



SECTION 3

TRANSFORMING THE LOCAL GOVERNMENT ASSOCIATION

A. ORGANISATION DEVELOPMENT

This tool draws upon 'An Organisational Development Resource Document for Local Government' by the Office of the Deputy Prime Minister, United Kingdom.

SECTION 3A

ORGANISATION DEVELOPMENT

AIM OF ORGANISATION DEVELOPMENT

To help a Local Government Association modernise its overall organisation in response to changing circumstances.

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INTRODUCTION

This document contains a set of Organisation Development (OD) assessment and improvement tools and techniques that can be used to transform an LGA, develop its capacity and improve its performance. They fall into 4 broad categories:

1. People-based approaches.

These take the view that organisations are best developed by developing their people. If staff are well trained and well motivated, and if they feel well treated, then good organisational performance will follow.

2. Quality-based approaches.

These hold that organisations are best developed through rational techniques that analyse current practice and seek technical changes to bring about improvement.

3. System-based approaches

These see organisations as a set of inter-related parts; change comes from developing awareness of the ways in which the parts relate to each other and finding ways of changing the system all at once.

4. Dialogue-based approaches.

These suggest that organisations cannot change through introspection; they are transformed through 'developmental conversations' that happen between the organisation and its customers and partners.

All these approaches have merit. It is important to be pragmatic; different kinds of tools may be useful at different times. They cover key themes:

- a. *Whole organisation improvement*
- b. *Leadership*
- c. *Culture*
- d. *Service improvement*

Each theme is divided into 4 sections:

- (i) OD outcomes (what constitutes high performance);
- (ii) The OD approach (a strategy of using the techniques in the current situation to bring about change);
- (iii) OD assessment tools and techniques (how to assess what is going on in the organisation);
- (iv) OD implementation tools and techniques (tools to help intervention).

How to use the OD tool

OD is not a simple exercise; it cannot be delegated. It is a powerful tool and requires a long term commitment. It focuses across the organisation and deep within the organisation. It is about culture as much as performance. It must be led from the top under a high-level Steering Group. It might generate numerous activities.

Change can be difficult. It may be sensible to use an **external facilitator** – one who has expertise and knows the organisation to some extent, one who can be objective and sensitive. The LGA should think in terms of a 1-3 year programme to allow change to be integrated in the Strategic Plan and Financial Strategy and for its impact to be evaluated.

This OD tool offers many ideas that can be turned into learning exercises. Several of them are about learning from self-assessment. The information developed through the Performance Benchmark can be useful (see Section 2).

One way to assess the level of performance of the LGA is through *Peer Challenge*. The LGA can invite, for example, 2 Mayors, a Head of Administration from a local authority and 1 or 2 independent 'experts' (including the facilitator) to form an Assessment Team; they can assess the LGA against the objective criteria of the Performance Benchmark through the perceptions of the staff, local authorities and strategic partners, using surveys, interviews and document research.

1. WHY IS ORGANISATION DEVELOPMENT (OD) IMPORTANT?

Local government is changing rapidly. Local people are more aware of their rights and opportunities and demand better services and greater participation. There is growing international pressure to pursue decentralisation. Integration within the wider European community drives standards of expected performance higher.

Local authorities control a significant proportion of public expenditure, and Governments expect a high degree of accountability. While some 5-10% of total public expenditure is spent through local government in a number of countries in Eastern Europe, the proportion rises to over 25% in others. Such is the outlook for local government.

LGAs have a key role to play in (i) helping local authorities strengthen their capacities to deliver good local government, (ii) advising their Governments on the legal and policy frameworks that would best support effective decentralisation and (iii) bringing the public on-side. This is their challenge.

To meet this challenge, LGAs need new thinking and new ways of working. Meeting the needs and expectations of local authorities and fulfilling the demands of Governments for performance and efficiency require new approaches to organisation, to service design and delivery, and to engagement with partners and citizens.

Transforming organisations and the services they provide requires a 'whole organisation' perspective. This is why OD emphasises the development of the organisation as a whole, not just its parts.

A key aspect of OD is that the leadership of the organisation has to be at the forefront of change, setting the challenge, defining the goals and shaping the approach. OD is a tool for organisational leadership. But leadership of change within an organisation is the responsibility of all managers in the organisation. HR also has an important role in developing the expertise in the organisation for initiating and managing change.

OD must be led from the top.

Executive Directors are often caught between their responsibility towards Mayors and councillors for local priorities and their accountability to their Government for standards. Managers may not have the time or skills to fulfil their staff management role to the full. HR often focuses on process rather than strategy. Yet all 4 groups – Executive Directors, Mayors, managers and HR - have key roles to play.

What is Organisation Development?

OD methodology has 6 essential ingredients:

1. <i>Data gathering</i>	4. <i>Design of an intervention</i>
2. <i>Feedback to the organisation</i>	5. <i>Implementation</i>
3. <i>Diagnosis of the situation</i>	6. <i>Assessment of the impact</i>

Sustainable changes are sought at the 'whole system' level with supportive changes in culture. The goal is to enhance an organisation's effectiveness by:

- ***continually maturing in response to changes in the external environment,***
- ***significantly improving performance through changes to people management, competence, communication, systems and structures.***

Development in an organisation is not the same as Organisation Development. OD is about:

- **Dealing with causes over symptoms;**
- **Working with whole systems rather than parts of them;**
- **Changes in culture over changes in behaviour;**
- **Change of a system rather than changes in a system.**

Often what appears to be a problem on the surface is often rooted in the culture of an organisation, in its attitudes and practices. Incremental change may not be enough.

