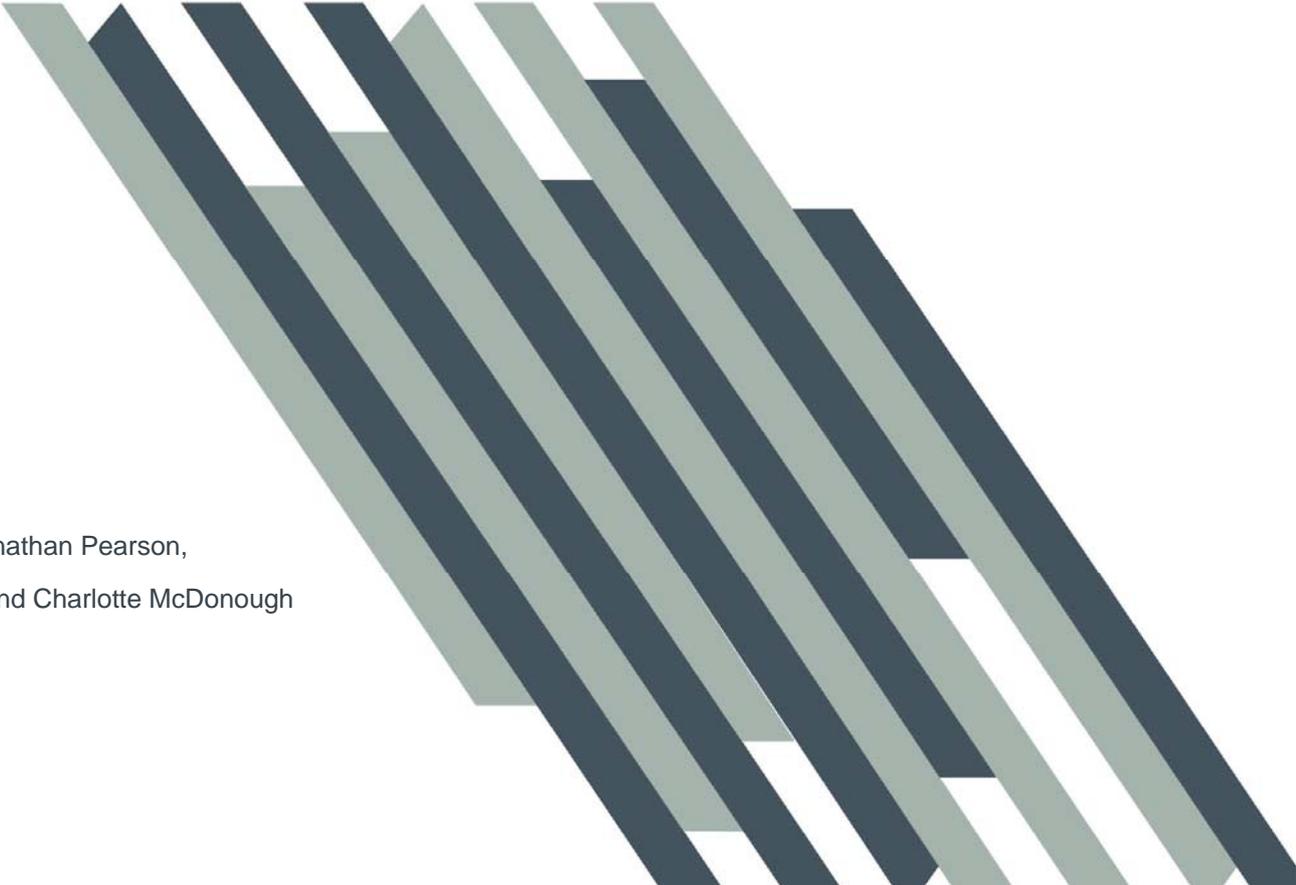


Leading Change in the Department for Education

First Report on Progress

James Page, Jonathan Pearson,
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Any errors, inaccuracies or omissions are the responsibility of the authors alone.

Executive summary

One year on from publishing the *Department for Education Review*, DfE is well positioned in the change process in comparison to other Whitehall departments. Many of the fundamental building blocks for successful change are in place: the *Review* has real credibility and stronger buy-in than might be expected at this stage; the senior leadership cadre is engaged and anxious to seize the opportunity to transform the department; and there are already examples of the *Review* having had a positive impact on day-to-day work.

The Institute for Government has evaluated progress against the nine features of leading major change that we identified in our publication *Transforming Whitehall*.

1. **Setting a positive but credible direction:** The *Review* is seen as setting the right direction for the department, addressing the correct problems and providing a credible vision for the future.
2. **Strategy for change:** The decision to conduct and implement the *Review* at pace is broadly seen as the right approach. However, this has also led to a number of concerns and delivery challenges.
3. **Developing corporate leadership:** Senior leaders in the department are seen as strong individual advocates for the *Review* and 'coalitions for change' extend down to deputy director level.
4. **Effective governance and decision making:** There are concerns about whether the project management and governance of the change programme are sufficiently robust to ensure successful delivery and the correct accountability.
5. **Building in the politics:** Refocusing the department on ministerial priorities is seen as a positive and important step. More effective prioritisation in line with reductions in capacity will be a key test of the 'bargain' to do better with less.
6. **Staff engagement:** At this stage the main driver of positive and negative engagement in relation to the *Review* is the staff selection exercise. Senior civil servants (SCS) and non-senior civil servants (non-SCS) have very different perspectives on this process.
7. **Managing relations across government:** The *Review* has been focused internally within DfE, meaning some staff are worried about limited external engagement with stakeholders and are struggling to link internal change to broader civil service reform.
8. **Prioritising change:** Mutual frustrations between the department's corporate services and directorates have been compounded by the process of implementing change.
9. **Building change into the department:** Staff are anxious to see if the early signs of culture and behaviour change will gain traction.

