Six **'must dos'** for transforming performance

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The scale of the public sector productivity imperative is such that nothing short of a transformation of performance will do. As we define it, transformation is the transition to a sustainable way of working at a significantly higher level of performance, and it applies as much to the public sector as it does to the commercial world. Yet we observe that dramatic transformations are much harder to achieve in the public sector. Why?

One impediment is structural: public sector organizations tend to be more complex and fragmented. Reorganizations are actually quite common, as is the creation and proliferation of new units, programs, or projects. But so-called change programs tend to be undisciplined and lack the holistic design needed to tackle the root causes of poor performance. What they often do is strain already scarce resources and energy, and breed skepticism about "yet another initiative." Despite the often lofty aims of politicians, therefore, the aspirations of most of these efforts are low. Targets tend to be incremental — a typical productivity promise will be 3–5 percent improvement, rather than the double-digit goals that might be possible.

Another impediment is the systematic underinvestment in leadership and talent across the public sector. There may be inadequate clarity on pivotal roles, for example, or on how best to deploy the most talented people across the organization. Systematic succession planning in the public sector is also very limited, and there is almost no strategic resourcing. The change programs that are launched tend to be led by whoever is available rather than by the best people for the job.

So far, so hard. However, as daunting as these obstacles may be, we have seen some very successful transformations in the public sector — well-designed programs, led by the cream of management talent, yielding real and lasting improvement. For those about to embark on a major public sector transformation, we identify six must dos that underpin success.

1. SET "STRETCH" OBJECTIVES AND AN ENERGIZING PACE

Transformation efforts are often undermined by a failure to translate ambitious aspirations into ambitious but specific objectives. Big goals, with apparently impossible timescales, can be very energizing and bring dramatic results.

One national postal system, widely regarded as dysfunctional, hoped to transform all of its offices within two years to raise service and profitability enough to implement a growth strategy in a new business line. Specific metrics were ambitious and clear: offices should offer more functions than new competitors at 30 percent of the cost; queuing times for 80 percent of customers should not exceed 7.5 minutes; and growth should rise to 5 percent a year from the current 2 percent decline. Results lived up to aspirations: over two million customers took up the new services and the post office became the country's number-three player in a new sector. Productivity rose by 30 percent and revenues by 20 percent.

2. ADDRESS BOTH PERFORMANCE AND HEALTH

Successful transformations should transform both performance (the delivery of immediate results) and health (the ability to sustain and improve performance for the long term). Critical components of organizational health — the quality of the people, the design of the organization, its core processes — may seem either unrelated or too intractable for leaders to tackle when in a rush to deliver improvements apparently well within reach. However when transformation programs are struggling to deliver immediate results, this is often due to profound organizational weaknesses. When these weaknesses are shelved to be dealt with later, this misses an opportunity. Transformation programs, with their concentration of effort and resource, are a perfect vehicle for tackling tough problems.

In one public sector transformation, the critical weakness to emerge was the organization's entire approach to performance management, which was underpinning poor results in both the short and long term. This therefore became a core transformation theme which management realized needed to be addressed — right then and in full.

3. DESIGN A RIGOROUS PROGRAM ARCHITECTURE

Well-intentioned bundles of initiatives all too often splinter into a multitude of parallel projects that add confusion, burn energy and people, and ultimately add up to far less than the sum of their parts. We recommend that any transformation program be interconnected at three levels: first, the overarching change objective; second, three to six core performance themes, to meet the challenge; and third, individual initiatives — no more than five to ten for each theme — that turn the change agenda into a reality. In

essence, these three levels should represent a structure that everyone knows will add up to a greater whole.

In one public sector agency transformation, a leader questioned the lack of connection and consistency between various change efforts and intervened to pull the program back together. Projects already under way were stopped, many others were recast, and crucially, scarce leadership resources were reallocated.

4. TACKLE MINDSETS AND BEHAVIORS

Simply telling people what to do differently doesn't transform their behavior. This is not just about making people feel good, though winning hearts and minds is important too. It is about ensuring that people make sense of the change and begin to live it in everyday actions. Four key factors matter, without which neither mindsets nor behaviors will shift. You need a story that others will buy into and make their own; you need to help people develop the right skills and capabilities to behave in a new way; you need the hard structures, processes and incentives in place to reinforce the right behaviors; and, you need to ensure that you and fellow leaders are role models for a new way of working.

In one recent large-scale transformation, a leading European public agency made change personal in a number of ways. It involved all of its many thousands of employees in a digital dialogue to understand what they thought about the organization's performance, their own, and the transformation process.

The agency also surveyed them to help with organizational design, ran more than 2,000 workshops in which local leadership teams explored their business and leadership performance, and developed programs that would improve both. The result was the largest mobilization of mid-level leaders the agency had ever experienced and a change program set irreversibly in motion.

5. CHANGE THE SHOP FLOOR

It is all to easy to accept change at a conceptual level and then fail to alter the way things are really done. Restructuring efforts that have resulted in absolutely no change in service delivery are legion. In our experience, real, lasting performance transformation is achieved only if the fundamental operational routines of how work is actually done are changed too. In particular, changing what might be regarded as iconic activities really matter. It is a core signal that change is irreversible and will continue. Often, applying lean manufacturing methodology can achieve this.

In one public agency, responsible for reviewing sensitive legal cases, the organization faced a growing backlog. In response, it radically reshaped the way in which cases flowed, the way in which people worked in teams, and how cases were allocated to staff (a very emotive issue). There were changes even in the way people sat at workstations, and fundamental shifts in how staff managed time. In an environment where case reviewers regarded their independence at every stage as paramount, these basic changes went to the core of the way work was done and resulted in shrinking the backlog.

6. PUT YOUR BEST PEOPLE IN THE LEAD

Many change initiatives fall down on leadership. All too often, we see transformation efforts and projects being led by whoever's available, while the best talent is kept on important line jobs. Obviously, key risks to delivery do have to be managed — every leader should plan to avoid balls being dropped. However, an opportunity that is often missed is to use the transformation effort itself to expand leadership capacity and find high performers prepared to step up. We see this regularly in private sector transformations where talented people lower in the organization get the opportunity to shine, with the added benefit of exposure to senior leaders. Transformations can be a tremendous development opportunity for established and emerging leaders.

In one publicly owned corporation (the largest organization in the country), the CEO was keen to ensure that the change program was staffed by the very best people. Unable to assess the quality of the talent through regular processes, he held an external competition, received several thousand entries from internal and external candidates and selected a team that would never have surfaced otherwise.

As these must dos illustrate, really transforming performance requires bold and disciplined leadership. If you are a leader embarking on such a transformation, or even if you are in the middle of one, ask yourself: in which of these must dos are we weakest? Where are the gaps? And where can I as a leader personally make the biggest difference?

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