

CIPFA Branch Event

**The RPA
and Merging Cultures**

**Stephen Kingon
4 April 2007**



Synopsis

- Reform and Public Administration in Context

RPA- Terms of Reference

“To review the existing arrangements for the accountability, development, administration and delivery of public services in Northern Ireland and to bring forward options for reform which are consistent with the arrangements and principles of the Belfast Agreement, within an appropriate framework of political and financial accountability”

Northern Ireland Executive; June 2002

RPA- the 'shared solutions' concept

- Assembly and 11 departments exempt from RPA
- Key target areas included: *Democratic Accountability and Community Partnership, Coordination and Integration of Services* (so-called 'Joined-up Government') *Efficiency and Effectiveness and Innovation and Business Organisation*
- RPA was intended to build a governance system that moved away from delivering services to delivering results and which would:
 - Allow individual departments contribute to well being
 - Allow performance management of their contribution
 - Create a shared ownership of objectives/targets
 - Accept a shared accountability for performance

RPA- now integrated into the wider reform agenda

- **June 2002** – RPA announced
- **March 2004** – New UK PE linked to radical public sector reform and 2.5% year-on-year efficiency target to release resources for front-line services.
- **July 2004** - Gershon report, 'Efficiency Review: releasing resources to the frontline', and 2004 Spending Review, linked increased NI public expenditure to efficiency savings.
- **October 2004** - Ian Pearson, said: '*... the ministerial team agreed... [that RPA]... would become part of the reform agenda... [and] is now a central building block in developing a wider model for public administration...*'

RPA Update - Timeline to April 09

DATE	KEY AREA	ACTIVITY
Jan 07	Education & Libraries	Appoint new Chief Exec, Library Authority
Jan 07	Health	Issue consultation on Health restructuring
Feb 07	Local Govt	Issue proposed legislation - Local Govt (NI) Order
Mar 07	Local Govt	Issue proposed legislation - Local Govt (Transfer of Functions) Order
Apr 07	Health	5 new Health & Social Service Trusts operational
May 07	Local Govt	Boundary Commissioner - final recommendations to DOE
July 07	Local Govt	Primary legislation laid before Westminster
Apr 08	Health	Health & Social Services Authority fully operational
Apr 08	Health	Local Commissioning Groups fully operational
Apr 08	Health	Patient Client Council fully operational
Apr 08	Education & Libraries	Education & Skills Authority fully operational
Apr 08	Education & Libraries	New Library Authority operational
Apr 09	Local Govt	New Councils assume full roles/responsibilities

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- The Implications of the Reform of Public Administration

The Implications of the Reform of Public Administration

- Reduction in Number of Bodies
- Merging of Bodies
- Creation of New Bodies
- Movement of Activities, Responsibilities and Personnel between Bodies

A significant Change Management process across the Northern Ireland Public Sector

Why are three out of every four change programmes unsuccessful?

Key Issues :

- People
- Programme Management
- Organisational

Source: PwC survey focusing on large change programmes in 500 multinationals and public sector companies covering all industry sectors in North America Europe, Far East .
PricewaterhouseCoopers/MORI

Barriers and Success Factors

Barriers



Success Factors

<i>Top 10 Barriers</i>	<i>Percentage of companies</i>
Competing resources	48%
Functional boundaries	44%
Change Skills	42%
Middle Management	38%
Long IT lead times	35%
Communication	34%
Employee opposition	33%
People issues	32%
Initiative fatigue	32%
Unrealistic timetables	31%

<i>Top 10 Success Factors</i>	<i>Percentage of companies</i>
Ensuring top sponsorship	82%
Treating people fairly	82%
Involving employees	75%
Giving quality communications	70%
Providing sufficient training	68%
Using clear performance measures	65%
Building teams after change	62%
Focusing on culture/skill changes	62%
Rewarding success	60%
Using internal champions	60%

9 out of 10 barriers are people related

Source: Global survey of 500 Multinational & Government organisations- MORI/PwC

Why are three out of every four change programmes unsuccessful?

“You must address the whole business change, not just the individual components. Business change is complex because of the interdependencies between the business environment, the organisation, its people and supporting technologies; any change in one aspect will affect one or more of the others.

You must take account of all factors when planning change. In particular, you should never fail to take full account of the impact that people will have on your proposed change.”

Source: Office of Government Commerce Guidance and Gateway Reviews

Ten Key Success Factors

- ✓ Clear and compelling **vision** for the change
- ✓ Well managed **benefits** process
- ✓ Good programme / **project management**
- ✓ Understanding the **cultural** challenges
- ✓ Supporting the cultural change by aligning the **organisational design**
- ✓ Visible **leadership**
- ✓ Appropriate **change strategy** and **plan** to move to new desired state
- ✓ Understanding the **stakeholders** and addressing their needs
- ✓ Supporting people with appropriate **training**
- ✓ Effectively **managing the performance of the people**

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- Reform and Public Administration in Context
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- Phased Approach to Change

Phased Approach

Planning Phase Key Issues

- Planning Horizon
- High Level Vision and Benefits
- Tackling Uncertainty
- Facing Up To Hard Decisions
- Customer Focus
- Short Term Operational Issues
- Investment Decisions
- Sensitivities
- Consultation
- Communications
- Resources

