the change programme. There were mechanisms by which senior management tried to elicit feedback. However, such consultations were not always timely and at times only reached a very limited number of the workforce.

The more recent development of the locality team structure in the local authority aimed to increase the involvement of middle managers by allowing them to develop aspects of the locality team set-up. While staff were not necessarily consulted or involved in the move towards localities, middle managers were subsequently encouraged to develop the structures within the localities.

Staff reflections on the culture change

Staff felt that a greater clarity of the organisation's vision and more communication would help to further embed the new ways of working in the organisation, but felt that overall the uncertainty within the organisation affected how far they embraced change.

A greater clarity of vision needed

Staff across the trust and its constituent partners felt that the vision for the change was poorly communicated, especially at the beginning. While staff were convinced about the necessity to work more collaboratively, and were enthusiastic to improve services to children, young people and their families, they perceived a void in knowing where the trust was heading and how it proposed to get to this new and improved system. Augmenting this lack of clarity was the hiatus between the urgency communicated about the change and the actual beginning/movement of the change. Staff found it difficult to deliver a service without knowing if this service would be part of the new system. There was an inherent lack of clarity around the reason why certain things had to change, such as structures, because there was no sense of how such changes contributed to the achievement of the overall change initiative. This seemed to affect particularly staff and services close to the centre of the change, namely the local authority. Other partners reported that for most of their staff the lack of clarity

meant that the trust was not seen as having an impact on their working practices and services, as they were unaware of how the trust and its vision may affect them. The lack of a clear vision may have contributed to the disengagement of some partners in the earlier stages of the change programme.

The difficulty of living with uncertainty

The summative impact of the rationalisations, the lack of clarity of vision, the top-down change approach and the lack of communication manifested itself in levels of uncertainty and anxiety. Staff redundancies were a threat to many individuals in the children's workforce due to the efficiency drivers that emerged as change objectives. Furthermore, the move towards integrated, collaborative working challenged the professional identity of some constituent partners of the trust.

The structural changes and the reconfiguration of services often challenged traditional roles and contributions of professionals towards the well-being of children, young people and their families. Professionals had to rethink and re-establish what their unique contributions may be in multi-agency teams where there may be others who have similar expertise. The development of new structures and the reconfiguration of services also elicited feelings of non-appreciation of existing good practice, which heightened anxieties. As many staff did not see a clear vision, the changes to services were interpreted as being undertaken for the sake of change, rather than based on any rational thought. Thus, staff felt that by having to change the way they do things without knowing why, their current way of doing things was seen as insufficient and poor.

Desire for more communication and greater involvement

Similar to the change agents, staff recognised the top-down approach to change management. They often felt that they were 'done onto', rather than the change being facilitated through them and undertaken with them as stakeholders. Consultation on changes was perceived predominantly as tokenism and disingenuous. While there was an appreciation of the challenges that are inherent to consulting to a large workforce, such as that comprises children's services, the perceived lack of formal mechanisms to

communicate changes and/or consultations caused staff to feel disengaged and devalued. Staff were often unaware of the mechanisms, such as directorate conferences, that were used to communicate progress on the change.

What was the impact of the culture change activities?

The assessment of impact the change has had to date seems indeed dependent on who assesses the impact. However, overall there is evidence that the ethos of collaborative working has developed greater relevance across the trust. There appears to be a greater awareness of the role of the trust, its responsibilities and its purpose throughout the partnership organisations. Evidence suggests that managers and supervisors at all levels of the organisations actively support the trust and are able to articulate its purpose. Anecdotally, there is evidence that individuals are more open, proactive and willing to work across organisational boundaries within multi-agency settings. This change can be quantified also in that there is evidence of improved outcomes against which trusts are measured.

Staff perceptions of the impact of the changes

Staff clearly recognised the structural changes and – once the new change agents were brought in and communicated a clearer vision – they were aware of the necessity for such changes. However, the extent to which the culture has changed alongside the structural changes was considered to be less obvious. There was recognition that more staff work across organisational boundaries and that the move towards the trust has enabled closer working relationships with staff from a range of agencies and backgrounds. Nevertheless, staff felt that only emotionally resilient people felt comfortable with the new arrangements and that new and emerging ways of collaborative working were borne out of staff's enthusiasm for their job and improved outcomes. Staff felt that the change process did not allow for the emotional aspects of change to be voiced. The change was perceived as functionally driven without opportunities for staff to engage with the emotional effects of cultural change. Because of this lack of opportunity to engage with the change at this level, many felt that the hearts and minds of staff were not changed.

Changes to organisational structures

There is clear evidence that the structures of the trust have changed, in that different partner agencies have restructured – most prominently the local authority. First of all, the move towards locality teams (local authority) is tangible evidence of the impact of the change. Secondly, the trust now has a number of individuals who are employed across the structure/agencies as joint appointments. This re-emphasises the value base and how the structures support the move towards more efficient and collaborative working.

Increased use of shared processes

There are also impact measures that look at the use of shared processes. For instance, bi-annually, a multi-agency induction event is held that is open to any new employees from across the trust. Another example is the increased use of common assessments in order to support clearer communication between different agencies.

Continuing on the journey

Generally, there appears to be agreement that the change has not come to an end yet. In regards to impact, this continuation of change is interpreted in different ways. Some suggest that the impact of the change has been to allow the structural changes to take place and to now move into a subsequent phase of embedding the structure and the desired culture. For others, it is the nature of the public sector that requires continuous change to meet the desired outcomes. Thus change never ends and 'distance travelled' cannot be defined in an unambiguous way.

National Police Improvement Agency – People Development Directorate: Developing a customer-focused culture

Organisation background

The National Police Improvement Agency (NPIA) was formed around five years ago. The NPIA was established to bring together a diverse range of services and activities that focused on providing support to policing within the UK.

This case study examines the People Development Directorate of the NPIA. The directorate became responsible for organising the delivery of a range of assessment, examination and learning and development services provided for police forces and policing throughout the UK. It was the first time that national HR services had been brought together; this was achieved through the development of a national people strategy. The organisations that came together with the People Development Directorate were quite disparate in terms of their history, culture and ways of working. They included parts of the Home Office, an organisation that provides learning and development (Centrex) and the Asset Recovery Agency. In addition to organisational diversity, the newly formed directorate combined geographically dispersed operations. Each location had developed its own local culture and practices.

In looking at the services provided by the organisations brought together to form the NPIA People Development Directorate, it was evident that they were provider-focused, rather than user/customer-focused. The quality levels were very high and often 'gold standard'. However, they had not been fully tested with user/customers in terms of their needs.

In the course of the formation of the NPIA, the then government began a process of identifying opportunities for achieving cost reductions across the public sector. Subsequently, it was stated that the NPIA

would cease to exist in the merged form in 2012. However, the way in which services would be provided in future was not clarified. This was due to the current government policy of 'de-cluttering the landscape'. This context of uncertainty was further amplified by the recent change in government and resultant focus on reductions in public expenditure.

