Public Sector Org Community Event - 23ʳᵈ January 2025
"Practical techniques for delivering cost efficiencies and public sector reform"

Key Takeaway Notes

Top ten points arising from this event:

- 77% of transformations fail. That has been the case for decades. (McKinsey)
- Structure your transformation to reduce risk and increase success.
- Do a major transformation if necessary, consider phasing. Best practice moves into BAU org effectiveness routines so you can course correct and address future priorities proactively.
- Address the three pillars for success: clarity and executive alignment on **objectives**, clarity on the programme's **process and governance** and use your **data and enabling technology** to drive the specificity, clarity of imperatives and impacts, and full delivery of what's agreed.
- Change is different in any sector, including the private sector, but not so different. With attention to the key success factors the public sector can deliver change effectively too.
- Recognise and address any gaps in your org design maturity. Six maturity dimensions noted to impact change effectiveness: **Value Proposition & Stakeholder Alignment**, **Method & Approach**, **Service Delivery Model**, **Data**, **Technology** and **Execution Capability**. Quickly self-assess your organisation's OD maturity here: https://www.orgvue.com/survey/organization-design-self-assessment-in-one-minute/
- Engage with the appropriate level of people at the outset and through the implementation.
- Address each of the four phases of transformation, and get into the detail in each, to ensure the final outcomes meet the initial objectives: **analyse**, **design**, **plan** and **monitor**.
- Learn as you go. If any steps are missed, retrospectively complete them to help with monitoring and evaluation.
- Celebrate success!

The remainder of these notes are presented in five sections:

- Demystifying cost efficiency and reform
- How change in the public sector compares to that in the private sector
- Organisation design maturity
- Case study: Observations and findings from organisational redesign at HM Land Registry
- The four phases in successful transformation – getting into the detail

Demystifying cost efficiency and reform

- Transformation success has been elusive for decades – 77% of such initiatives stall or fail (McKinsey).
- Increase the success rate by limiting the change, phasing the change and/or (possibly subsequent to a major change) building change into a business-as-usual approach with longer term thinking, as change is now a constant.
- Three pillars for a successful transformation program should be established at the outset:
  - **Objective**
    - Executive alignment on the purpose and goals, provides clarity for the programme.
  - **Process & governance**
    - Clarity on how the programme will be delivered and controlled from the beginning through to ensuring the agreed benefits are delivered.
  - **Data and enabling technology**
    - Data driven programmes are more likely to succeed. Data:
      - Provides specificity on the real issues & opportunities;
      - Provides the evidence to shape and agree the change;
      - Enables teams to engage in the detail of what actually will be changed; and
      - Enables tracking of those specific changes to ensure they are delivered.
      Each of the above reduces the risk of the change programme failing to deliver.
    - Experience shows this is hard to do (and more likely to fail) with traditional MS Office tools. The right tooling makes data (including data with quality issues) easier and more efficient to work with.
- The change governance model should include specificity for outcomes and outputs, process and accountability:
  - Clarity on how to measure success aids achievement of that success.
  - Equip everyone along the change chain as to what their involvement will be.
  - Get operational control over the process to govern and execute it successfully.
  - Ensure specificity, control and alignment, so teams work to the same outcomes.
- There are different enabling structures & engagement models for delivering change – be clear on what suits your context:
  - The level of authority the central team will have for governing the change.
  - The structure for executing the change design and implementation work.
  - Set expectations for what's going to be reported on, measure along the way, so all understand what has been done and achieved.
  - Will we focus on positions or just people? Best practice designs impartially, focusing on to-be positions then aligns people to those during transition planning.

- o Data as stated above is a key enabler, not a barrier – use what you have and get going. Don't use it as an excuse not to start.
- Evolution towards business as usual organisational change is happening:
  - o Modify work and roles so that work shifts and we're not moving people's locations.
  - o Avoid/reduce redundancies, create an organic movement of your people over time, anticipate & plan for future skills needs, increase your organisational agility.