Looking ahead, five areas for focus are critical to the department's future progress:

1. **Communicating as a leadership team:** senior leaders being seen to drive cross-departmental issues and reflecting openly on progress and challenges.
2. **Integrating non-SCS into change:** building engagement and ownership of the change programme with team leaders and addressing concerns held by non-SCS more widely.
3. **Engaging corporate functions:** addressing frustrations between corporate functions and directorates to support DfE's ability to deliver as a business.
4. **Upgrading governance:** improving oversight, accountability and decision making through better developed structures and controls.
5. **Driving a new culture and ways of working:** keeping the bar high and fulfilling the leadership side of the 'bargain' to empower staff and to shift culture and behaviour.

Introduction

The *Department for Education Review*

The *Department for Education Review* ('the *Review*') was commissioned by the Permanent Secretary on taking up his post in March 2012.¹ The *Review* aimed to: address weaknesses in the department; respond to increasing financial pressures; consider how the department should be organised; and contribute to the overall civil-service-reform agenda.

Produced with the support of Bain & Company, the *Review* acknowledged that certain issues were hindering the department's efforts to be as efficient as possible and to effectively deliver on ministerial priorities. These were: workloads and resourcing; knowledge management; decision making and lines of accountability. As with most departments across Whitehall, external financial pressures had necessitated a major downsizing and drawn focus towards developing more efficient ways of working. The *Review* was intended to prepare the department to work as a stronger but smaller entity in a newly lean civil service.

As the *Review* was commissioned halfway through the parliamentary cycle, the department began its transformation later than most other Whitehall departments. However, the *Review* built on a number of major structural changes which had taken place since the 2010 election. The department closed 11 non-departmental public bodies and established four new executive agencies (later consolidated into three), while beginning to shift the balance of the department's activities from strategy to delivery to support the expansion of the Academies Programme and the introduction of Free Schools.

The *Review* was published in November 2012, with the implementation of its recommendations beginning shortly afterwards. Among the headline goals of the *Review* were: a 50% reduction in the department's administrative budget by 2015; the introduction of flexible working across the department and consolidation of the department's estate from 12 to six sites. The savings goals outlined in the *Review* are expected to equate to a headcount reduction of approximately 1,000 staff by May 2015. The overall programme of change was broken out into multiple 'strands' of change with designated 'strand leads' assuming responsibility for particular areas. Many of the strands were to be implemented concurrently.

The research for this evaluation was conducted in July 2013, immediately following some of the most challenging aspects of the change process. Staff selection exercises had recently been completed in two of the department's three directorates (the Education Standards and the Children's Services and Departmental Strategy directorates) with some staff still waiting to find out where in the department they had been allocated. Additionally, the department had recently concluded its consultation on estates and site closures had been announced. Other strands of the *Review* aimed at improving ways of working in the department were still in their early stages, with directorates at different points in planning and executing their implementation.

Our work across Whitehall has shown that change is rarely a neat or linear process from start to finish. As reflected in the standard change curve, it is common to find a range of emotions at this point in the process. The question is how well placed the department is to make progress on implementing and embedding new ways of working. This report serves as a first evaluation of the progress of the *DfE Review* in transforming the Department for Education.

¹ Department for Education (DfE), *DfE Review*, Gov.uk website, 2012, retrieved 18 November 2013 from www.gov.uk/government/publications/the-department-for-education-review

Context for analysing the *Review*

The Institute's analytical framework

Since 2009, the Institute has supported Whitehall departments with their transformation programmes. Beginning with the Ministry of Justice's programme Transforming Justice, our work has subsequently expanded to incorporate several other major departments.²

Based on this research, in 2012 the Institute produced *Transforming Whitehall*, the first guide to leading major change in Whitehall departments.³ In *Transforming Whitehall*, the Institute identified nine features of leading major change. This report tests DfE's progress against each of the nine areas and is structured accordingly.

Figure 1: Nine features of leading major change in Whitehall

1. Setting a positive but credible direction
2. Strategy for change
3. Developing corporate leadership
4. Effective governance and decision making
5. Building in the politics
6. Staff engagement
7. Managing relations across government
8. Prioritising change
9. Building change into the department

² See www.instituteforgovernment.org.uk/publications for further information on the Institute's work with the Ministry of Justice

³ Page, J., Pearson, J., Jurgait, B., & Kidson, M., *Transforming Whitehall Departments*, Institute for Government, 2012, retrieved 18 November 2013 from www.instituteforgovernment.org.uk/publications/transforming-whitehall-departments-0

The Institute's role and method

Our role

The Institute is acting as a critical friend to DfE, providing objective feedback and constructive challenge on the progress and leadership of the implementation of the *DfE Review*. Our objective is to support the department to achieve the aims of its transformation programme. Correspondingly, the work does not offer any views on what the aims, size or structure of the department should be. We aim to help the department's senior leaders to strategically reflect on how well placed the department is to achieve its aims. To help senior leaders identify areas for future focus, we also reflect on the challenges to and enablers of change. Our evaluation and feedback is always objective and our challenge to senior leaders is always constructive.

The research was funded from the Institute's charitable grant and undertaken at no cost to the department.