Responding to change may mean **new ways of working**:

- ***co-operating with external partners;***
- ***creating mechanisms for departments to work together towards shared objectives;***
- ***giving staff the competence to be effective, the freedom to be innovative and the credit for success;***
- ***listening to what staff and stakeholders are saying, recognising weakness in the organisation and taking action to rectify it;***
- ***exploiting the value of networking;***
- ***giving clear leadership, managing risk, accepting responsibility, being publicly accountable.***

Factors that help or hinder organisational change are summarised below:

DRIVER OF CHANGE	SUPPORTING FACTORS	HINDERING FACTORS
<i>Positive purpose</i>	<i>Clear reasons for change that have meaning for people; they are visionary, concrete and will make a difference.</i>	<i>Change for its own sake or to further ambitions of individuals.</i>
<i>Leadership</i>	<i>Leaders who own the OD agenda, engage with staff, live the values they seek for others, focus on outcomes and promote a culture of fairness.</i>	<i>Leaders who think OD is someone else's responsibility, are aloof from staff, do not set an example and who think they are the most important.</i>
<i>Adequate scale</i>	<i>Initiatives that are co-ordinated, transformational and make a real difference to the organisation.</i>	<i>Piecemeal initiatives that chip away at the problem but are incoherent or inadequate.</i>
<i>Productive central and operational relationships</i>	<i>Relationships that focus on the needs of the organisation and its services, building trust, delegating, supporting operational efforts to deliver, adding value.</i>	<i>Doing too little, assuming services are fine, failing to challenge or support performance. Doing too much, interfering in operations, policing and delegating tasks without adequate support, not acting strategically.</i>
<i>Sensitivity to local circumstances</i>	<i>Initiatives are localised and relevant, consistent with and reinforcing other initiatives, allowing adjustment through listening and responding.</i>	<i>Unrefined requirements imposed on services, creating confusion, not taking account of views of service users, insufficient resources, not tackling things that are not working.</i>

What makes OD work?

OD is about change, about transforming organisations. It is about:

- *Going forward with the right purpose;*
- *Giving the right leadership;*
- *Getting the scale of change right;*
- *Making corporate and operational relationships productive;*
- *Being sensitive to local circumstances.*

OD is a never-ending process to maintain the health and effectiveness of the LGA.

Efforts to bring about change can be real or fake, based on pretence. They can be incremental, making steady progress towards a goal. They can be cosmetic, with more talk than action. They can be destructive, losing needed expertise and motivation. They can be impossible, not getting beyond dreams. OD is for real.

2. IMPROVING ORGANISATIONAL PERFORMANCE

Modern organisations are different from those of 10 years ago; they cannot perform well in isolation. The OD challenge for an LGA is to build an organisation that:

- ***Meets both local and national expectations;***
- ***Develops structures, relationships and leadership that deliver services collaboratively and represents local authorities effectively in a changing world;***
- ***Produces continuous performance improvement;***
- ***Is expert in showing local government leadership, working with partner organisations, and commissioning or delivering a range of services to local authorities that reinforce each other and lead to better local government;***
- ***Listens to local authorities so that its services respond to their needs and expectations.***

The LGA leadership needs to work together in new ways, not through instructions but with every person understanding the organisation's purpose and being capable of responding to the changing environment as individuals while being committed to the team effort. Communications and trust become more important and each member relies on the strengths of each other, fulfilling different roles as circumstances dictate.

FROM OLD WAYS	TO NEW WAYS
<i>Running services by giving orders</i>	<i>Running services by influencing, negotiating, persuading</i>
<i>Concern for boundaries (my area, my work, my buildings, my staff, my budget)</i>	<i>Concern for capacity (our resources, their fit together, the outcomes they will achieve)</i>
<i>Access to buildings</i>	<i>Access to information, expertise, services</i>
<i>Parochial planning</i>	<i>Negotiated approaches, strategic planning</i>
<i>Internal accountancy</i>	<i>External accountability</i>
<i>Concern for access to as much funding and as many funding sources as possible</i>	<i>Concern for sharing and aligning those finances to priorities</i>
<i>Input and output measures</i>	<i>Outcome measures</i>

The OD approach is to improve the performance of the organisation through positive changes in all areas. This means working not only with structures and systems but also with peoples' behaviour, perceptions, attitudes and mindsets.

The OD approach is to assess how far the whole organisation has developed and initiate changes that result in transformation across the whole organisation. The OD method means:

- **Looking at the whole system and the relationship between the parts, not just the parts by themselves;**
- **Comparing the organisation's performance with expected standards;**
- **Seeking to find strengths as well as areas for development;**
- **Including relationships with partners;**
- **Using objective methodologies.**

One way is to use a model that allows you to assess the gap between current performance of the LGA and what it should be:

PRIMARY QUESTIONS	WHAT SHOULD BE?	WHAT IS?
Purpose: How clear are local authorities about the LGA's purpose and mission? How supportive are they?		
Structure: How adequate is the fit between the LGA's purpose / mission and the internal structure?		
Rewards: What are the similarities and differences between what the LGA formally rewards and punishes and what the LGA staff actually believe they are rewarded or punished for doing?		
Helpful mechanisms: Which processes and procedures in the LGA (planning, budgeting, information systems etc) actually help staff and Board members do their work and which of them hinder more than help?		
Relationships: How good are the relationships between (i) individuals, (ii) groups / units / departments, and (iii) the person and the requirements of his / her job? How adequate are the mechanisms for dealing with conflict?		
Leadership: How good is the leadership at ensuring that these different elements of the LGA are in balance and that issues are identified and resolved effectively?		

OD intervention strategy

Whole organisation interventions are necessarily large scale. If significant change is to occur, the interventions are likely to be more revolutionary than evolutionary. Usually a number of reinforcing interventions are necessary, each aiming at the same goal – a substantial improvement to the culture and performance of the LGA. Typical interventions might include:

- Strategic reviews
- Performance management development
- Communications strategies
- Leadership development
- HR modernisation

The following table summarises possible responses to the LGA's strengths and weaknesses:

WHOLE ORGANISATION ASSESSMENT SHOWS ISSUES WITH:	POSSIBLE INTERVENTIONS:
<i>Performance is good in parts, poor in others</i>	<i>Service improvement techniques</i>
<i>Strong service provision does not seem to lead to better local government</i>	<i>Organisation culture work; strategic reviews to strengthen coherence of services; leadership development</i>
<i>LGA disconnected from local authorities and strategic partners; is introspective and insular; slow to notice changes in environment</i>	<i>Engagement with local authorities and partners; expertise in partnership working; transparent accountability</i>
<i>Low morale amongst staff who feel overworked and unappreciated</i>	<i>Leadership development; cultural development; equality and diversity initiatives</i>
<i>LGA not representative of local authorities and not engaged with some of them.</i>	<i>Leadership development; transparent accountability; specific initiatives</i>
<i>No sense of direction; poor prioritisation and focus</i>	<i>Leadership development</i>

The selection of interventions is based on:

- *identification of the issues;*
- *identification of the causes of the problems;*
- *choosing interventions from outside to inside and from top to bottom.*

OD tools and techniques

Strategic reviews

Reviews provide opportunities to look carefully at how things have been done and how they should be done in the future. The type of review would depend on its purpose:

SERVICE REVIEW

Focuses on outcomes and leads directly to incremental change within existing services.

