

CAPABILITY REVIEWS

– dynamic reform or paralysis by analysis?

The success of the civil service's new performance management regime will depend on having the supportive culture in place to make change stick, says **Dr Ivan Robertson**

The word capability is never far from the lips of public sector employees at the moment and the kind of civil service that the next Prime Minister inherits may depend on the success of the capability reviews currently taking place. With the results of the latest round of reviews published in December, ambitious plans have been set in motion to reform government departments. I want to take a closer look at the people aspects of the reform process and focus on some of the critical factors that will determine how much impact the capability reviews can really have.

The government's report on the findings of the first four reviews in the summer outlines four important themes:

- Leadership from the centre
- Improving the way we deliver
- Responding to the demands of the public
- Skills, capacity and capability reforms

The report also states that all departments reviewed need to reduce their headcount, but at the same time significantly increase the amount and quality of their deliverables. A "strong performance management regime" is also called for.

Everything in the reviews makes sense, but the call for improved performance management provides a perfect illustration of the opportunities and the difficulties of this approach. The reform emphasises skills development and performance management, but the reality is that if numbers are cut before culture change and skill development has taken place a downturn in performance is inevitable before any improvement is seen.

Leadership, here, is critical and this is acknowledged by Cabinet Secretary Sir Gus O'Donnell's approach, which includes direct entry for new directors and offering targeted development to the top 200 leaders in the civil service to provide a leadership boost. However, the real battle will be fought further down the organisations involved, because in terms of trying to effect a major change it is the line management and employee levels that really matter.

When managers attempt to drive performance by setting more challenging goals they need the courage and the will to have the difficult conversations and provide the necessary levels of support to staff to deliver targets – flawlessly. The real challenge here is in creating a public sector where there are more workgroups that operate in this way than those that do not.

The report emphasises urgency and speed in creating this new performance management culture. But you have to be realistic – this will take time, particularly in a huge population with a well-established culture.

I believe that the concept of "readiness" is at the heart of this problem – that is, are the majority of people who need to change or develop ready to do so? Is the environment and supporting culture in place to make any attempts at change 'stick'? Creating action plans is the first step, but action plans alone will not create effective change.

How will the cascading of the "strong performance management regime" really work and how will the risks inherent in this approach be managed? I can see two main areas of risk – the way performance management is delivered and the way it is received. When the pressure is on managers to meet targets and to deal with under-performance urgently, will managers have the capability to do this? In my experience of working across many public and private sector organisations, performance management is not about skill, it is about will. Frontline managers can and do find that will – but only if they feel properly supported by the organisational process for dealing with performance problems and, above all, by more senior and influential leaders and managers. This is what organisational readiness is really about.

Almost certainly, the initial reaction of the employees to increases in the challenge and intensity of performance management will be mixed, creating unrest and concern – the new approach may even be construed as bullying. Only those managers who have the will, and feel that they will be adequately supported, will be successful and that means a strong risk that many will just give up. This has been the fate of many a performance management initiative – strong words, direction and conviction from the top, all of which is quickly undermined lower down.

The most senior leaders need to develop a mechanism for simplifying the task for managers and their workgroups. The key is finding a way to express the new sense of purpose at the heart of Sir Gus O'Donnell's reforms. Providing a compelling vision for managers to buy into has to be the first step, but this needs to be underpinned by high levels of readiness – ensuring that the undoubted commitment and dedication found in many public sector employees is not undermined before it has chance to flourish. The critical ingredient in organisational readiness, at least for improved performance management, is a strong supportive set of organisational processes, supportive leaders and the will to make things better. Is this all in place?

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