What we did

The research for this evaluation was conducted in July 2013 and consisted of:

- **27 interviews** with senior civil servants (SCS) and board members, including the Permanent Secretary, the directors general (DGs), a non-executive board member (NEBM) and a selection of deputy directors (DDs)
- **Six focus groups** with a total of 56 staff drawn from executive officer to Grade 6 positions (non-SCS). Four focus groups were held in London, one in Darlington and one in Manchester
- **72 survey responses** from interviewees and focus group participants
- **data analysis** using the Civil Service People Survey and Communications Survey
- **document analysis** including the *DfE Review*, programme dashboards, risk registers and other management information
- **observation of meetings** relating to the change programme.

While the results of our research are based on a diverse sample from across DfE, they are not necessarily representative of the views of all staff. It should also be noted that the scope of this first report on progress is limited to the department's directorates and does not extend to the executive agencies.

DfE's approach to implementing change

No two major transformations are approached in the same way. How a department goes about implementing a change programme is largely determined by its individual circumstances and needs. In the case of DfE, three specific decisions on how to approach the implementation of the *Review* have had important implications for progress.

1) Moving at pace

The *Review* was conducted over 12 weeks in the summer of 2012. The implementation of the estate and headcount reductions began very shortly afterwards with the aim of making rapid progress on meeting the hard targets outlined in the *Review*. The fast pace was seen as being important to make immediate progress on these challenging aspects of the process and to emphasise that the *Review* was 'real' and distinct from previous reform efforts.

2) Leading change without a dedicated senior leader and well-resourced central change team

Several other Whitehall departments undertaking major change programmes have chosen to create a high-profile post with key functions such as HR, finance, IT and the business itself reporting directly to them. By contrast, the Change Team at DfE never had more than ten staff reporting to the director of change. This team worked predominantly by influencing other areas of the department, rather than aiming to direct and deliver change from the corporate centre.

3) Directorates and corporate services actively owning and shaping change individually

The department chose to leave much of the planning for the implementation of the *Review* to individual directorates, allowing them to determine the best ways to integrate new ways of working based on their particular circumstances. This is in contrast to other Whitehall departments which have taken a more 'command and control' approach to the implementation of change.

Progress against the key features of leading major change

This section reviews the department's progress based on the nine features of leading major change identified in *Transforming Whitehall*.

Setting a positive but honest direction

The DfE Review is seen as setting the right direction for the department, addressing the correct problems and providing a credible vision for the future.

The *Review* is widely seen by senior staff in the department as setting out a positive and credible direction for DfE. There are several factors which inform this view. First, the *Review* is broadly regarded as being candid about the scale of the challenges facing the department and the difficult steps that are required to overcome them. It is seen as being frank in setting out where the department has not performed well enough and has established a firm savings target. Second, the *Review's* analysis of the problems in the department is widely shared. There is agreement, even among those who were most immediately affected by the selection exercise and site closures, that the *Review* presents an honest picture of the problems that the department needs to confront.

"A positive is that they have hit on the right problems. They're not talking about things where you go: 'Why are we tackling this?'" (Non-SCS)

Third, the *Review* is seen as presenting a positive and aspirational aim "to deliver world-class education and children's services".⁴ The proposed changes in the *Review* were widely seen as necessary and, crucially, as both realistic and achievable.

Finally, the top-level vision for the transformed department is broadly understood by the SCS and to a lesser extent by non-SCS. The latter group generally feel that parts of the vision are clear, if not all of it. In the course of the Institute's previous research, only a handful of other Whitehall departments were as well placed at this point and several had not succeeded in presenting staff with a clear vision for the future.

"The vision is absolutely there. I don't think there's anyone who's in any doubt about that." (Non-SCS)

As a result, the *Review* has established a strong grip inside the department, in contrast to previous change initiatives. Despite frequently being described as the "Permanent Secretary's Review" and the external contribution of Bain & Company, the *Review* feels owned by individual divisions which have been given the opportunity to shape how change 'looks' for them.

SCS in particular are anxious to seize the opportunity to create a 'better but smaller' department. There is a strong feeling that the *Review* will enable the department to tackle some of its longstanding weaknesses head on, particularly the issue of historically poor performance management. Among non-SCS, there is still uncertainty around whether the *Review* truly represents this opportunity, with many electing to wait and see whether it will have a transformative effect. Some staff in this group believe that the vision has 'stalled' at a high level and struggle to articulate what practical changes to ways of working would need to take place for the *Review* to be fully implemented.

⁴ Department for Education (DfE), *DfE Review*, Gov.uk website, 2012, page 4, retrieved 18 November 2013 from www.gov.uk/government/publications/the-department-for-education-review

“What’s less clear is the rhetoric... what does that mean in practice?” (Non-SCS)

There is also uncertainty in this group around how their individual areas of work will ultimately be impacted by the *Review*. Added to this is a lack of clarity around what the ‘look and feel’ of the department as a whole will be once new ways of working have fully taken hold. Overall, changes that are being owned and implemented within individual directorates are generally felt to be clearer than those which cut across the department, such as the management information and knowledge management strands of the *Review*.

Strategy for change

The decision to conduct and implement the Review at pace is broadly seen as the right approach. However, this has also led to a number of concerns and delivery challenges.

Moving swiftly to complete the selection exercises and the consultation on estate closures is broadly regarded as being the right decision for the department. The sense of urgency in the department has been reinforced by the pace, which has also served as a strong indicator to staff that the changes proposed by the *Review* will be made ‘real’ in contrast to previous change initiatives.