The chief drivers of culture change

Against the background outlined above, the major change drivers were:

- the need to develop an integrated service offering in terms of the provision of people development services
- the need to provide a customer-focused service that meets the needs of the diverse stakeholder base – this represents a significant shift from the dominant provider-focused service
- the need to move from a 'gold standard' mindset, in terms of support provision, to working on a fit-for-purpose basis
- increasing delivery efficiency by eliminating duplication of services and focusing on delivering value for money
- engaging staff of the directorate with a shared purpose, focused on 'improving things for the UK policing service'
- ensuring that 'best practice' is recognised throughout the directorate and incorporated into all parts of the organisation.

While the above were initially perceived to be the key change drivers, the governmental priorities led to an important overall cost reduction driver. In this context, the challenge faced was to ensure that the need for culture change was not overshadowed by the parallel need to reduce costs.

The key culture change activities

Key activities in implementing the culture change include a restructuring of the top management team, a review of existing processes, the involvement of stakeholders and a focus on retaining respect for past ways of working.

Restructuring the top management team

To respond to the above challenges and need within the NPIA People Development Directorate, it was decided to begin with a restructure of the roles within the top management team. This restructuring was designed to provide a clear focus for building a new and integrated directorate. To implement the structure, it was recognised that external recruitment would be necessary to build the required top team. The overall view was that a strong and aligned top team was a prerequisite for achieving the significant cultural change that was required within the directorate. However, structural changes at lower levels were left open so that they could be informed by other components of the change process, outlined as separate interventions here.

Reviewing existing processes

External consultants were employed with a brief to review the processes involved in delivering the services provided within the directorate. The aim of the review was to identify opportunities to eliminate duplication of activities and to improve the cost-effectiveness of service delivery. The intention was that this review should involve people working within the directorate.

Retaining respect for the past way of working

In implementing the review, the top team decided that those involved in the process should respect what had been achieved in the past (and how services had been delivered). The review focus was intended to be on the future needs of the directorate rather than on criticising past practices. This was illustrated in the context of 'gold standard' practices. These were recognised as being excellent practices *per se*, but questions were asked in relation to the extent to which these standards exceeded the needs of the 'customers'/service users and the issue of affordability for the future.

Encouraging people to challenge existing ways of working

Through extending the review process, senior unit heads put challenge processes in place, designed to provide a basis for working with key players in their units to identify what work could be dropped or what could be done differently.

Involving key stakeholders

In the course of the review process, key stakeholders were invited to provide their views on the current levels of service, its quality, relevance to user needs and expected needs going forward. These views were shared with people within the units in the directorate as an input to their review and challenge process.

The timing of structural changes at lower levels

While the top-level structural changes were made at the start of the change process, changes at the lower levels were not made until the review had been completed. These changes were designed to align with the process changes recommended in the review report. This decision was the consequence of an initial decision that was made to roll out the changes on a top-down cascade basis and to minimise disruption to service delivery.

Clarity of values and communication

The top team developed a clear ethos for the new directorate, along with statements of overall purpose and values. The key mission for the directorate was in line with that of the overall agency and was: 'to improve things for the UK policing service'. The ethos and values were communicated from the centre and supported with personal visits to key sites and units to discuss the changes. In addition, the key service leaders and unit heads were tasked with ensuring regular communication within their own areas of responsibility.

Establishment of a central programme management office

To implement the findings of the process review, a central programme management office was established to oversee the implementation of the required changes and ensure that identified benefits were captured.

Developing a governance structure

It was evident that the different organisations brought together to form the NPIA People Development Directorate had differing groups of stakeholders and governance systems. To move towards achieving an integrated service, it was decided to develop and implement a single overall governance structure for the directorate.

Change agents' reflections on the culture change

Those involved in significant roles in the change process had joined the organisation at different points in the change journey. However, a number of common reflections emerged from the key change agents.

The importance of involvement

In general, there was a view that at the service/unit level, involvement of staff achieved better results and reduced levels of cynicism around the change. A number of those interviewed expressed surprise at the high quality of suggestions and ideas that were realised by involving others in generating thoughts on new ways of working.

The need for timely and consistent communication

A common theme that emerged from interviews with the change agents was that they faced challenges when they had not received the same communication from the top that colleagues had received. As a result, members of their team sometimes had more up-to-date information (acquired through informal channels) than they had as change agents. This, in turn, led to issues relating to trust in the managers based on perceptions that they had not been sufficiently open and transparent in their communication with their team.

Difficulty of 'changing goal posts'

While there was a clear case for building an integrated customer-focused culture at the outset of the change, the mission had become clouded by the increasing focus on cost reduction, resulting from government initiatives. This has resulted in challenges for the change agent in maintaining focus on the initial (and seen to be valid) purpose of the change process. Everything that they were trying to do to achieve the initial goals is seen to be primarily related to cost reduction.

In addition, the announcement that the agency will be phased out in its current form after 2012 has made it increasingly difficult to engage people with the overall change process. The government initiatives not only impact on people within the organisation, but also its stakeholders. For example, building engagement with the police authorities has been hampered by the plans to replace them with elected commissioners

The need to be completely honest in your own communication

The change has an impact on many people and is upsetting their way of doing things. It is important to be very clear that the change is necessary, whether we like it or not. It is necessary for senior managers (change agents) to hold to this line and work through the challenges. It was also seen to be important to be willing to be open in terms of what the managers did not know. For example, none of the senior managers knew what would happen when the agency was disbanded. It is necessary to acknowledge the limits of the information that you have available to you as a change agent. This was seen to be a part of being an authentic manager. Although some of the agents were uncomfortable with this, they were pleasantly surprised to find that their team members' professional commitment enabled them to continue to contribute productively when facing an ambiguous and uncertain context.

Making change 'business as usual'

Given the volatility of the context in which the People Development Directorate was attempting to supplement change, the agents tended to find that focusing on the services to be delivered helped to ground the process. This focus, rather than talking about the overall change, helped team members to see that it was the 'business as usual' that needed to change.

The importance of skilled support

A number of the agents commented on the importance of having skilled staff involved in the overall change programme management. It was felt that the quality of programme support freed the agents to concentrate on engaging with their team members.

Staff reflections on the culture change

In general, the participants' reflections on the experience were not particularly positive. Overall, the purpose of the change was perceived as being primarily concerned with achieving cost reductions, rather than improving the service to policing in the UK.

Inconsistency of implementation

The implementation of the changes was seen to be applied inconsistently across different parts of the directorate. Some aspects of the directorate's work were seen to be largely unaffected by the change, and this led to perceptions of differential value being attributed to different activities and concerns that some managers were better able to protect their areas of activity. As a result, there was a perception of a lack of equity in the implementation of changes. This tended to reinforce a 'silo' view of the organisation that worked against the initial change vision.