THEMATIC REVIEW

Focuses on a theme across the LGA (eg HR management, use of IT); aims for better coordination, integration and use of best practice; leads to greater effectiveness and efficiency.

CORPORATE REVIEW

Focuses on the effectiveness and integration of the different activities of the LGA; leads to better leadership and possible restructuring in the light of priorities.

RELATIONSHIPS REVIEW

Focuses on links with local authorities and strategic partners as they perceive them; aims to build more constructive, transparent and responsive relationships; leads to longer term sustainable step-change

Performance management development

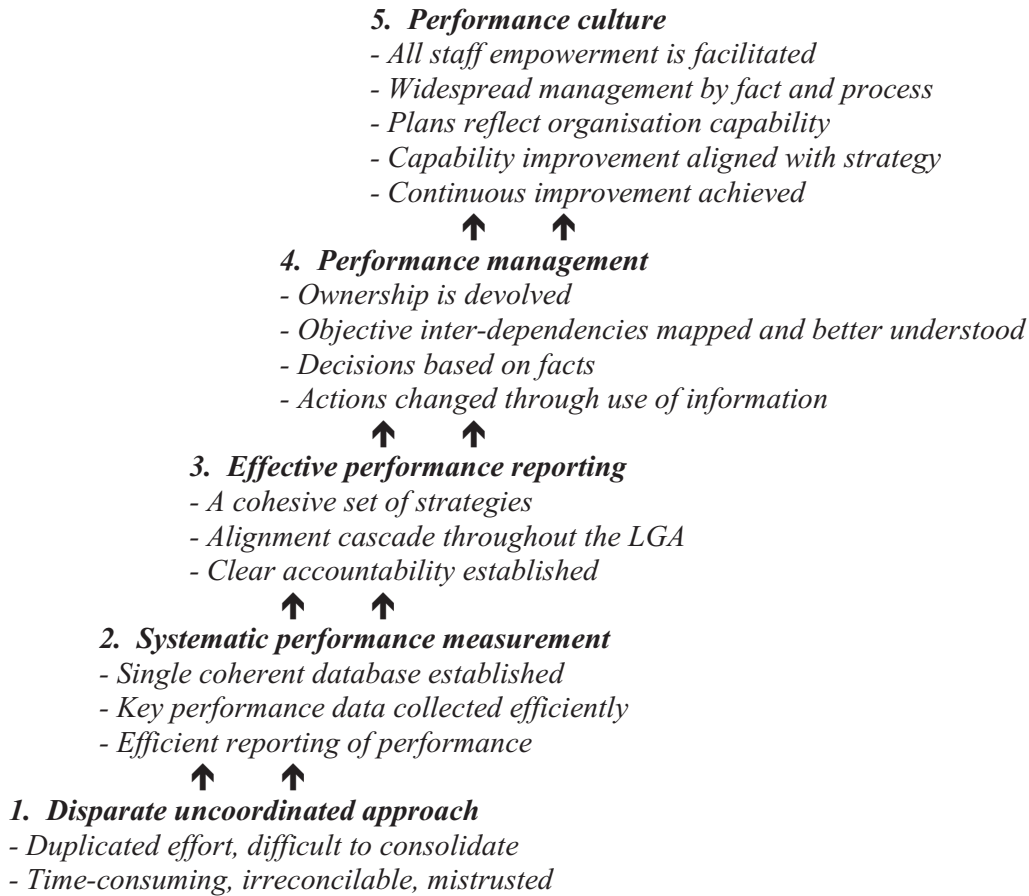
Performance management is an essential discipline for improving the quality of LGA services. A performance management system needs to:

- ***Focus on improving local government;***
- ***Have sufficient internal and external challenge;***
- ***Have a limited number of key indicators to signpost performance;***
- ***Cost less to implement than the benefits it realises;***
- ***Produce self-sustaining continuous improvement;***
- ***Involve local authorities and partners in a collaborative way;***
- ***Both celebrate achievement and identify poor performance;***
- ***Produce accessible and timely performance information;***
- ***Have performance review and reporting procedures embedded;***
- ***Trigger action in response to missing targets, indicators and standards;***
- ***Link individual performance appraisal, operational performance and strategic planning.***

Performance management turns ambition into delivery.

Performance management enables the LGA as a whole to show progress towards achieving its priorities based on evidence. The system should be transparent and fair; data should be robust. Staff and managers should seek to use the information to improve their own performance. A limited and focused set of targets and milestones with particular emphasis on outputs and outcomes can motivate the LGA to greater achievement. Too many targets and performance indicators can be detrimental, and not so helpful if they mainly reflect inputs.

Five levels of maturity in performance management from progress and time perspectives:



Where a performance management system fails, it is usually because it has become bureaucratic and promotes a blame culture. Performance management is not an annual exercise but a permanent personal discipline.

One system is the 'Balanced Scorecard'. This approach develops a set of scorecards that capture both what the LGA is trying to achieve and how it intends to go about it. Scorecards can be produced for different levels. They take measures first from local authorities and secondly from the learning, people, process and finance perspectives.

Communications strategies

A key element in OD is the development of an effective Communications Strategy that enables key information to be sent out and received. Good communication underpins good performance management.

The main headings of a Communications Strategy might be:

<i>Key principles and aims</i>	<i>A statement about the outcomes of communications, about how the LGA wants to be experienced by local authorities, Government, strategic partners, public, media, LGA Board and staff</i>
<i>Responsibility for communications function</i>	<i>Clear statements about the expectations of communications placed on all managers in the LGA that are reflected in job descriptions and monitored through performance appraisal</i>
<i>Communications functions</i>	<i>Description of the roles played by specialists and spokespersons within the LGA</i>
<i>Internal communications</i>	<i>Strategy for internal communications including ways of informing and listening to staff; key methods of communications for different purposes</i>
<i>Consultation</i>	<i>Strategy for consulting local authorities, the Government and strategic partners</i>
<i>Media relations</i>	<i>Guidance on dealing with the media</i>
<i>Corporate identity</i>	<i>Covering the branding and style to be used</i>

Good communications will be:

- *Accessible, simple to understand*
- *Valid and high quality, timely, open, honest and reassuring*
- *Audience-sensitive, suiting the needs of local authorities, Government, strategic partners, public, media, LGA Board and staff as appropriate.*

3. LEADERSHIP IN AN INTER-DEPENDENT WORLD

The challenge for today's leaders goes beyond running their organisations well. Relationships with the Government, with national and international organisations, with the media, with communities, with the network of LGAs – these relationships all charge leaders with delivering results in collaboration with others.