“I did hear some people say, ‘We’ve seen all these come and go, we just wait for them to pass over’. So it was really important that we did move quickly and then we did move very swiftly to implementation” (SCS)

However, as in several other Whitehall departments which proceeded at a comparable pace, the speed at which decisions were taken, announced and subsequently implemented, gave rise to a number of concerns. For a minority of staff, particularly among the non-SCS, the pace generated unhappiness about their level of engagement in the process. For some, the headline numbers presented in the *Review* – the 50% budget cut and headcount reduction of approximately 1,000 employees – did not feel like the product of rigorous analysis. And, some staff from specific sites outside London feel that the research phase of the *Review* was not as consultative as it could have been and that the final outcomes did not accurately reflect what they had expressed during the process.

“Given the time and resources given to it, they couldn’t have done a proper consultation.” (Non-SCS)

These staff also express frustration that when the department was deciding how to implement the *Review*, the lessons from the reform of public bodies which preceded the *Review* were not taken into consideration. The biggest concern among this group was whether valuable lessons about managing people through the process of re-applying for their own roles had been considered when designing the department’s selection process. The support available to staff faced with a potential move from one site to another is an example of where some staff were unclear about how the lessons from the reform of public bodies had been incorporated into the new process.

Developing corporate leadership

Senior leaders in the department are seen as strong individual advocates for the Review and ‘coalitions for change’ extend down to deputy-director level. However, there is weaker ownership of change among the non-SCS.

The department’s directors-general are seen as visible leaders of change within their individual directorates, as well as taking on high-profile roles in implementing certain cross-departmental aspects of the *Review* – most notably the estates strategy. Members of both the director and deputy-director groups express confidence that the leadership team is united and leading effectively in the best interests of the department. This confidence is mirrored within the leadership group itself which reports high-levels of trust and mutual support at the top of the department.

“The DGs provided some visible leadership on it all and there was no question that [they were] completely behind it.” (SCS)

Compared to other departments at this stage in the change process, DfE has ‘coalitions for change’ – leaders mutually supporting one another and communicating the importance of change to staff – which extend deep into the department. In most areas, these coalitions extend down to deputy director grade. In large part, this is due to the involvement of the change team and Permanent Secretary with the deputy director cadre. They are regarded as a key group of leaders who ‘see all the way up and down the department’. However, while there is strong buy-in from deputy directors, this is largely for change occurring within their individual directorates, rather than for the cross-departmental aspects of the *Review*. Among non-SCS there is more to do in fully securing a sense of ownership and engagement with the future of the department.

While there is widespread confidence that the Permanent Secretary and the DGs work well as a group and share an understanding of where the department is going, staff at all levels predominantly see this group as individuals operating within their directorates, rather than as a corporate group visibly leading on behalf of the department. This has created a degree of uncertainty around how change across different areas of the department adds up.

“A lot of areas are undertaking their own little bit and you understand that, but the overall vision [is] very difficult to get the grips with.” (Non-SCS)

This has several implications for how staff perceive the department’s overall journey of change. While most staff are able to point to some tangible changes in their individual divisions, they do not generally have a clear view of how changes inside their directorate relate to other changes taking place across the department. This is exacerbated by the accompanying uncertainty about how the sum of changes in the department adds up to becoming ‘world class’. This appears to be a communication challenge predominantly. A large number of staff, especially non-SCS, stress the importance of improving cross-departmental communication, particularly around change.

Effective governance and decision making

There are concerns about whether the project management and governance of the change programme are sufficiently robust to ensure successful delivery and the correct accountability.

The structure and controls associated with effective project management are seen as being relatively limited in relation to the change programme. In particular, there are concerns over whether the project management arrangements are sufficient to provide leaders with a clear understanding of the risks associated with the programme. Similarly, gathering the correct management information – to provide leaders with a clear picture of whether implementation of the *Review* is on track – is identified as a potential area of weakness. Since the majority of change is being driven within directorates, responsibility and accountability is fragmented across the department. This makes it difficult to reconcile progress on cross-cutting strands.

“It’s being left to the individual DD [deputy director] to make the running in their division and [there is] not a lot of oversight or scrutiny to see that that is occurring.” (SCS)

In addition to the day-to-day project management, the formal governance arrangements around the change programme are not regarded as sufficiently robust by staff closely involved in the process. Two governance bodies in particular, the Progress and Challenge Board and the Implementation Group, are regarded by some participants as too focused on information sharing and high-level updates, rather than on taking decisions and formally holding the programme to account.

While benefiting from an openness and willingness to share information, the Implementation Group has limited powers to challenge or hold strand leads to account on progress while there is no clear escalation point akin to a programme board to ensure meaningful assurance and control. Additionally, members of Progress and Challenge

are individually responsible for some but not all the strands of the *Review*, leading to concerns about uneven reporting and oversight.

Building in the politics

Refocusing the department on ministerial priorities is seen as a positive and important step. More effective prioritisation in line with reductions in capacity will be a key test of the ‘bargain’ to do better with less.

The *Review* “built in the politics” by explicitly considering how the department could enhance its ability to effectively respond to ministers. It placed a high value on developing an efficient relationship between ministerial priorities and departmental resourcing. Being able to better support ministers and deliver on their priorities is viewed by staff as one of the ultimate success measures for the *Review*.

“We’re much better focused on what it is ministers [want]...rather than trying to hold them back or persuade them to do something different.” (SCS)

Staff widely see the Secretary of State (SoS) as the ‘implicit customer’ for the *Review*, though ministers are seen as playing an appropriately hands-off role in the implementation of changes.

“They are not as hands-on as the management committee, but really interested and involved. The SoS has spoken to the SCS at key points.” (SCS)

However, given the importance attached to ministers’ views, some staff felt it would be beneficial to have more direct communication from ministers about how the department is performing. The *Review* also created an implicit bargain between ministers and staff, for example, that downsizing be matched by re-prioritising in line with reductions in capacity. Living up to this bargain will be one of the key tests for whether the department has truly transformed. The expectation that some areas of work will be ‘hibernated’ in line with capacity constraints is extremely important to staff. Transparency on why some areas have been re-prioritised and others have not will be a key driver of morale in the future.