Failure to consider contextual differences

In implementing the change, participants felt that specific geographical differences had not been adequately taken into account. This is closely linked to the above point.

Lack of consultation/involvement

There was a general view that the use of consultants resulted in recommendations for process change that were not grounded in a clear understanding of the work of the directorate. Participants felt that this approach did not allow for the views and input from people working in the organisation to be incorporated into the planning of the change. This resulted in a perception that changes were being '*done to people rather than with people*'.

Limited communication from top management

It was felt that communication from top management within the directorate was somewhat sporadic and rather general. This was done through unit heads as a specific strategy rather than coming from senior management. Overall, it was suggested that more regular and specific communication could have helped people understand the aims and purpose of the overall change process. The messages received were seen to be insufficiently clear in terms of both the need to change and the action required.

Over-centralisation as a part of the process

Participants commented that the overall management of the change process appeared to result in over-centralised policies and practices. As a result of this there was a perception of increased bureaucracy that appeared to be at odds with the purpose and direction of the change: '*...in order to reduce bureaucracy we have increased it!*'

Lack of pace

It was felt that the time lag between communicating the need for change and the implementation of actions was too long. The delay was perceived to have an adverse impact on change implementation as well as diluting the importance of the change message.

Positive commitment of staff

The participants did comment that the above reflections represented ideas for improving the change process. They pointed out that, despite the clear limitations of the approach that had been identified, the commitment of the individuals to doing a good job and delivering a good service had resulted in some positive changes in the directorate.

What was the impact of the culture change activities?

In terms of the new organisation, there have been a number of positive outcomes from the changes. These are:

- In spite of the reductions to costs and headcount, the directorate continues to provide a good level of service to its 'customers'.
- Efficiency has improved and duplication is being eliminated. As a result, costs have been reduced without any reduction in critical services.
- In the spirit of working on an integrated basis, it has been possible to deliver new services/support for policing in the UK. For example, the directorate has produced a new UK police leadership strategy that has support from all stakeholders.
- In conversations with key users/'customers' it is evident that their greater involvement in discussions around needs and services has led to higher levels of satisfaction with the services provided.
- There is a reasonably widely shared perception that in many parts of the directorate the ways of

working have changed in a way that is aligned with the overall change goals. It has been commented on that when people are involved, it is surprising to see what they can do and to observe previously unrealised strengths.

Although a number of positive benefits have resulted from the change, there have also been some negative impacts. Overall, there has been a decline in staff morale, concerns around the sustainability of the change and uncertainty over future provision of the directorate's services. However, what is unclear is whether these negative effects are a consequence of the change initiative designed to provide an integrated customer-focused culture, or the governmental focus on achieving spending reductions and service cuts.

What is noticeable is that even in a climate of low morale with such significant changes, individual members of staff are becoming more responsive to change. It appears that their commitment to their role and the service frequently overrides their frustrations with the change process.

BNP Paribas: Building a business development culture

Organisation background

BNP Paribas Real Estate was a business line developed following the merger of BNP and Paribas in the early 2000s. It established its UK operations in 2004, when Atisreal joined BNP Paribas Real Estate. In 2009 a rebranding took place, with Atisreal adopting the BNP Paribas brand. In the last five to ten years, Atisreal/BNP Paribas Real Estate UK grew significantly by merging and/or acquiring specialist firms across the UK and Europe. BNP Paribas Real Estate UK has its headquarters in London, with satellite offices throughout the UK, employing approximately 650 staff.

While successful in its marketplace, the economic situation had a profound impact on the commercial property business. Coupled with the planned, but mainly organic, growth, BNP Paribas Real Estate needed to rethink their business model and the way in which they operate. A large part of the workforce comprises technical staff with a surveying background.

The buoyant property market of the late 1990s and early 2000s meant that professional service companies such as BNP Paribas Real Estate could operate a business model that focused predominantly on the delivery of services without much need to develop business. Only a small number of senior staff needed to search for new business proactively. The collapse of the property market meant that business no longer came to BNP Paribas Real Estate automatically, but in order to survive and achieve the strategic aims of the company, a business development culture needed to be established. Bringing in new clients and achieving sales targets was seen as a vital part of everyone's job.

The chief drivers of culture change

The main external driver for the adoption of a business development culture was the collapse of the property market and the financial crises that developed alongside. The transaction market fell significantly in this period, suggesting a significant decrease in

potential business. Growth and sustainability were only achievable by winning a bigger market share.

Internally, the growth by acquisition and merger meant that BNP Paribas Real Estate UK was a conglomerate of different cultures, with each of the companies operating differently and placing different emphases on business priorities. Furthermore, while the need for business development was recognised by the senior managers of the organisation, a staff questionnaire in 2008 highlighted that a large proportion of staff had preferences in 'doing the work' rather than developing new business. The results provided substantial evidence for the need to address business development as a strategic priority. Focusing on a culture of business development clearly reflected the ambitious growth strategy developed by BNP Paribas Real Estate UK.

The key culture change activities

Key activities focused on the organisation's structure, processes, values and the importance of leadership.

Designing an organisational structure and processes

The impetus to develop a business performance-oriented organisational culture meant that the inherent emphasis on innovation, cross-departmental selling, collaboration and standardised processes needed to be anchored visibly within the organisation. In response, the constitution of the executive board at BNP Paribas Real Estate UK changed. The director of business development and marketing became a member of the executive group, thus clearly representing this agenda at the strategic level of the organisation. Furthermore, a client solutions team was established that focuses on the top 50 customers. This is a significant change in that a dedicated team, headed by two senior directors, has been established focusing predominantly on selling and developing business. The added value of these changes is the visible recognition of business development as an organisational priority through strategic investment.

To address the multitude of business processes entrenched in the different companies brought into BNP Paribas Real Estate UK, a unified process of approaching work was developed – the aim was to foster a common approach and develop a shared culture of business development. Business development was seen as having three constituent parts, namely targeting, pitching and client management. Each of these three components can be viewed as a process and are addressed through a dedicated training package.

While not immediately associated with the culture change towards business development, the executive group also established a culture working group that looks more broadly at the 'One Culture' of BNP Paribas Real Estate. This work is still in early stages, but re-emphasises the commitment of the organisation to develop a common understanding and way of working under the brand of BNP Paribas.

Embedding the values underpinning the business development culture

Preceding the launch of the programme to educate staff across the organisation about the three components of business development, an extensive communication campaign was undertaken. This included desk-drops, roadshows across all branches and taster sessions of the different aspects pertaining to business development. The director of business development and the CEO were actively involved in this campaign, providing a sense of gravity and importance; for instance, the CEO and the director of business development presented at the roadshows.