Phased Approach

Implementation Phase Key Issues

- Leadership/Sponsorship
- Involving Employees
- Terms and Conditions
- Grading Structure
- Quality Communications
- Integration/Locational Issues
- Building Teams After Change
- Methods of Working
- Organisational Changes/Development
- Focusing on Cultural Issues
- Developing a New Vision and Strategy

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- **Merging Cultures**

Merging Cultures

- Culture Exerts a Powerful Influence on
 - Behaviour;
 - Decision Making; and
 - Actions
- Consequently it strongly affects the organisation's ability to pursue strategic change

Why is Culture important? – Its Impact on Performance

Shapers

Creation, reflection, reinforcement of culture

- Leadership actions
- Performance measures
- People practices
- Vision, purpose, and strategy
- Structure
- Competitive context

Manifestations

Content and manifestations of culture

- Values
- Beliefs
- Climate
- Norms
- Symbols
- Philosophy

Impact

Impact on organisational interactions

- Behaviours
- Decisions

Results

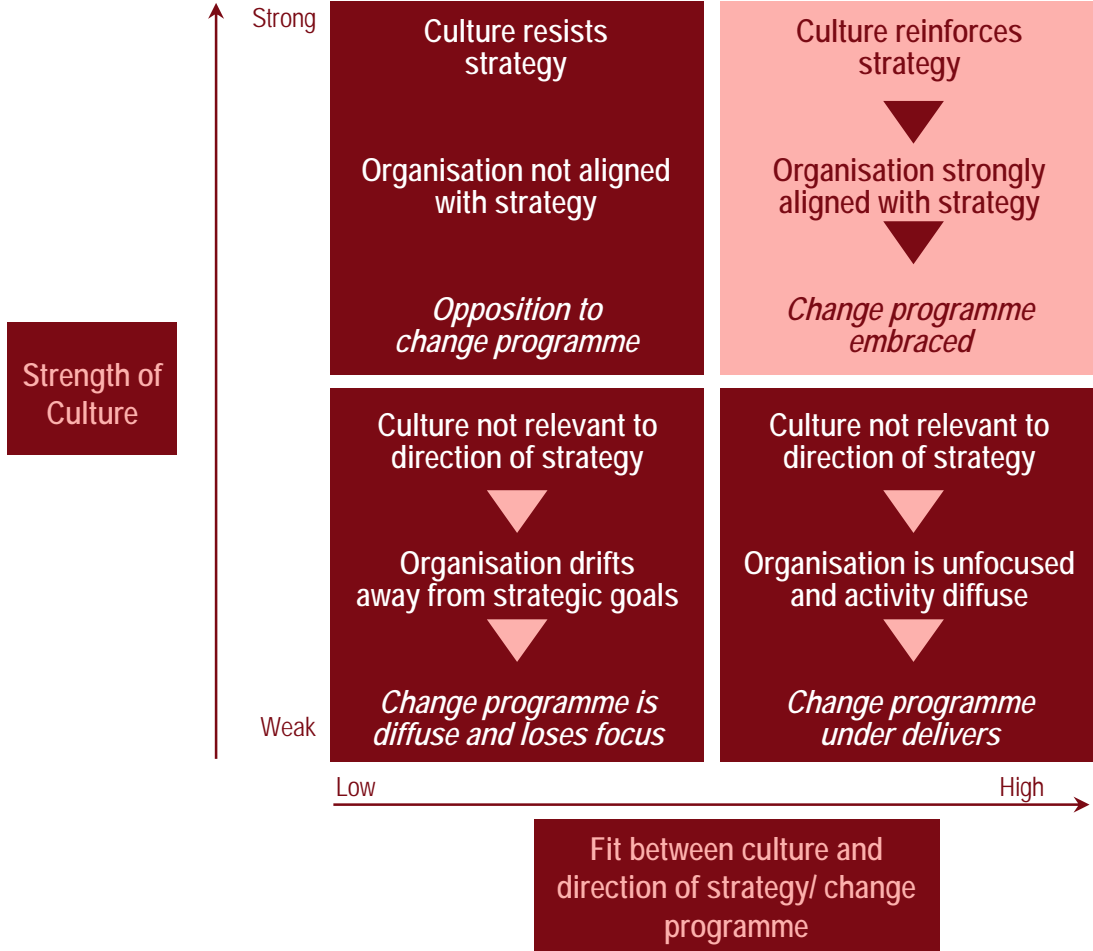
Effect on business results

PERFORMANCE

Source: *The Paradox Principles*, The PwC Change Integration Team, Irwin, 1996.

The impact of Culture on Change Programmes

Culture can either enable and reinforce strategy or undermine its direction and threaten the implementation of change programmes



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- Merging Cultures
- **Lessons Learned**

Lessons Learned

- Culture can either enable and reinforce strategy or undermine its direction and threaten the implementation of change programmes
- Commitment of the top team is essential to implement an organisation-wide change programme
- Performance measures are important to drive through process changes and monitor compliance with the new values
- People revert to the 'old ways' of working during times of stress which must be addressed quickly and effectively
- Deal with the causes not the symptoms of cultural ineffectiveness

Lessons Learned

- Keep messages practical and relevant to your particular audience, tailor your communications to their interests, language and needs
- Be realistic about what you can achieve - particularly if you are dealing with only a small part of the organisation, culture change may not fit with rest of organisation or may not “stick”
- It is never too early to start preparing the organisation for the impending changes but involvement and ownership of local staff in the development of procedures are critical to ensure that the new processes will be used
- Culture change is not a quick win...it takes time

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Questions?

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