How does change in the public sector compare to that in the private sector

- Change in the public sector is not more frequent, even though change of leadership can be.
- Change may take more effort in the public sector as programmatically change can take longer to mobilise and can have more moving parts.
- The private sector has data issues too. While position management is less common in the public sector that is not a barrier to change.
- The private sector is always looking at the bottom line, but not necessary forward-planning. That drives more responsive change. In the public sector it feels bigger and a lot more effort and maybe not as much momentum to see through changes.
- Some private sector customers expect, and so are now able to cope with, constant change.
- Planning horizons vary in both private & public sectors, based on the operational context.

![orgvue]

Organisation design maturity

We observe six key dimensions play key parts in OD success:

- **Value Proposition & Stakeholder Alignment**: Is leadership aligned on the work and importance to the broader organisation?
- **Method & Approach**: How robust is your method to support data-driven organisation strategy?
- **Service Delivery Model**: How well integrated is your OD capability with the rest of the org?
- **Data**: How available and reliable is your organisation related data?
- **Technology**: How is technology being used to drive organisation strategy?
- **Execution Capability**: Do the right roles and skill levels exist to execute the work?

You can do a **quick self-assessment** of your organisation's OD maturity through four questions. Visit: https://www.orgvue.com/survey/organization-design-self-assessment-in-one-minute/

Orgvue would be happy to discuss your results with you.

Case study: Observations and findings from organisational redesign at HM Land Registry

- Ensure there is Change Leadership in place
    - Don't minimise the impact on the workforce – if their concerns are not taken seriously then the change will be resisted.
    - Ensure mid-level managers understand why the change is required so that they can explain it to their people.
    - Maintain the messaging so that people remember what the point is rather than just remembering the disruption.
- Engage the appropriate level of people in the implementation; those who do the work need to be involved or barriers may be missed.
- Learn as you go and apply that learning.
- Retrospectively complete any missing elements of organisation design process to help with monitoring and evaluation.
- Celebrate success; it will take time to embed any significant change so keep letting people know what is working well.

The four phases in successful transformation – getting into the detail

- **Analyse**
  - Getting to a single source of truth is the first priority – bring in data from different platforms required to underpin the change programme.
  - Provide a strong, common understanding of your business, establish a baseline from which to base your analysis, design and evaluation of changes and benefits.
  - Be clear on what matters and what you are looking to achieve.
    - What are the transformation guiding principles? Critical for design decisions.
    - Are you focusing on structure, e.g. spans, layers, grade alignment for quick wins?
    - Are you more interested in the work that gets done, so you can re-prioritise what gets done and which roles should be responsible for doing it?
    - Many changes involve both structure and work. "Quick wins" can focus on the former. More fundamental change with greater transformational benefits and change around digital transformation and AI will need to consider the latter too.
  - If possible, look at the work through activity analysis or use a proxy like job titles:
    - Refocus effort on under-resourced priority work, away from lower priorities.
    - Reduce tactical work done by senior people.
    - Address excess/insufficient bureaucracy in decision making.
    - Quantify levels of rework to prioritise process improvements.
- **Design**
  - Agree ownership, workflow and governance for design activities and decisions.
  - Model, evaluate and compare different design options. Ability to do this quickly results in more options being considered and can lead to better outcomes.
  - Redesign roles & responsibilities for work priorities, improve staff empowerment.
  - Visualisation informs and accelerates decisions and gains wider stakeholder buy-in.
- **Plan**
  - Once the "to-be" design is agreed, have a structured process that is thorough and fair, to align people in the current structure to positions in the "to-be" organisations.
  - Use skills, preferences and other data to match suitable people to future positions.
  - Identify skills gaps and plan for how those will be addressed.
  - Identify and manage exceptions methodically.
  - Engage people individually to consult and plan next steps for them.
  - Track progress in the planning stage through to completion.
  - Ongoing adaptation and improvement of change process
- **Monitor**
  - Use regular tracking of key metrics to enable change implementation governance.
  - Track benefits as they are realised.
  - Maintain a forecast to target and identify deviations from the plan.
  - Take corrective action early.