Improvements in economic social and environmental development cannot be achieved by one local authority working alone. They may lack sufficient authority, expertise or resources themselves. The table below shows some typical links for a local authority; the LGA must be able to support the 'network of local government':

THE PARTNERSHIP NETWORK



The Executive Director cannot provide this leadership alone; all LGA managers and Board members have leadership responsibilities. The task of an Executive Director is to create an environment in which everyone can exercise leadership appropriately.

Good local government depends on people who:

- ***Are oriented towards leadership rather than just management;***
- ***Prioritise engagement and collaboration above a personal use of power;***
- ***Are as expert in the human skills of managing change as in the technical skills of problem-solving;***
- ***Have an outward-looking corporate view rather than an insular service-based view;***
- ***Are capable of going beyond traditional boundaries and of inspiring change in people***
- ***Deliver real outcomes.***

A good LGA depends on the Executive Director working well with its Board and staff. This comes from a common vision, shared objectives, mutual understanding and respect for the different roles.

Leadership versus management

Managers are primarily focused on completing tasks within established rules and procedures. Staff look to managers to provide a job, to offer certainty, to make good use of their skills and to create the environment in which they can do a good job.

***Managers do things right; leaders do the right things.
The challenge is to do the right things right.***

The skill of leadership is to focus on the bigger picture and not to get involved in operational detail, to act on behalf of the whole community, to harness the efforts and expertise of other organisations to help deliver mutual objectives.

Leadership action needs to reverberate around the organisation, building a climate that will impact on the organisation's culture. What leaders prioritise, how they behave, the language they use – all this can help build the effectiveness of the organisation, its staff and its partnerships.

Individualism versus engagement

The Executive Director and other leaders in an LGA have responsibility for raising the standards of the organisation - and where they are ambitious, to those of the best. The competence of the individual counts. But in a highly inter-dependent environment, this approach must be balanced with an engaged style of leadership that:

- ***Establishes networks of people within and across organisations who can develop sustainable ideas and solutions;***
- ***Understands that respect is earned through 'lived' values and performance;***
- ***Values participation in the formulation of ideas as a first step towards their effective implementation;***
- ***Sees the need for leaders to act as a resource for those who develop and deliver policies and programmes;***
- ***Ensures that the organisation's management system is developed, implemented and continuously improved;***
- ***Develops a shared vision of local government and the role of the LGA;***
- ***Motivates, supports and rewards staff.***

Technical versus adaptive change

Managing change is a vital skill for leaders. But many change management efforts fail, even when the proposed change is sensible, mainly because people do not 'own' the need for change or they do not agree with the method.

One kind of change is technical, where, for example, a solution to a problem can be found by altering a procedure. This does not require a change to attitudes. Adaptive change goes beyond the immediate power of an individual; it is about where change can only succeed if people 'buy into' it. They might need information about it; they may need to be persuaded; there may need to be incentives, plans and resources to support it.

With adaptive change, leaders do not just need to exercise power; they have to command attention and generate a focus on the key issues so that people see the need for change.

Community versus organisation leadership

The responsibilities of the Executive Director go beyond the organisational boundaries of the LGA. This is true of leadership. The Executive Director has to respond to national and regional agendas, represent the needs of all local authorities and a range of stakeholders, and seek out opportunities of collaboration with other public, private and voluntary bodies. It is important to get the balance right between taking care of the organisation and giving national leadership.

Leadership qualities

The table below shows the gap between what qualities local people in one area associated with leadership and the kind of leadership they actually experienced.

KEY LEADERSHIP QUALITIES	PREFERRED VALUE OF QUALITIES %	EXPERIENCED QUALITIES %	GAP IN DESIRED LEADERSHIP QUALITIES
Inspiring	55	11	-44
Strategic thinker	41	31	-10
Forward looking	36	31	-5
Honest	26	21	-5
Fair-minded	23	25	+2
Courageous	21	8	-13
Supportive	20	21	+1
Knowledgeable	19	39	+20
Ambitious	13	38	+25
Imaginative	10	11	+1
Loyal	5	14	+9
Self-controlled	4	14	+10

These results suggested that people had had enough of leaders who stood out as being knowledgeable, ambitious and self-controlled; they wanted leaders who were more inspiring, courageous and strategic. Good leaders are in the business of focusing on the outcomes they want to achieve and are willing to make changes to achieve these outcomes. This means leading people into change – a process that can be uncomfortable and threatening but ultimately reaps rewards.

The 'Respect and Collaboration' approach

A key aspect of effective leadership is the recognition that different circumstances and different people need different styles of leadership.

Phil Collins describes the attributes of 'Level 5' leaders (ie at the top of the hierarchy of executive capability) in successful organisations in his book 'Good to Great':

- ***Mix of personal humility and professional will;***
- ***Ambitious for the company before themselves;***
- ***Set up their eventual successors for even greater success;***
- ***Display modesty and diligence;***
- ***Are strongly driven, infected with need to produce sustained results, resolved to do whatever necessary, however difficult the decision;***
- ***Seek to attribute success to reasons other than themselves, but accept full responsibility for failure.***

'Level 5' leaders exist all around us, if we know what to look for.