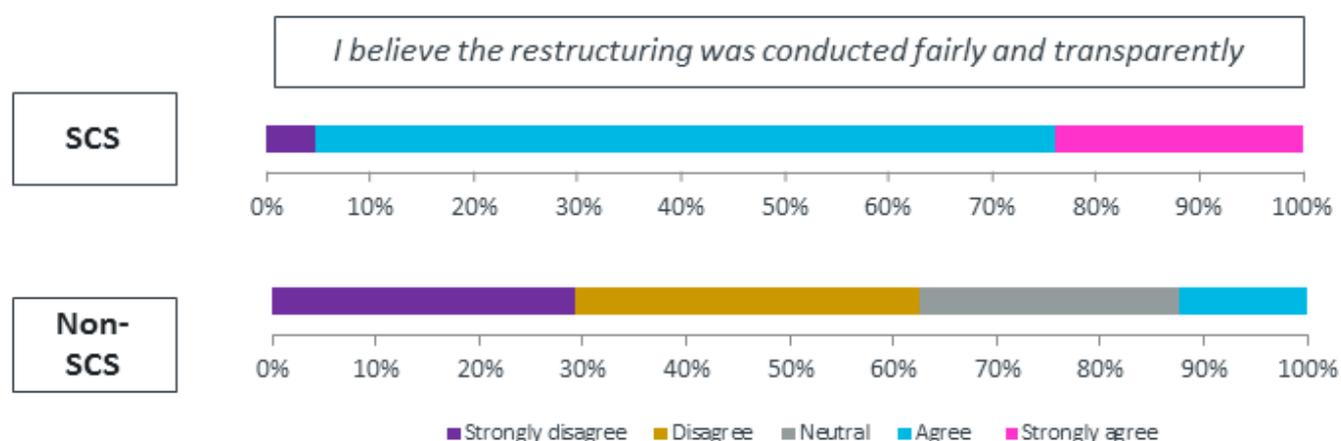
Staff engagement

At this stage the main driver of positive and negative engagement in relation to the Review is the staff selection exercise. SCS and non-SCS have very different perspectives on the process.

Staff selection exercises were run in the Education Standards and the Children’s Services and Departmental Strategy directorates, with other areas of the department taking a different approach to downsizing and performance management. Running selection exercises in some areas but not others raised questions about the fairness of the process. Staff who managed others through the process report levels of morale within teams to be one of their main concerns.

Staff in all three of the department’s directorates feel that two directorates going through selection while other areas remained exempt was unfair and had negatively impacted on morale. While senior leaders were clear on the business rationale for carrying out selection in some parts of the department and not others, staff did not feel that this had been well communicated to them. Of staff that were surveyed, only 12% of non-SCS agreed that the selection process was conducted fairly, compared with over 80% of SCS. However, this is not unique to DfE; other departments which have also run selection exercises have presented a similar split.

Figure 2: survey responses on the fairness and transparency of restructuring



The perception that the process was inconsistent between and within directorates generated additional concerns and led some staff to question whether the department would be able to properly follow through on permanently ‘raising the bar’ on staff performance. If selection had not occurred in an area, staff struggled to understand what approach was being taken to address performance-management issues and whether this would be sufficiently robust to address them. These questions were further fuelled by the acknowledgement that some line managers in the department had historically been reluctant to give honest appraisals of poor performers, leading to an inaccurate picture of the department’s overall capability.

“That is a subject of great controversy, because there’s no consistency within the directorates, within divisions, within the department for assessing performance.” (Non-SCS)

While the selection and estates decisions have understandably impacted engagement in the short term, the department’s overall engagement score as measured by the Civil Service People Survey (CSPS) has been in decline since 2010. DfE’s overall engagement score fell from 60% in 2010 to 56% in 2012. On ‘leadership and managing change’, which is the strongest driver of staff engagement tested by the CSPS, the department has experienced a nine percentage point drop from 45% in 2010 to 36% in 2012. This is in keeping with the trend of main departments performing underneath the civil service benchmark in this area of the survey. Within leadership and managing change, positive staff responses to the specific question: “I feel that change is managed well in DfE” declined from 41% in 2010 to 27% in 2012.⁵ A communications survey run in the department in March 2013 showed further decline in this score.

Managing relations across government

The Review has been focused internally within DfE, meaning some staff are worried about limited external engagement with stakeholders and are struggling to link internal change to broader civil-service reform.

To date, the audience for the *Review* has been primarily internal. This has created some issues which were articulated by staff at all levels. Specifically, there are concerns within the department that it risks becoming less engaged with stakeholders than it has been traditionally. Individual staff expressed the concern that with this reduction in engagement, the department is potentially at risk of becoming less responsive to emerging issues in the education and children’s services sectors. The introduction of flexible resourcing means some staff are particularly anxious about how to properly maintain contact with stakeholders if they are likely to be frequently

⁵ DfE, *Staff Survey Results 2010*, Gov.uk website, retrieved 18 November 2013 from www.gov.uk/government/publications/people-survey-results-2012

moved between teams and areas of responsibility. Facing outward, there is not seen to be a strategy for directly communicating with stakeholders about changes which may potentially impact the relationship between the external organisation and the department.

“I think we’ve gone from being a department that is very engaged with stakeholders to being one that’s hardly at all engaged with stakeholders. That’s quite risky in some parts of the delivery business.” (SCS)

In common with other departments undergoing major reform, staff find it difficult to draw the link between the DfE’s internal reform efforts and the broader civil-service-reform agenda. Change within the department was foremost in the minds of non-SCS in particular, and many struggled to articulate how the department’s internal changes contributed or systematically connected with civil-service reform.