In addition, initiatives were launched that highlighted the success of individuals in winning new clients – the aim is to begin appreciating and celebrating success more openly to develop a culture that values business development. A business development prize was also introduced that focuses not only on the winning of new business, but indeed on the process. The criteria for winning this prize re-emphasise the need to work more collaboratively across the organisation, use the existing resources and apply the newly developed business development process. All of these initiatives provide a continuous reinforcement of the values underpinning the new culture of business development.

The role of leadership

It was acknowledged throughout BNP Paribas Real Estate UK that the change was driven top-down. It was indicated that the initial identification of a need to focus on business development and the design of the training programme introducing the new process were centralised activities. Consensus exists that the executive group as a whole was seen as providing the leadership and endorsement for this change, with the CEO and the business development manager taking the role of strong advocates. However, no single department, such as HR or training and development – or indeed business development – was seen as the sole leader of this change. Furthermore, initial work on developing the new culture was undertaken with a group of sales champions, who were the 200 top salespeople covering all business lines in the company. It was believed that these individuals will play a vital role in leading the change by disseminating their learning. This was effective to a certain extent, but it quickly became apparent that the issue of business development is much wider, and thus the company-wide training programme on 'Target, Pitch, Manage' was introduced.

Change agents' reflections on the culture change

Those implementing the change highlighted a number of aspects of the change process that have helped to drive the business development culture.

Communication during change

Marking the beginning, the questionnaire investigating business development preferences in 2008 set the tone for the communication strategy for the culture change. While the initial focus was on the sales champions, the realisation of the need to roll a training initiative out across the organisation brought with it a detailed and focused dissemination strategy. Staff were fully informed about the reasons for the training programmes and the value they could add to the company. There was acknowledgement that not everyone in the company may have seen the benefits initially, but the continuing reinforcement of the message that business development is pivotal to the organisation eradicated most of the dissonant voices – albeit there were very few of those in the first place.

Culture change as a top-down process

All change agents recognised the value of having had a change project driven by the executive group. The endorsement from this organisational level has, according to the change agents, made all the difference in gaining and maintaining buy-in for the change throughout the organisation. While the change may have started with a process that allocated individuals to courses, the training courses now fill themselves and staff have shown enthusiasm and commitment to the change. The continuous support from the executive group serves as a reminder that business development is not an option but a necessity to survive in the current marketplace. What is also valued is the coherence in message and approach. The change agents were clear that the change cannot be assigned to any one department or individual, but the whole of the senior management team. This clarity of vision and process seems to have been fundamental in implementing this change without major disruption or resistance.

Staff involvement

Being driven by senior management, little staff involvement in the development of the strategies and techniques to implant the change took place. It was recognised that this may not have been particularly consultative, but the vision for the change and the development of the training programmes were undertaken by experts. There was close collaboration between business development and training and development. Involvement of staff in the courses/ training programmes has been evaluated as excellent in that staff are keen to go on the training and be part of the change.

The style of workshops initiating the change was designed to draw out skills, knowledge and experience of the delegate population. In addition, the best practice guides were compiled using the practice already used around the business, the legacy of training completed previously and the expertise and intellectual property of the business development team, as well as the specialist training suppliers that were engaged.

Organisation systems and processes

Change agents want to focus more on the way the processes associated with business development are

being used. One of the issues identified is that the organisational systems are not necessarily supportive and/or conducive to implementing the change. For instance, while a new IT system is being developed, currently no unified and comprehensive system exists that records all the data from across all business lines. This makes cross-departmental work more difficult.

Furthermore, recognising business development as a new capability and competence for all staff, the appraisal system and the incentive schemes do not necessarily reflect such emphases. It was acknowledged that further work needs to be undertaken to align such organisational (HR) processes with these new requirements. This is particularly pivotal in managing individuals who may not adopt such new processes and ways of working readily. Others mentioned the lost opportunity of gaining immediate feedback after the training courses that highlight the value the new processes have added to the work of employees. This is significant as the measure of whether the training programmes were successful in facilitating the adoption of the new culture is unknown, as no initial benchmark or expectation was set.

Staff reflections on the culture change

Overall, the change has taken effect and staff are positive about the change; few sceptics were encountered along the way. Staff recognised there was a real need to bring together the various businesses and begin to work more collaboratively internally.

Acknowledging the need for change

Generally, there was wide acceptance from staff that the change is necessary. Staff recognised that growth through acquisitions required the move towards a different way of working that brings together the cultures and creates a new identity. The top-down approach and the drive from the executive group with this structured approach was felt to have been the most appropriate way of developing this common approach to business development and the inherent new culture of proactively seeking work.

Clarity of vision and continuous communication

Most staff appreciated the need to engage in business development as the activity to become self-sustaining in the marketplace. Through annual roadshows and

other events, the messages were delivered slowly, but continuously – this 'drip-fed' communication supported the buy-in for the culture change. There were some instances in which more transparency was needed about where the organisation is heading and how the training and other aspects link. Nevertheless, the top-down approach seems to have resulted in employees taking responsibility for business development at every level.

What was the impact of the culture change activities?

Generally, there appears to be agreement that the change has not come to an end yet. While impact can be observed that indicates the distance travelled, both the change agents and staff appreciate the developmental nature of changing business best practices. Most individuals who contributed to this research suggest that the change will never be complete because there will always be room for improvement. At BNP Paribas Real Estate there was a deliberate move to avoid terminology that indicates a finite goal of business development. The adoption of business development best practice implies that practices evolve, and thus continuous adaptation and change is inherent in undertaking business development.

Structures and strategies

The observable change in organisational structure has been recognised company-wide and has highlighted the importance of business development. Furthermore, some change agents indicated a deliberate move to strategic recruitment to both fill apparent (skill) gaps in business development for particular business lines, but also to build a structure in which business development sits alongside every business line.

In addition, BNP Paribas Real Estate set ten strategic priority areas and business development runs across all of these strategic priorities. Finally, the company recently consolidated their various offices across London into one main location. This artifact of a shared office re-emphasises the opening up of the structure in regards to encouraging cross-departmental collaborations.

Processes

There is a clear sense that the processes across BNP Paribas Real Estate UK have moved on significantly as a result of the change. Besides an upgraded IT system that supports the notion of a uniform approach to target, pitch and client management, individuals are encouraged, even required, to implement and embed the new processes associated with the three business development components. For instance, some departments/business lines have introduced meetings that focus specifically on business development, thus embedding it into formal feedback and developmental processes.

Visual signs of the business development culture

The research shows a significant shift in 'hearts and minds'. Much can be observed that indicates an acceptance of the new culture and there are signals that it is becoming cemented in both people's practices and their behaviours. The language adopted to talk about business development seems to have penetrated all aspects of the company with individuals using a common terminology pertaining to business development. More use is made also of the business development department and the resources it can offer. Most significant may be the realisation of the senior management to undertake similar development. The senior management team has gone through the same development programme after it became apparent that their buy-in for the initiatives was not necessarily reflected in their own skills, capabilities and knowledge of business development. This set a very positive example of how business development is important to everyone within the organisation.