The OD approach

The questions an OD approach generates are:

- ***How do we assess the leadership capability in the LGA?***
- ***How do we assess whether staff feel well led?***
- ***How do we highlight leaders' strengths and skills gaps to inform their development?***
- ***How do we choose the interventions best suited to developing leaders with the skills and values needed to produce better local government?***
- ***How do we measure whether the changes have been successful?***

Leadership assessment: tools and techniques

Staff survey

Staff surveys offer the opportunity to gather feedback on LGA managers' capabilities. Typical questions might be about how far people agree with the following statements:

MY MANAGER	
<ul style="list-style-type: none"> ▪ <i>Sets me clear goals</i> ▪ <i>Trusts me to get on with the job</i> ▪ <i>Gives me the support I need</i> ▪ <i>Encourages me to make my own decisions</i> ▪ <i>Treats staff fairly</i> ▪ <i>Demonstrates the importance of valuing diversity</i> ▪ <i>Gives me feedback on my performance</i> 	<ul style="list-style-type: none"> ▪ <i>Values my contribution</i> ▪ <i>Listens to my ideas and suggestions</i> ▪ <i>Recognises good performance</i> ▪ <i>Deals with poor performance</i> ▪ <i>Keeps me well-informed</i> ▪ <i>Encourages me to look at my own learning and development</i> ▪ <i>Supports me</i>

The following questions to staff will allow you to assess the performance of the LGA leadership:

SENIOR MANAGEMENT AND BOARD	
To what extent do you think they are:	
<ul style="list-style-type: none"> ▪ <i>Leading the organisation in the right direction?</i> ▪ <i>In touch with the needs of local authorities?</i> ▪ <i>In touch with the opportunities of working with other stakeholders?</i> ▪ <i>In touch with staff opinion?</i> 	<ul style="list-style-type: none"> ▪ <i>Approachable?</i> ▪ <i>Taking the right decisions for the LGA?</i> ▪ <i>Good at understanding the problems staff face?</i> ▪ <i>Knowledgeable in their area?</i>

Critical Incident Analysis

Critical Incident Analysis seeks to analyse at least 3 particular incidents from different perspectives to illuminate what the leadership has done in particular situations. Critical incidents could be about major restructuring, something that involves the whole organisation (eg the General Assembly), or challenges with positive or negative characteristics (eg new legislation, new policies, budget savings requirement).

Actions can be evaluated against 3 dimensions:

Inspiration
Integrity
Practicality

Inspiration relates to the leadership's capacity to interpret aspirations and enthuse staff and Board members with a sense of purpose and belief.

Practicality relates to the leadership's capacity to introduce practical measures needed to turn aspiration into reality.

Integrity is about fairness, probity and focus on equal opportunity.

External leadership analysis

An alternative to the above exercises is to set up a small but capable peer group to carry out an assessment. This will provide a higher degree of objectivity to the findings.

360 degree feedback

This is an exercise leaders themselves can carry out. They ask a small sample of peers, subordinates and managers to provide an assessment of their performance against a set of general criteria or of criteria specific to the LGA's challenges.

LEADERSHIP CRITERIA	
<ul style="list-style-type: none">▪ <i>Vision</i>▪ <i>Strategy</i>▪ <i>Integrity</i>▪ <i>Values</i>	<ul style="list-style-type: none">▪ <i>Style</i>▪ <i>Efficiency</i>▪ <i>Relationships</i>▪ <i>Targets</i>

This method is intended for self-development where the feedback should be confidential, but can also be used for organisation development where the findings will be shared.

Competency frameworks

Competency frameworks provide a list of skills and behaviours that each individual should demonstrate in the course of their work. The individual will be formally assessed against those competences through regular appraisal.

An example of typical LGA Executive Director capacities (borrowed from Solace Enterprises, UK) is set out below:

TYPICAL LGA EXECUTIVE DIRECTOR CAPACITIES
1. The capacity to work with the political dimension <ul style="list-style-type: none">- <i>creating effective dimensions across the boundary of politics and management</i>- <i>building strategy with the Board</i>- <i>maintaining constructive relationships with the Government and with Mayors</i>
2. The capacity to lead change and develop the organisation <ul style="list-style-type: none">- <i>maintaining consistency with underlying values while developing the culture</i>- <i>working with uncertainty, ambiguity and the inevitability of change</i>- <i>developing appropriate uses of power, empowering staff and managers</i>- <i>promoting the continuous development of the management team</i>
3. The capacity for maintaining personal perspective and self-knowledge <ul style="list-style-type: none">- <i>maintaining a curiosity about perspectives other than one's own</i>- <i>maintain belief in self</i>- <i>developing personal resilience, sustainability and emotional literacy</i>- <i>keeping a sense of humour</i>
4. The capacity to develop and enable effective partnerships and external relationships <ul style="list-style-type: none">- <i>being a champion of local government</i>- <i>orchestrating effective partnerships with other organisations</i>- <i>maintaining constructive relationship with the Government</i>- <i>maintain close communications with all local authorities</i>- <i>effective use of the media to achieve appropriate profile</i>
5. The capacity for maintaining focus on strategic and long term issues <ul style="list-style-type: none">- <i>scanning the horizon to generate an awareness of potential scenarios</i>- <i>developing and promoting a strategic view for the LGA and for local government in the country</i>- <i>holding an awareness of the LGA's strategic capacity</i>
6. The capacity to lead and integrate Performance Management <ul style="list-style-type: none">- <i>creating a culture focused on high performance, innovation and service to local authorities</i>- <i>being able to turn around areas of under-performance</i>- <i>sustaining continuous improvement across all service areas</i>- <i>demonstrating the achievement of public value</i>

Leadership development

What to do with the findings of leadership assessments?

Leadership development programme

Learning is focused on the development of the individual. Inputs are generally modular and built around themes. Some programmes lead to qualifications, some include personality tests. Modules are organised away from the workplace with other people at similar levels of seniority. This allows individuals to widen their horizons and learn in a safe environment where they can explore deep-seated attitudes and behaviour.

***Personal and shared
beliefs about leadership***

***Skills for working in a
political system***

***Understanding leadership
in the LGA***

***The strategic agenda for
the LGA***

***The future for local
government***

If leadership development programmes are to make a difference, participants need to complete the following process:

- ❖ ***acquisition of knowledge, skills and awareness;***
- ❖ ***transfer of awareness to the LGA staff and Board members;***
- ❖ ***appreciation and development of skills in 'real-life' situations;***
- ❖ ***improvements seen in the impact of the new competences within the LGA.***

Coaching and mentoring

A coach has expertise and offers the leader suggestions and new techniques and sometimes skills development or training. The relationship is confidential but the LGA will expect organisational benefits to accrue.

A mentor should understand the job of the leader but will depend on technical expertise less than a coach. Rather, a mentor will help the person think through and face current challenges. A mentor's interventions are focused on the development of the person and will be confidential. A leader can find it valuable to bounce ideas and concerns off an uninvolved third party.

Action learning

Action learning brings together a closed group of people from different organisations and who do not normally work together. It deepens their awareness of the issues they each face and helps them find solutions and ways forward. The rest of the group help the process by asking questions that seek to broaden and deepen a person's understanding of the issue being dealt with, its effects and the solutions that might be developed.