Prioritising change

Mutual frustrations between the department’s corporate services and directorates have been compounded by the process of implementing change.

The corporate functions in Whitehall departments (finance, HR and IT) play a critical role in enabling successful transformational change. In DfE, the day-to-day relationship between corporate functions and directorates is weaker than in many other departments.

While it is acknowledged that improvements are underway and that there is a mixed picture across the department, corporate functions are widely seen as a traditionally weak area. All report being under considerable pressure, with some areas claiming they are struggling to deliver business as usual. This has reinforced the department’s implicit culture of: “If you want something done properly, get a policy person to do it.”

“We don’t use corporate services to benefit the business as much as we could do.” (SCS)

This culture is reflective of mutually reinforcing frustrations between directorates and corporate services. DfE’s corporate functions are seen as being reluctant to engage with and understand the ‘business’. In turn, directorates are generally seen as failing to comply with corporate protocols during business as usual, instead creating ‘local’ processes which are then difficult to reconcile across the department. However, during critical periods such as selection, directorates are seen as making heavy demands on the centre’s expertise, which reinforces the perception that corporate functions lack the capability to serve the business effectively.

There are several important areas where staff feel they could have been better supported by the centre and by line managers during the selection exercise. During the selection exercise several line managers felt that next steps were often unclear or direction was provided only at the last minute, giving them insufficient time to absorb advice. Additionally, a significant proportion of non-SCS feel the wrong people left the department, with some attributing this to the inconsistent application of selection criteria by line managers and to poor line-management support throughout the process. This perception was countered by SCS, who broadly felt that selection ensured that the correct staff were managed out of the department.

“It hasn’t been a very centrally driven thing really... almost all the comms about change have been done through the staff.” (SCS)

In contrast to several other departments undergoing major transformation, DfE chose not to create a large central resource. This has important advantages but also compounds the difficulty of driving cross-departmental strands and showing how change ‘adds up’ across the department.

The principal advantage this decision has afforded the department is that it has allowed individual teams to take more ‘ownership’ over the change programme as it does not feel externally imposed by a powerful central group.

As a result, the department has succeeded in driving ownership of change to a deeper level than other departments we have observed at the same point in the change process. The devolved ownership of change and the correspondingly lean central resource does however raise a number of challenges. Making progress on cross-cutting strands of change without obvious central sponsorship is proving difficult. In addition, there are unresolved questions as to which elements of change need to be consistent across the department, and how to drive co-ordination in those that do.

Building change into the department

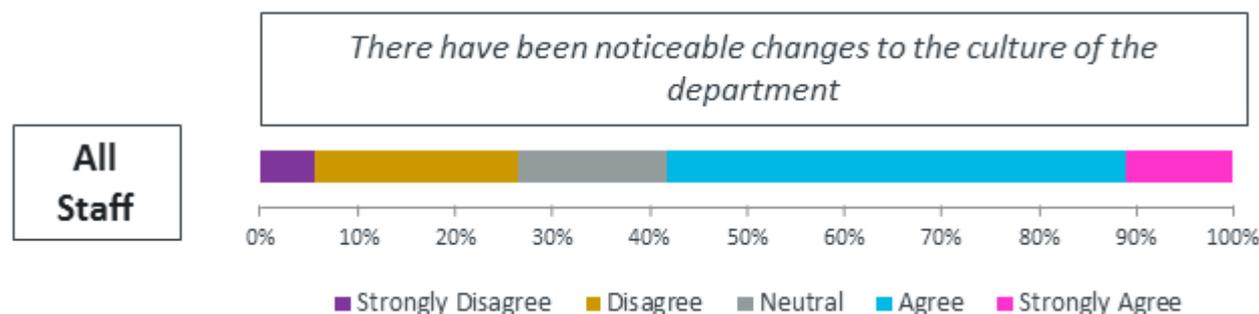
Attention has inevitably been focused on the tangible elements of the change programme such as selection and consolidation of the estate. Staff are now anxious to see if the early signs of culture and behaviour change will gain traction.

At this stage in the change process, the inevitable focus on the pace of selection and the estates strategy has been the primary drain on the energy of staff and leaders. Driving through these tangible changes has inevitably drawn focus away from the cultural and behavioural changes that will be necessary to ensure the sustainability of the *DfE Review*.

“It’s difficult to stand back and look at where things will be in the future. We’re getting swamped with the day-to-day.” (Non-SCS)

Particularly in the directorates that went through selection, there is now a desire to re-energise and re-group to tackle these ‘softer’ elements of change and embed changes that have already been achieved. Almost 60% of staff feel that there have already been noticeable changes to the culture of the department. The department’s five ‘policy tests’ were frequently cited as an example of a positive driver of different behaviour.⁶

Figure 3: survey responses on culture change in the department



“We’ve achieved some big changes... the things that people are thinking and talking about in relation to their work, there’s a whole new vocabulary from the Review.” (Non-SCS)