Continuing on the journey

It was recognised that the business development initiative is only at the beginning. What is lacking are consistent messages that help to embed the change. While the currency within the new culture is business development, there is not necessarily a critical mass yet that will help to make the new processes the 'way of working around here'. For example, attention needs to be given to the organisational appraisal systems to ensure that the relevant skills and capabilities are enforced. Furthermore, more robust systems are needed that provide both management data on staff and information that encourages collaboration across business lines more easily.

Arts Council England: Working towards a culture that supports partnership working

Organisation background

Arts Council England works to get great art to everyone by championing, developing and investing in artistic experiences that enrich people's lives. As the national development agency for the arts, they support a range of artistic activities from theatre to music, literature to dance, photography to digital art, and carnival to crafts. The organisation was formally established in 1946.

In 2003, nine regional and independent arts boards, each with their own boards, governance structures and ways of doing things, merged together into Arts Council England. Although this diversity brought creativity, creating a new organisation by the merger of existing smaller ones meant problems with duplication of activities and streamlining accountabilities. Clarifying decision-making processes also persisted as an organisational challenge. Together these undermined the organisation's ability to work collaboratively and *externally* in partnership with local authorities, regional bodies and the many arts organisations it funds, and *internally* with staff across the country.

In 2008 Arts Council England were asked by the Department of Culture, Media and Sport (DCMS) to find 15% savings in their administration budget. This meant a fundamental review of the structure and culture of the organisation, involving looking back to the work which was done at the time of merger and looking forward to create 'One Confident Organisation'.

The chief drivers of culture change

A recognition that the organisation's culture needed to support a more collaborative and partnership working approach emerged in response to a number of key events or drivers:

- Alan Davey was appointed as chief executive in 2008 and set out a new vision for the organisation called 'Great Art for Everyone'. This outlined wider objectives for the development of arts strategy that placed far greater emphasis on the need to work in partnership across all its relationships with the arts.
- Problems were brought to light in a previous spending round (2007), which is when the organisation gives grants to arts organisations and groups. An internal review of the processes identified inconsistencies in processes, poor communication between regions and offices, and widespread 'silo mentalities'. Overall connectivity in the organisation was seen as poor.
- Prior to the Government's spending review in October 2010, the Arts Council had already been required to find a saving of 15%, or £6.5 million. There was recognition by the board that the major reductions in financial support expected meant the organisation could not survive if it continued to function in the same way.

The key culture change activities

Interventions focused on the organisational structure, embedding the new values and demonstrating leadership commitment for the culture change.

Designing an organisational structure to support collaborative and partnership working

A change programme board was set up to design a new organisational structure to support the organisation's strategy, 'Great Art for Everyone'. Central to this strategy is working differently with the arts bodies funded through the Arts Council. The new organisational structure had four chief components:

- 1 New posts of relationship managers created
Previously these posts were called 'lead officers' and were responsible for managing relationships with funded arts organisations within each of

the regions, with each officer responsible for one art form. New posts of relationship managers were created to perform the new relationship management roles with responsibilities across a broader remit. These new posts work far more alongside arts organisations within a new style of partnership working requiring these core workers to be mobile rather than office-based. This necessitates these staff drawing upon expertise from across their regional teams to develop effective partnerships.

Hot-desking was introduced for this new core workforce and staff equipped with appropriate technology to support this. There were implications for the number of these core workers needed and their skill set. Following consultation, an open redeployment process was initiated to support the selection of 146 new relationship managers.

2 A new centralised team established called 'Grants for the Arts' (based in the new Manchester office) A new team was created and centralised in Manchester called 'Grants for the Arts', which has a new online, centralised, standardised centre for managing funding applications to the Arts Council. This replaced the manual entry system for paper applications that was previously undertaken within each region and ensured funding criteria were transparent and harmonised across the country.

3 An emphasis on new knowledge and behaviours (competencies) enabling collaborative and partnership working Three core competences were agreed by the executive team to drive forward the organisation's new mission. These competencies described the nature of organisational processes now needed and the types of staff behaviours needed to support them. Judged as likely to have the most synergistic impact in achieving the organisation's mission, these were identified as: (1) breadth of perspective, (2) working collaboratively, and (3) accountability.

In total, ten new competencies (including the three core ones above) were linked to individual roles and were then used as part of the recruitment process for the new jobs that were created as part of the restructuring. Based on the new organisational and

individual staff competencies, a new approach to performance management was also introduced to shape behaviour change in April 2010.

4 Other key aspects of restructuring

New posts of area executive directors were created to provide a clearer accountability framework between regional directors and the chief executive and to facilitate greater connectivity between offices. All HR and IT posts previously based in regional offices were brought together into two teams, centralising these functional areas. New art leadership groups were created to share learning and knowledge across the organisation. During this process of restructuring, approximately 400 of the organisation's 600 or so jobs were put at risk. On completion of the restructuring process, the organisation had reduced in size by approximately one-third, losing around 150 posts.

Embedding values to support the organisation's strategy and structure

A culture group was set up involving 15 representatives from every department and every region across the country to ensure there was buy-in from all aspects of the organisation and the group represented a cross-sectional slice of the organisation. The team spent six months involved in visioning and reflection exercises, examining what type of culture was needed to support the new organisation for the next five years.

Once the new culture was identified, the culture representatives (champions) briefed their regions and departments. Shortly after the briefings, values workshops were delivered across the organisation led by the culture champions. More than 300 people were engaged in workshops identifying the cultural values that would fit the organisation's desire to be 'one confident organisation'. Six values were agreed as: (1) passionate, (2) knowledgeable, (3) bold, (4) nurturing, (5) collaborative and (6) accountable.

Further workshops involving all staff then linked the values with the organisation's core competences. Called 'Ways of Working (WOW)' workshops, these involved each team assessing how well they performed against the organisation's three core competences. A chief outcome of these WOW workshops was an

individually tailored benchmark for each team against which they could assess themselves and actions which would lead to improvements in performance. The outcome of the workshops would be monitored centrally by the culture group after six months.

Demonstrating leadership commitment to the new way of working

The executive board and senior management team also undertook the WOW workshop and shaped new behaviours necessary to support the organisation's three core competences. Public commitments to WOW workshops were agreed by these two groups and made available to staff. The executive board made six commitments, which included: (1) after every executive board meeting, we will share with the whole organisation bullet points of what we discussed and what we decided; and (2) we will take it in turns to publish a blog of our personal thoughts and experiences, to share thinking and help us all to get to know each other better.