Team building

Team building focuses on improving the way a team functions. It deals with such issues as the team's objectives, the different styles and personalities in the team and how they fit together, their ways of working and any inter-personal conflict, and the team's impact on the LGA's culture.

Applied leadership development

This focuses on developing the team in-house. Its aim is the development of the organisation rather than the individual. Personal development is the product of organisation development. The group carries out applied pieces of work during the programme. Applied leadership development is growing in popularity and is often supplemented by other leadership training techniques.

4. AN APPROACH TO CULTURAL CHANGE

Culture cannot be defined with exactitude. It is a system of beliefs, values, attitudes, working practices and expectations that are present within the LGA, which affect all those working for the LGA and pervade policies, procedures, staff practices and outcomes.

Culture is about assumptions and intellectual habits of mind that are shared by groups of people. It affects the way people think about the LGA and local authorities. It is about where loyalties lie.

Cultural beliefs are largely buried. They are rarely articulated, but they help people make sense of their environment. Information that contradicts such beliefs does not always change them; a strongly held belief will often filter out facts. They can be expressed in comments such as:

"Leaders don't understand the difficulties of front line staff".

"The LGA is disorganised but will manage".

"Mayors need to be told what to do".

"We won't be effective unless we consult local authorities first".

"We must persuade the Government to involve us more in policy-making".

A successful organisation tends to be characterised by the following cultural features:

Openness

- ***Consultation:*** *The LGA is open to local authorities and has ways of consulting them; it bases its aspirations on their needs and expectations; local authorities know this and feel it is worthwhile making their views known.*
- ***Receptiveness:*** *The LGA Board and staff are open to scrutiny, feedback and challenge; local authorities and other stakeholders believe the LGA makes good use of their opinions.*
- ***Mutuality:*** *the LGA Board and staff know they are reliant on local authorities and other stakeholders to contribute to the LGA's outcomes and to help the LGA have an impact.*

Aspiration

- *Results focus: Local authorities can see their priorities reflected in the LGA's priorities and clear performance indicators and targets help everyone know what is planned and what is being achieved.*
- *Unanimity: There is a common sense of purpose and an understanding of the contribution that the Board, the staff and partners make.*
- *Confidence: Local authorities, stakeholders and the LGA Board and staff are confident in their ability to achieve the things they strive for.*

Leadership

- *Inspiration: People have faith in the leaders and believe in the vision they articulate.*
- *Practicality: People believe they can rely on the leaders to stay focused, have clear priorities and put in place the practical measures needed to turn aspiration into reality.*
- *Integrity: Leaders listen and act in a way that promotes fairness, trust and equality.*

Organisation

- *Appropriateness: The systems and procedures embody the values of the LGA.*
- *Utility: People find the systems and procedures help them do their work better.*
- *Diversity: The organisation is open, flexible and responsive in its working arrangements.*

Empowerment

- *Commitment: People are dedicated to the LGA's goals and to the outcomes they are trying to achieve.*
- *Learning: Staff are encouraged to gain the awareness, knowledge and skills necessary; effort and achievement are rewarded; people are challenged and helped to do better.*
- *Latitude: Staff are empowered to use their discretion, creativity and innovation to achieve given outcomes.*

Achievement

- *Outcomes: People can easily see the difference the LGA makes to local government.*
- *Excellence: The LGA is recognised for being among the best and for achieving best practice.*
- *Reputation: The LGA enjoys a reputation among local authorities, the Government and other stakeholders for making a positive contribution to local government.*

Cultural assessment: tools and techniques

Culture is hard to measure; people don't talk about it. One way is to assess it at 3 levels:

1. Things you can see

These include the layout of offices, how staff dress, the time they keep, the way they communicate, the language they use.

2. The values of the leaders

These are what is stated in strategy documents, such as 'We welcome proposals for improvements'; 'We are close to local authorities'; 'We value our staff'. The issue is whether such statements are borne out in practice. What if the LGA is at odds with what it says? There is culture below this level.

3. Shared tacit assumptions

This is where the LGA Board and staff act on their beliefs. In such cases, culture is well established and difficult to change.

There are therefore 2 types of experience:

- **Transparent cultures** – where what is said is done
- **Hidden cultures** – where what is said is not done and where deeper beliefs stand in the way of change.

How to get under the LGA's skin and expose the shared tacit assumptions?

Hofstede's organisational characteristics

Ask staff to score the organisation on continuums between 1 and 10 as set out in the table below:

ORGANISATIONAL CULTURE DIMENSIONS	
Process-oriented <i>How things are done, correctness, procedures, risk averse, routine, decisions by group, change takes a long time</i>	Results-oriented <i>Outcomes matter more than processes, every day is different, risk, thinking outside the box, decisions by individuals, quick change</i>
Staff-oriented <i>Organisation concern for employee learning, capacity and welfare</i>	Job-oriented <i>The job matters more than anything, delivery, doing things on time</i>
Parochial <i>Strong organisational identification, loyalty to the team / department / organisation</i>	Professional <i>Strong professional loyalties, resistance to corporate initiatives</i>
Open system <i>Diverse, influenced by stakeholders, services delivered through various means, partnership working, enabler rather than provider</i>	Closed system <i>Difficult to join, glass ceilings, cliques, change is internally driven, plans and targets proliferate, provider rather than enabler</i>
Loose control <i>High discretion roles, freedom to experiment and innovate, flexible working practices</i>	Tight control <i>Micro-management, high degree of measurement, enforcement policies and procedures, hierarchy</i>
Pragmatic <i>What matters is what works, flexibility, customer orientation, diversity and tolerance</i>	Normative <i>Correct practices, rules and regulations, homogeneous language and practices</i>

There are no right or wrong answers here. The exercise aims to provoke debate about what kind of cultural characteristics would best serve the LGA in current circumstances.

Before you plan changes in response to such assessments, you should exercise caution. First find out why current characteristics exist. Get to their causes. Is the LGA capable of change? Knowing this will help the LGA plan a better culture change strategy.