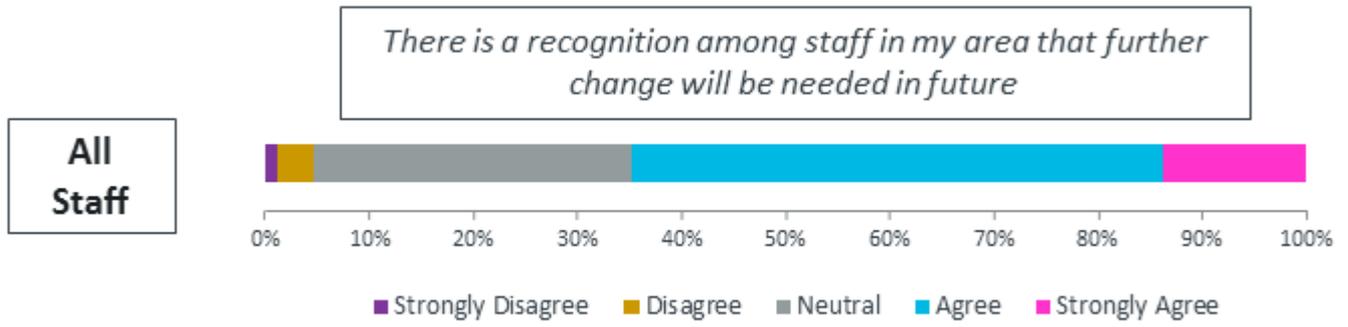
Several critical tests remain, however. In particular, SCS feel that having raised the bar through the selection exercises, the department must now work on maintaining and embedding high standards of performance management and expectations of staff performance as a priority. Similarly, providing staff with the learning and development opportunities to allow them to adapt to new ways of working was seen to be a key test of whether the *Review* was living up to its potential to transform the department for the better.

Creating a sustainably better but smaller department will require many further shifts in culture and behaviour, both in the short and medium term. In stark contrast to several other departments where staff are unwilling to accept the

⁶ Barcoe, N., & White, H., ‘The Policy Tests: Transforming policy in the Department for Education’, *Gov.uk Quarterly Blog*, retrieved 18 November 2013 from <https://quarterly.blog.gov.uk/2013/07/12/the-policy-tests-transforming-policy-in-the-department-for-education/>

need for further change, staff at DfE recognise that further change is both necessary and desirable if the department is to transform.

Figure 4: survey responses on need for further change



Bringing it together: areas for focus

The following five areas for focus represent the most important challenges for leaders to address to support further progress on change.

Building on the preceding analysis, the five areas for focus presented here represent what we consider to be the top five priorities for leadership attention. These were selected on the basis of both their importance to future progress and the frequency with which staff raised them as issues that leaders should address.

Underneath each area for focus, we set out: what the issue is; why it matters to the *Review*; and what success could look like. These are suggestions based on our research in DfE and more widely across government. It is down to leaders to decide what action they wish to take.

The areas for focus are comprised of four urgent challenges to address:

- 1) **Communicating as a leadership team:** Senior leaders being seen to drive cross-departmental issues and reflecting openly on progress and challenges.
- 2) **Integrating non-SCS into change:** Building engagement and ownership of the change programme with team leaders and addressing concerns held by non-SCS more generally.
- 3) **Engaging corporate functions:** Addressing frustrations between corporate functions and directorates to support the department's ability to deliver as a business.
- 4) **Upgrading governance:** Improving oversight, accountability and decision making through better developed structures and controls.

And one key test of leadership ahead:

- 5) **Driving a new culture and ways of working:** Keeping the bar high and fulfilling the leadership side of the bargain to empower staff to shift culture and behaviours.

1) Communicating as a leadership team

Senior leaders being seen to drive cross-departmental issues and reflecting openly on progress and challenges.

What is the issue?

- Staff do not see senior leaders communicating as a team or leading cross-cutting issues which impact across the department.
- Implementation of the *Review* has been devolved to individual directorates and below, meaning that staff are not clear how change adds up across directorates.
- Non-SCS in particular want an honest assessment of both the progress of the change programme to date and the challenges that remain if the department is to fulfil its aim of becoming world class.
- Feedback from ministers on the change programme and their experience of its progress is limited.
- Staff want to know how leaders see the changes from the *DfE Review* connecting into wider civil-service reform and to DfE stakeholders.

“There is no sense of ‘disunited’ but we don’t get messages from the board in the way we used to.” (Non-SCS)

Why is it a priority?

- Senior leaders being seen to communicate as a team would generate confidence among staff that the leadership is united and leading jointly on behalf of the department.
- Cross-cutting departmental issues would benefit from the additional impetus generated by a visibly united leadership cadre.
- It would provide reinforcement for key messages relating to change and help with re-energising and re-engaging staff after a challenging period.

What would success look like?

- Senior leaders would communicate in pairs or small groups which cut across usual directorate and team silos. Direct forms of communication from key figures like the Permanent Secretary and DGs have proven popular and effective in other departments.
- The one-year anniversary of the *Review* would be used as an opportunity to openly reflect on progress, challenges and overall performance in the department, including the wider civil-service context.
- What constitutes 'world class' would be defined and the department's progress towards achieving that status would be measured transparently.

2) Integrating Non-SCS into change

Building engagement and ownership of the change programme with team leaders and addressing concerns held by non-SCS more widely.**What is the issue?**

- Some non-SCS question the integrity of the *Review* process and feel they were not sufficiently engaged during the consultation period.
- A substantial proportion of non-SCS staff are not convinced that the staff selection exercise was run fairly or effectively.
- The vision of a world class department has not yet been grounded with non-SCS, who want to know what this means for them in practice and for their future role in the department.
- There is a pronounced drop in engagement with the change programme and ownership of elements of change between deputy directors and Grades 6/7 in the department, with more junior staff further behind still.
- Non-SCS based outside London had additional concerns about receiving sufficient support from London and being seen to be valued and engaged with by the rest of the department.

“The senior management team definitely get it... going down a level or two, morale within the teams is still pretty bruised.” (Non-SCS)

Why is it a priority?