The senior management team had nine commitments listed under each of the three organisational competences and a fourth commitment to 'empowering leadership'. Included among these commitments were: (1) understand the work of the whole organisation and how it interconnects; (2) proactively seek to work with colleagues across the organisation, and to be informed by a wider range of external contacts; and (3) challenge people when the culture isn't lived, be open to challenge ourselves, look for solutions and be prepared to say sorry.

...it's about people, relationships. And I think that's what's making it work really. I think that's the key thing...I think that's one of the things that's been a little bit tricky in that, you know, you tell people to kind of be collaborative...be accountable. But actually there is a kind of mindset about that that once it kind of embeds, people do it, you know, it becomes unconscious.
(Stephanie Fuller, Senior Planning Manager)

Change agents' reflections on the culture change

Those directly involved in implementing the culture change highlighted a number of key learning points concerning what has worked effectively as well as the challenges encountered.

Communication during change

There was considerable emphasis placed on communicating to staff almost in real time about how plans were developing and decisions made. The workforce is fairly young and they have expectations of being kept informed far more in real time than perhaps has been the case previously.

Support for change needs an emotional connection to the message

Tailoring the change message to the characteristics of the workforce was an important part of the change process that helped gain support. People who work at the Arts Council are very passionate about the arts, so change messages based on just cost efficiencies are difficult to support. The message had to be far more sophisticated, where changes to the organisation's structure and culture were more clearly linked to the vision for the arts that had been outlined in 'Great Art for Everyone'.

I think the biggest thing that helped us is the passion in the organisation. There is an immense amount of passion. It's quite an emotional organisation and very passionate organisation, and I think if you can harness that in the right way that drives it pretty fast.
(Louise Searle, Assistant Director of HR)

Influencing the organisation's culture through external partners

In addition to the structural, educational and HR-related interventions that were used to shape the desired collaborative and partnership behaviours in the new organisational culture, external strategies outside the organisation were also important. New contract agreements with those arts projects regularly funded by the Arts Council contained clear commitments for different ways of working. It wasn't only Arts Council England changing their culture and behaviours; this had a direct impact on external partner agencies and therefore they shifted their behaviours and work patterns to support these new collaborative arrangements. Regular updates and clear communication channels between Arts Council England and the external partners showed they were walking the talk and had a positive effect when Arts Council England had to communicate the messages from the October 2010 spending review. Feedback from external partners has been positive.

Addressing major barriers to change higher up the organisation

In seeking a closer alignment between the organisation's new strategy and its culture, a major early challenge was gaining a commitment to the vision from the senior management. The perception was that senior management were focused only on their interests in their regions/departments rather than the wider organisation and liked to retain some 'distance' from 'central control'. Some of these senior managers left the organisation early on in the change programme, while others signed up as change champions. With this done fairly quickly after the initial recognition that change was needed, a significant impediment to the pace of culture transformation was addressed early on. Creating working parties and projects looking at the new structure and culture which involved people enthusiastic for change from further down the organisation meant that change was influenced from the bottom-up as well as top-down. This became an important factor in overcoming some of the resistance to change at senior management level.

Involving staff as change agents

The representation of staff on the culture change group was seen as a further factor that influenced the pace of change. Each region and department was asked to nominate a representative, which included both arts-based roles and non-arts-based roles. The aim here was to include a cross-section of the organisation. These each took responsibility for organising briefings on the culture change taking place in the organisation, running values workshops, WOW workshops and explaining how the introduction of new working practices would support the desired culture. Communication was therefore maximised and far more personalised and rarely given by a senior manager or executive. This meant the role of HR was to support these change champions, but not be seen to lead the culture change directly.

The dynamics of the culture change group were also important. Spending sufficient time together to become a cohesive team to drive this aspect of the change programme forward was important. Individuals come with differing perceptions of what culture is and what might be involved. The team needed to

work together to reach a shared understanding of the strengths and weaknesses of the current culture – what aspects should be retained and those it wants to change. This is important if the language and messages carried by these individuals as change champions are to be consistent.

Embedding appropriate values

Using organisation-wide values workshops to generate debate, examining in a more forensic fashion what particular values mean, was considered an important educational intervention – in particular, focusing on how these values are enacted in the context of the work that the Arts Council does. This had a wide appeal for staff to get involved in the process and even the more cynical individuals were interested in taking part. There were two particular aspects of this process that were identified as influencing buy-in to the process. The first was identifying an organisational culture better aligned with strategy and structure which retains and builds on the key strengths of the current culture rather than starting from scratch; this made it easier to get buy-in from staff because they found the process less threatening or alien. There was also a clear effort to achieve close alignment between the new organisational competencies and the values identified.

Staff reflections on the culture change

Employees have highlighted three areas which have influenced their perceptions of the culture change: staff involvement in the change process, their perceptions of fairness and their view of the new values and competencies.

Involvement in the change process

Many staff felt that the culture change process had been organisation-wide. For some staff who had pre-dated the launch of the new organisation on 1 April, there was some sense that while staff had been involved in formulating the values, they had not had any input into drawing up the competencies that were really thought to be driving the culture change (these had been produced with input from staff focus groups back in spring 2008).

It was also felt that the organisational restructuring had primarily focused on those core workers based in the regions. The reason for this was two-fold: primarily

because this is where the 'partnerships' are located, but also because a number of head office functions had been through a restructuring approximately two years previously. To some extent this has meant some parts of the organisation have not been fully involved in the culture change process.

Perceptions of fairness

While the organisation recruited many new people, others were migrated into their post and felt disenfranchised from the process. The relevance of the new culture with the new structure is also far less easy for these staff to grasp. The new pay grade for the new relationship manager posts has caused some resentment among other staff who feel they have not been treated equally. Labelling staff as either externally mobile or office-based has also fed into this sense of inequity.

The new organisation values and competencies

Individuals experience organisational culture in the context of their everyday work experiences. It is the behaviours that people see in their immediate environment that influence their perceptions of the organisation and their own behaviours. Some managers still have a directive style and that is hard to remove. There also still exists a slight fear of giving people too much information and letting them make their own decisions.

The organisation had a major restructuring which placed 400 staff jobs at risk. All of these incumbents were required to go through an assessment centre as part of the selection process for the new jobs. A key part of this process was assessment against the newly developed competencies. As a result, many staff have a clearer understanding of how the competency framework is related to the mission and new ways of working.

However, staff were less clear about certain aspects of the values and how they relate to the competencies. There was a perceived need for the values to be more nuanced and translated into actual behaviours in the work context for people to really understand them. Although there was widespread consensus that people had signed up to a better way of working and were supportive of the new organisational structure, there was less sense that staff fully owned or indeed lived the values that had been selected to encapsulate

the new organisational culture. To some extent this could be because the values are newer, and staff are more familiar with the competencies. Also, the values workshops were held in January–March 2010 and a number of new people started in the organisation after April 2010. Values such as 'bold' and 'nurturing' pose particular problems.