There are 2 factors that will help:

- (i) People like to know what motivates those trying to drive change; leaders must be seen to be open about the culture.*
- (ii) Don't get bogged down in process and in change for the sake of change; link the exercise to some organisational issue.*

Critical Incident Analysis

See the previous chapter. The analysis should include the views of Board members and staff at different levels. Key questions to be addressed are:

- *What happened – from different perspectives?*
- *How did the different groups experience the actions of each other?*
- *What assumptions were made about why particular groups acted as they did?*
- *What beliefs and loyalties were at work?*
- *How does the current LGA culture compare to the culture it needs to have to be a successful, high performing organisation?*

Cultural Assessment Framework

Use a survey against the cultural features of an effective organisations (set out earlier in the chapter) to help the LGA Board and staff understand the current LGA culture and identify areas for change.

Understanding the culture you have

Any organisation, including an LGA, contains several cultures. They are influenced by the national culture, the LGA's purpose, the 'market' in which the LGA operates, historical attachments, key dilemmas and available technology.

National culture

Set out below are key cultural dimensions derived from national characteristics. Organisations would place themselves on the continuum for each characteristic in the light of their national background. Where does your LGA stand? Where do your Board and staff feel most comfortable?

CULTURAL DIMENSIONS

<i>Individualism</i>	←	→	<i>Collectivism</i>
<i>Certainty</i>	←	→	<i>Uncertainty</i>
<i>Short term</i>	←	→	<i>Long term</i>
<i>Masculine</i>	←	→	<i>Feminine</i>
<i>Hierarchy</i>	←	→	<i>Equality</i>

To change a culture, you need to understand where it comes from. For example, if you wanted to increase openness, you may have to intervene specifically to reduce the degree of individualism.

The LGA's purpose

The LGA's purpose can be a strong determinant of culture. The LGA will attract certain kinds of staff, for example. Strong purpose can increase motivation and develop broader perspectives. Focus on the purpose through, for example, raising the profile of strategic planning, will have constructive implications for the culture.

Nature of the market

A key aspect of the market is the feedback about products and services from customers. How quickly does the LGA receive feedback from local authorities? Establishing sensitive feedback mechanisms can bring about rapid change as the LGA seeks to satisfy those who pay its costs.

Historical attachments

Perhaps the LGA Board and staff have been together for a long time. They may have developed a loyalty to each other that blinds them to their effectiveness in strengthening local government. Do they welcome new Board members or new staff? A degree of turnover will bring in new ideas and commitments; too much turnover will lose experience and expertise.

Key dilemmas

Every LGA faces dilemmas. If not actively resolved, they will be sorted out through the predominant culture. For example, in a closed culture the LGA's literature might say it is performing well when actual results are seen to be poor. It is consequently not trusted. Change will only come if it both improves its results and increases its transparency.

New technology

New technology allows an LGA to be much more open with up-to-date information. Investment in technology can bring greater transparency. Are the LGA Board and staff ready to be so open?

Culture change strategy

Culture change is about changing the conditions on which the culture is based. It is about changing beliefs and behaviours. It is not achieved through decisions or by strict control. Several techniques in the right sequence are necessary. There are 3 stages:

1. People first have to realise the need for change (*'unfreezing'*). Exhortations are not enough. Inspiring visions will help some people. People have to come face-to-face with the consequences of the way the LGA currently operates. They must believe there is a problem.

2. Changes must be introduced that have an impact on the culture (*‘moving’*). It involves mobilising effort across the organisation, whether it’s about new structures, systems, policies, procedures or training programmes.
3. The changes need to be institutionalised (*‘refreezing’*), making them part of the new way the LGA has of doing things.

Unfreezing techniques

Future mapping

Ask the staff and Board members to work in groups to consider the issues the LGA might be facing over the next 5 years. Key questions are:

- Who are the actors? – local authorities, mayors, government, sponsors.
- What is happening? – trends, legislation, developments, threats, opportunities.
- How are the various changes linked?
- How will the LGA accommodate these changes?

Large-scale consultation

This could include conferences on the future, surveys, interviews and focus groups.

Challenge focus

Consider some real negative experiences of the LGA; work out what went wrong in each case and how the problems could have been avoided. Draw out the ‘moments of truth’. Rather than offer solutions that fail for lack of ownership, challenge the LGA to do better, releasing creativity rather than urging compliance.

Appreciative enquiry

This is the opposite of Challenge Focus. Identify people doing well and develop growing examples of good practice or desirable behaviour. This builds confidence.

Moving techniques

The key to changing culture is leadership. Culturally-determined leadership behaviour can include:

- *focusing on, controlling and measuring key issues on a regular basis*
- *allocating scarce resources*
- *teaching and coaching*
- *allocating rewards and status*
- *recruiting, selecting, promoting, retiring, disciplining staff*
- *reacting to critical incidents and crises*
- *managing relationships*

5. IMPROVING SERVICE PERFORMANCE

Local authorities expect LGA services of high quality and expectations are rising. An effective LGA will develop services that:

- ***Perform well against agreed performance indicators;***
- ***Demonstrate continuous improvement;***
- ***Are sensitive to the changing needs of local authorities;***
- ***Are aligned with the LGA’s objectives;***
- ***Act within legal and financial constraints;***
- ***Are efficient and deliver good value for money;***
- ***Make sensible decisions on funding and risk;***
- ***Understand the link between staff motivation, skills development and performance improvement.***

Where does your LGA come in the set of continuum (1-10) between poor and excellent service performance set out below?

SERVICE PERFORMANCE ASSESSMENT MATRIX

FACTOR	POOR PERFORMANCE	EXCELLENT PERFORMANCE
<i>Local authority engagement</i>	<i>No approach beyond listening to complaints</i>	<i>Systematic quantitative and qualitative consultation; services developed in collaboration with users</i>
<i>Performance improvement</i>	<i>No approach; no performance indicators; service plans descriptive, not analytical</i>	<i>Suite of performance indicators; staff engaged in monitoring, responding to data and driving up standards</i>
<i>Corporate contribution</i>	<i>Services unaffected by LGA priorities</i>	<i>Clear contribution of services to LGA objectives; service plans influenced by LGA priorities</i>
<i>Learning and development</i>	<i>No training plans; training used as punishment or reward</i>	<i>Coherent training plans linked to LGA needs and service improvements; plans resourced and outcomes monitored</i>
<i>Probity</i>	<i>No clear standards; evidence of breaches of requirements; risk not assessed; budgets poorly managed</i>	<i>Quality services delivered within budget and other constraints; risk management embedded in service planning; resources moved towards priorities</i>

An OD approach will gather information on service performance, facilitate communication with local authorities, support continuous improvement, help services encapsulate the LGA’s values and intervene when the service is performing poorly. OD seeks to minimise central control in order to maximise staff sense of responsibility while ensuring the services remain true to the LGA’s vision and culture.