In sum, staff recognise the financial necessity for change and expect more change as a result of the Government's spending review.

What was the impact of the culture change activities?

Evaluating impact is a key aspect of the culture change process, leading to insights which can inform the change process. The Arts Council looked at the impact of their culture change in terms of cost savings, the visible signs of change and the results of a pulse survey.

Cost savings

The decision to accommodate a core workforce that was mobile had implications both for the estates needed by the organisation and the type of resources these new workers would need. As part of this strategy, savings would be realised through releasing a number of buildings either owned or leased by the organisation across the country.

Visible signs of change

Visible signs of culture change included new forms of office design to support hot-desking, new IT kit such as BlackBerries and notebooks to support remote working and shared working approaches. These new structures and the supporting processes for sharing information (such as new cross-regional arts-themed meetings) appear to have already had a significant influence on collaborative and partnership working.

Results of a pulse survey

The organisation undertakes regular 'pulse' surveys and included in this are some questions around the culture change. Back in August 2009, only 36% of staff understood the vision for culture, whereas in October 2010 79% did. Also, back in February 2010, only 37% of staff understood how the new behavioural competencies would be used to support the new culture and in October 2010, 65% of

staff did. By October 2010, however, there was a far wider consensus that people throughout the organisation had signed up to a better way of working and were supportive of the new organisational structure and culture. There continues to grow a feeling of energy and confidence within the organisation. Results from the October 2010 pulse survey showed that 76% of staff think that everyone in Arts Council England can change the way they do things to work more as one confident organisation; 65% of staff understood how they would support the new culture; 82% of staff knew what the new values were; and 79% of people understood the culture vision for the organisation.

The organisation also used a benchmark of how many grants for the arts decisions were made on time as an indication of culture change impact. A target of 90% was set and the result was 99.7%. This showed collaborative and partnership working across the organisation for the benefit of external stakeholders and that the culture work was having a significant impact. There has also been some highly positive feedback and communication from external stakeholders and regularly funded organisations about how the Arts Council is working more collaboratively and in partnership.

Continuing on the journey

The culture champions along with HR are working on the next phase of the culture journey. There is a need to celebrate the many successes both internally and externally across the organisation and the need to focus on the priorities for the next phase of the culture journey to ensure it can deliver 'One Confident Organisation'.

London Borough of Barnet Housing Department: A culture which is customer-driven

Organisation background

In 2008, Barnet Council launched a major project called 'Future Shape'. This is an organisation-wide, community-involved initiative that focuses on how the council can continue to provide high-quality and joined-up services while finding new ways of delivering services that improve quality but reduce costs.

At the same time, Pam Wharfe joined the council as the new Assistant Director of Housing and Environmental Health. She brought with her considerable experience in improving the quality of services in housing and immediately set about spending three months talking to, and sitting with, staff on the front line. A series of open meetings with staff then followed, where discussions were held about bringing a lean approach to thinking about how housing services are delivered.

Many staff expressed frustration that their views on how to improve services were often not heard. However, there was widespread agreement among staff that improving the quality of services was a chief priority. With backing from the council's chief executive and some additional expertise in how to apply lean systems, the housing department formally started its lean project in September 2009.

The chief drivers of culture change

The key driver for the development of a customer-driven culture was the desire to provide an efficient and effective service.

Realising the reality from the customer point of view

The beginnings of the project involved capturing a real-life picture of what it is like to use the housing service. Someone visiting the service for the first time would find themselves being passed between a number of different staff, each with certain responsibilities involved in housing. So, for

example, you may find yourself seeing (amongst others) a housing adviser, a homeless persons officer, a registrations officer, an allocations officer, then perhaps a temporary accommodation officer, then maybe an income officer – all of which was overseen and checked by a manager. The poor customer might have come in at 9:00 and might not leave until 5:30, and they have been passed around all these different people. This typical journey was photographed at each step and displayed to staff. It was soon realised that the service was complicated, time-consuming and frustrating for those using it, while at the same time involved a great deal of resources, which was not always efficient nor effective. The photographs themselves spoke a thousand words.

The key culture change activities

The interventions centred on establishing a lean team to drive the project.

Lean refers to a particular approach to eliminating waste in services to improve the quality for customers. Front-line staff are at the heart of the process, which involves them identifying what's wrong with the service and how things could be improved.

Establishing the lean team

Twelve volunteers drawn mainly from the front line and from across the housing department agreed to form a lean team which would drive improvement. This team identified the housing allocation process as far too messy, complex, time-consuming and lacking transparency. They identified that organisation of the service in teams with strictly defined remits resulted in delays and waste, often because of the historical way services had developed. They found that staff often had limited knowledge of how other teams worked and 'silo' working was typically the norm. Service delivery was based more around professional boundaries than the needs of the customer.

A key element of lean is experimentation, and the team began an experiment monitoring the effects for customers of housing properties being allocated using a more holistic and generic approach for assessing needs, compared with the current assessment arrangements.

Involving staff in decision-making

After three months of experimentation, a two-day event was held for staff called the 'Decision Accelerator', attended by close to 100 people. As well as housing department staff, representatives from the unions were invited, staff from corporate services, finance and HR, as well as locally appointed members of the council. Data that the lean team had collected in the experiment was shared with the rest of the department. There was a focus on learning what does and doesn't work well, and planning a new desired future.

An agreement was reached that the service should be redesigned around one member of staff being responsible for taking the customer from the start of the service through to its outcome. This meant that staff should each undertake a holistic (comprehensive) assessment of a customer's housing needs rather than passing people from one team to the next. It was also agreed to begin work on revising the local authority's policy on housing allocation to ensure a better match between supply and demand. Further volunteers were then asked to join the lean team, which expanded to 30 people, and they are now working on the second phase of quality improvement in the housing service.

Restructuring the housing service

Redesigning the service around the needs of the customer meant restructuring 26 housing officers in the housing allocation service, which was formally launched in August 2010. Instead of having six specialist teams, each dealing with a different aspect of housing allocation, the teams were reconfigured into generic teams, with housing officers expected to have a combination of expertise within the four key areas of competence. These were identified as a knowledge of homelessness legislation, ability to give housing advice and a basic level of housing support, and an understanding of safeguarding vulnerable adults. New job descriptions were created for the new generic posts, which had a wide pay scale in

order to transfer existing workers from the old pay structure without loss of earnings. For a number of housing officers this actually increased the number of increments they were able to have within their pay grade. A programme of internal training was initially provided by individuals with specialist knowledge and is now being followed by a more extensive training programme. The role of team leaders has also changed; they now manage smaller teams, which enables them to be far more hands-on and thus able to provide greater assistance and support to team members in their new roles.