OD techniques

It is important to choose the right approaches to OD to suit the circumstances.

1. *People-based approaches*

These examine the relationship between competence and achievement. Individual competence can be developed through on- and off- the-job training, e-learning, coaching and peer learning. A key tool is Training Needs Analysis (TNA) that identifies the factors that feed into the development of a learning programme.

COMPETENCE / ACHIEVEMENT MATRIX

		ACHIEVEMENT	
		LOW	HIGH
COMPETENCE	HIGH	Targets insufficiently stretching	Excellent services
	LOW	Urgent development need	Dialogue with local authorities, planning and re-training

Competence development ensures that staff are able to do their work well. It starts with a performance specification setting out the standards required and covers knowledge, skill, motivation and achievement.

2. *Comparison-based approaches*

Service Gap Analysis starts with consulting local authorities' ideal level of service, what they think would be realistic to expect and what they feel they are actually getting. Managers also need to ask staff what they think. Comparisons can be made with recognised standards and good practice. Managers are then in a position to tackle the negative gap.

Benchmarking involves investigating best practice (in-house, other organisations, region), analysing performance, and planning and implementing changes to reach the Benchmark levels. It is important not to get bogged down in detail - a typical risk of Benchmarking. Benchmarking can cover data (on staff, costs, outputs and outcomes), process (sequence of activities), function (structure, operations and performance) and strategic outcomes (implementation of policy objectives).

Benchmarking should lead to better performance at strategic, organisational and operational levels.

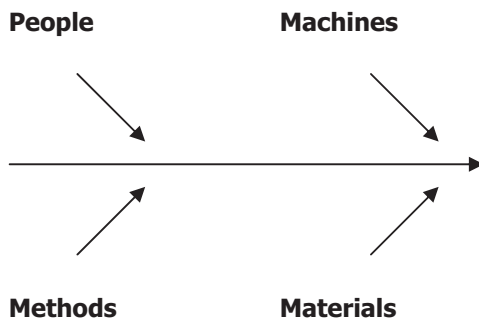
3. Quality-based approaches

How well does the service meet local authority expectations? Quality is derived from conforming to the specification, design, local authority requirements and performance indicators. The aim is to improve the economy, efficiency and effectiveness and to target wasteful activities such as paperwork, waiting times, unnecessary movement and processing, excessive communications and things that go wrong.

Seeking continuous improvement can involve everyone in questioning the rules, developing resourcefulness, getting to the root of problems, reducing or changing activities, eliminating unnecessary tasks. Gradual changes can build up over time.

Pareto Analysis means identifying that 20% of the issues causing 80% of the problem. The Fishbone Diagram helps trace the causes of problems.

FISHBONE DIAGRAM



The 'Five Whys' technique seeks out root causes of problems by asking 'why?' in ever greater depth. It instills a questioning attitude and never accepts the first reason given.

Process-mapping shows how services are delivered by identifying every step and setting out connections. This can be a basis for identifying gaps or unnecessary constraints and suggesting improvements.

IMPORTANCE - PERFORMANCE MATRIX

		IMPORTANCE	
		LOW	HIGH
PERFORMANCE	HIGH	Not that important to local authorities but LGA may be doing it well	Local authorities want it and get it
	LOW	Not so important to local authorities and LGA does not do it well	Local authorities want it but do not get it

The Importance – Performance Matrix (set out above) helps you think about the value of a service.

4. Dialogue-base approaches

Affinity and inter-relationship diagrams are especially helpful when local authorities face particular problems (eg growing youth crime or the need for better care for the elderly) and seek LGA support to help solve them.

LGA staff and selected local authority professional staff meet and use brainstorming to:

- *decide on the outcomes sought;*
- *brainstorm the causes of the current situation;*
- *show on a diagram who owns the issue;*
- *identify the links between the elements;*
- *develop a plan of action.*

Quality Circles allow involved staff to get together on a regular basis to identify problems in a service as they arise. Challenge Groups consisting of both involved staff and outside stakeholders, come together to challenge every aspect of a service. In all group activity, it is important to understand the difference between puzzles and problems. A puzzle requires one specific answer. For a problem, a solution has to be developed. This is where the sharing of ideas and experiences is invaluable.

6. CONCLUSION: THE ROLE OF PEOPLE MANAGEMENT

To be successful, OD requires a change of thinking in an organisation. This starts with the people involved. Hence the importance of the Human Resource (HR) function.

HR is not just about managing such processes as recruitment and discipline. More importantly, HR should contribute to the vision and objectives of the LGA by ensuring that policies and practices lead to individuals doing their best. It is about HR working with managers to deliver better services. It is about strategic thinking. HR has to identify its special contribution to LGA improvement.

Managers have the role of creating the right environment for staff to perform well. They need to be able to motivate staff, involve them in changing culture, coach them and promote their personal development. HR has the job of helping the managers to do this.

HR ROLE IN CHANGE

- *Understand, and help others understand, the likely impact of any change;*
- *Work with the LGA leadership to create the vision and the pathway;*
- *Ensure that the people issues are integrated into any change project;*
- *Support and develop the change project teams and managers;*
- *Create effective staff involvement strategies;*
- *Create an integrated approach to changing organisational and staff processes;*
- *Develop HR strategies to meet the new circumstances;*
- *Monitor and review progress; ensure that lessons are learnt for the future.*

KEY MESSAGES

- *OD looks at the whole organisation, from leadership and performance through to communications and culture.*
- *OD needs to be led from the top and facilitated with the right expertise.*
- *OD is about transformation; it is not for wimps.*
- *OD will help the LGA develop new ways of thinking and working in the face of the challenges of decentralisation and European integration.*
- *Identify the drivers of change in the LGA: what supports or hinders them?*
- *Have the courage to be challenged by a team of peers.*
- *What is the gap between the LGA's vision and the reality?*
- *Performance management turns ambition into delivery: does your LGA have a performance culture?*
- *The purpose of the Communications Strategy is to support better performance.*
- *Leadership is about leading; this is different from managing.*
- *Technical changes are easy; real change affects attitudes and behaviour.*
- *Is the Board transparent: does it act on its beliefs?*
- *Is the LGA's culture right for the challenges ahead? What is the leadership doing to shift the culture?*