The importance of leadership and communication

The housing department set up an internal consultancy to help drive changes forward and a new post of lean co-ordinator was established. One of the 12 initial volunteers to the lean project team was appointed to the post. They worked closely with the external consultancy team to ensure the transfer of knowledge and skills in order for them to take the change project forward after the consultancy contract had ended. This post provided leadership during the early stages of the lean project and is now providing ongoing advice. Communicating the results and impact of the lean approach played a major role in building commitment to the project. Leadership from the head of the department was also critical in gaining staff confidence in applying a lean approach. Regular communication via weekly emails to all staff, as well as open surgeries on the impact of the changes to service design, were important in maintaining staff support.

Change agents' reflections on the culture change

Those people directly involved in driving the new way of working highlighted the key success factors in embedding it, such as gaining political support for the change and working well as a change team.

Gaining political support

Gaining political support for the changes to the housing service was an essential part of the context influencing the change process. The lead member (councillor) for housing was invited to the 'Decision Accelerator' event to hear the results of the experimentation first-hand. Partner agency representatives from the voluntary sector were also invited in order to gain support from major stakeholders. Underpinning it all was support from the

council's chief executive, who ensured that support was available to bring lean expertise into thinking about service delivery.

Encouraging staff involvement

Ensuring that there was representation from across the housing service on the lean team was important. This meant that ideas for change originated from staff from all areas of the service. In a sense, this was a 'generic' team, and working together on the problems was itself the beginning of experimenting with a new way of working. The lean project offered staff a means to shape services – driven by the front line – in ways that had never been the case before. However, not involving middle managers has problems associated with it; they feel alienated from the process. Despite the logic that underpins the methodology (of employee involvement), it is very hard to achieve. It challenges the way people have worked before and their place in the organisational hierarchy, and is therefore very threatening. Listening to front-line staff telling them what's wrong with the service and how things need to change is very hard for managers – they feel they are being undermined.

The lean team dynamics

Supporting the volunteers to work together as a cohesive team played an important part in shaping the change process. Enabling them to develop trusting relationships quickly influenced the pace at which they were able to work together and buy in to the wider vision of improving the housing service. The lean team working on the project on their own created a sense of 'them' and 'us' for those not involved. The sense from staff was that there wasn't enough information coming from the team during the first three-month period. But the difficulty is that this was a data collection and experimentation phase. Knowing how to present and handle this initial phase of the project is important because it impacts on maintaining support at a later stage.

Focusing on reflection and action

The decision was taken to start by working on relatively discrete components of the service rather than on the whole service. The focus was on action which enabled improvements to come about far more quickly. Staff responded to the lean project within the

wider context of expected organisational change and drive for greater efficiencies. It's not about finding savings – you must start from a genuine desire to improve the customer's experience and eliminate waste; cost savings are a by-product of this. The staff's previous experience of change in local government has tended not to be about this, but just doing the same thing with less resource. The process of reflection and action, with the customer at the heart of the process, helps gain greater support for change. However, it does require front-line staff to come together to problem-solve and this can be difficult when previous experience of this is poor.

Staff reflections on the culture change

Employees in the focus groups highlighted a few aspects of the culture change process that had affected their level of buy-in to the new way of operating.

Staff involvement

There were mixed views from staff regarding their involvement in redesigning services. There were those who had been with the service for a number of years who indicated their frustration and feelings of disempowerment at their lack of control over the service that customers received. For them, the lean project was a liberating experience that enabled them to have real involvement that they had not encountered in local government before. Some mentioned that involvement had traditionally rarely extended beyond consultation. The lean project, however, represented a different form of involvement altogether. There were others, however, who were unsure of how the decision was reached to restructure the housing service. These individuals retained some cynicism over whether the lean approach was appropriate for housing and questioned the speed at which changes had been implemented.

Changed job roles

There were mixed views from staff as to the overall impact of the changes so far. For many, there was an indication of better job satisfaction now that they are involved in undertaking a far more varied range of job responsibilities. However, for some of these staff anxieties remained, particularly with regards to taking on legal duties related to homelessness legislation – duties that were previously performed by

the specialist homelessness team. By contrast, some of those previously in the specialist team felt de-skilled at having to now undertake a generic role, believing that their specialist knowledge would be diluted. Some staff also indicated that their work had become more intensive, because housing officers now remained with an individual from start to finish. This was explained as a result of the need to see a case closed, with a feeling of personal frustration where cases are kept open.

No redundancies

The impact of the restructuring on jobs had not involved any staff redundancies. This influenced the way in which staff responded to the changes that had been implemented so far. Many had witnessed several waves of restructuring and cost-saving exercises within the organisation, which had resulted in many redundancies over a number of years. For these staff, the experience of major change was not something that was necessarily received with enthusiasm. However, as a result of there not being redundancies, a number of staff indicated that they had got involved in shaping the new service, and others in supporting the changes, because they believed that senior managers were authentic in saying that they wanted to cut waste before losing jobs. This was a very powerful message for staff.

What was the impact of the culture change activities?

The London Borough of Barnet Housing Department measured the impact of the culture change in terms of cost savings, the effect on employees', team leaders' and managers' job roles, and the benefits of the new team structures.

Cost savings

The restructuring of staff into teams of generic housing officers has removed the reliance on temporary agency workers, resulting in considerable savings. Five posts were removed from the previous structure, which had previously been filled by agency workers. There has also been an immediate impact on reducing the average time it takes to let regeneration properties, resulting in cost savings from properties not remaining vacant. Through a more personalised relationship between housing officers and customers, and the use of more holistic assessments of need, the number of appeals against the housing decisions is

expected to decrease, with a resultant reduction in the resources needed for appeals processes.

Housing support workers' roles

There are housing workers who find their new roles far more rewarding, with broadened responsibilities and skills. Housing officers remain with the customer from the start to the finish of their journey in the housing service and therefore see the totality of the job through. This provides a sense of completeness and also offers them wider career options for taking jobs within housing and related services.

The roles of team leaders and managers

Lean requires new behaviours of team leaders and managers, away from a 'command and control' style to a 'participative and empowering' style. Previously, their role was to ensure the accountability of their teams through monitoring, surveillance and signing off decisions. Now, the team leaders are identifying gaps in their skill sets and taking on more intensive coaching roles within their teams, asking front-line staff what they want from their leaders. The location of team leaders physically sitting at desks among their teams now means that problems are shared within the team and not one to one with the team leader. Their new role is about enabling and not controlling.

New team structures

The new team structures mean that individuals now need to work together as a team in order to access the knowledge that the team holds. It also means that problem-solving in relation to a customer's needs and problems needs to be done far more collectively, which has an impact on the quality of the solutions and responses.

Continuing on the journey.

Widening the scope of lean

The project is now widening its scope, looking for ways to increase the supply of housing, such as building new relationships with private sector landlords. Lean is also being introduced within other areas of the local authority and is currently being looked at within social care services.