- There is a morale issue within teams which stems from selection, the estates decision and for some, a sense of being ignored during the *Review* consultation.
- Implementing the *Review* and energising staff to deliver in new ways requires ownership of change that runs as far down as possible through the department.

- Many non-SCS are holding back or are disengaged from change, with some sceptical of the idea that the department is truly changing beyond simply becoming smaller.

What would success look like?

- Support would be developed for non-SCS to constructively and transparently raise their concerns, and honest and regular responses would be provided. This could include more frequent face-to-face communication from DGs and directors with groups of non-SCS in forums that give staff an informal opportunity to ask questions and raise issues.
- A few areas of staff engagement would be prioritised consistently across the department.
- Deputy directors would be supported and held responsible for engaging their staff at Grade 6 and 7 to positively lead and communicate about change.
- Staff engagement would be embedded as a core capability for management roles. In the Department for International Development, for example, recruitment for SCS posts requires candidates to be assessed on their ability to engage their staff, and staff feedback is core to annual appraisals of the senior leadership team.

3) Engaging corporate functions

Addressing frustrations between corporate functions and directorates to support the department's ability to deliver as a business.

What is the issue?

- Mutual frustrations exist between corporate functions and directorates in the department, leading to poor and inconsistent management information and reporting.
- There is also the perception that the department's corporate functions are facing urgent capability and capacity issues.

“One thing that maybe was missing was the lack of a corporate owner of all of it.” (SCS)

Why is it a priority?

- Strong corporate functions are essential for enabling new ways of working and providing a platform for these to be consistently and sustainably applied across the department.
- Frustrations relating to the staff selection exercise have strongly contributed to a lingering morale issue among non-SCS in particular.
- Breaking the cycle of policy staff dominating decision making is perceived by many to be an essential pre-condition of changing the culture in the department.

What would success look like?

- Corporate decisions would be visibly taken in consultation with the relevant corporate functions. This would break the self-reinforcing cycle of corporate and policy functions working in isolation and frustrating one another.
- Open forums would be created for tackling mutual frustrations and non-compliance as part of relevant cross-cutting Review strands (e.g. management information, continuous improvement and governance).
- Consideration would be given as to whether there is an additional leadership role, as in several other departments, at director-general/chief-operating-officer-level to provide a focal point for strategic input.
- Leaders of corporate functions would be visibly involved in cross-departmental communications about change as part of the senior leadership team.

4) Upgrading governance

Improving oversight, accountability and decision making through better developed structures and controls.

What is the issue?

- Under the current arrangements, the assurance and challenge around the change programme is felt to be insufficient by some of those directly involved in the process.
- Decision making in the department about the change programme is not consistently transparent or clear to staff – both in relation to who takes decisions and the rationale for them.
- Management information and reporting can be difficult to join up coherently across different strands and directorates.
- There is scope to significantly tighten project management structures and controls.

“There’s more to be done in securing the information that will allow us to govern and take account of the progress.” (SCS)

Why is it a priority?

- The department is still finding the right balance between central assurance and oversight of the change programme with devolved ownership of change.
- With limited resources at the centre to ensure coherent and complementary implementation, directorates may duplicate initiatives or move in different directions on common issues and challenges.
- One key challenge for leaders, that cannot be addressed without accurate information, is how to accurately take stock of the overall progress the department has made and communicate it to staff.

What would success look like?

- Key features of project management would be significantly strengthened, in particular: benefits mapping; accurate measures of progress; a clear understanding of dependencies across the department and risks and issues.
- It would be clearer what management information is required and what needs to be standardised across the department. Clear lines of responsibility and accountability on cross-cutting change strands would also be developed.
- Corporate-level decision making on the Review would be transparently established and communicated. The need for a small board secretariat, to make change sustainable beyond the current change team, would be considered.

5) Driving a new culture and ways of working

Keeping the bar high and fulfilling the leadership side of the bargain to empower staff to shift culture and behaviour.

What is the issue?

- SCS in particular are anxious to seize the opportunity the Review represents to improve the department and establish it as a world-class provider of education and children's services.
- A key element of the implicit bargain with staff is continued improvement in DfE's ability to allocate resources in response to ministerial priorities and to ease capacity issues across the department.
- Similarly, a key test for the Review's credibility is whether leaders visibly follow through on selection by enforcing performance management measures and consistently keep the bar high across the department.

"You can tick the box on paper but it's what ... happens in reality. It needs a culture change." (Non-SCS)

Why is it a priority?

- At this stage, it is critical for the department to sustain momentum on the 'positive' aspects of the Review following on from the 'hard' elements of selection and estates.
- Delivering on the positive aspects of the Review and proving that the department is getting better not just smaller, is key to maintaining the credibility of both the leadership in the department and of the change programme itself.
- Developing a positive new culture which reinforces the ambition of becoming world class is a core part of ensuring DfE is an attractive place to work and is able to attract and retain the best talent.

What would success look like?

- A method for engaging ministers in prioritising against available capacity would be established. This has proven a difficult conversation for senior leaders in other departments, especially where it is difficult to engage ministers as a unit and there is inadequate data on capacity.
- The rationale for why some activities have been re-prioritised and for continuing with others would be communicated to staff.
- Focus would initially fall on two or three top priorities for changing the culture of the department, rather than attempting everything at once. What success will look like, how it will be measured and what is no longer acceptable, would be clarified.
- Clear lines of accountability for delivering against these 'softer' elements of change would be maintained to sustain momentum and bring about deeper change in the department.
- A clear learning and development offer to staff would be set out to reinforce new ways of working.

Annex 1: Survey Results

Figure 5: Focus group survey results

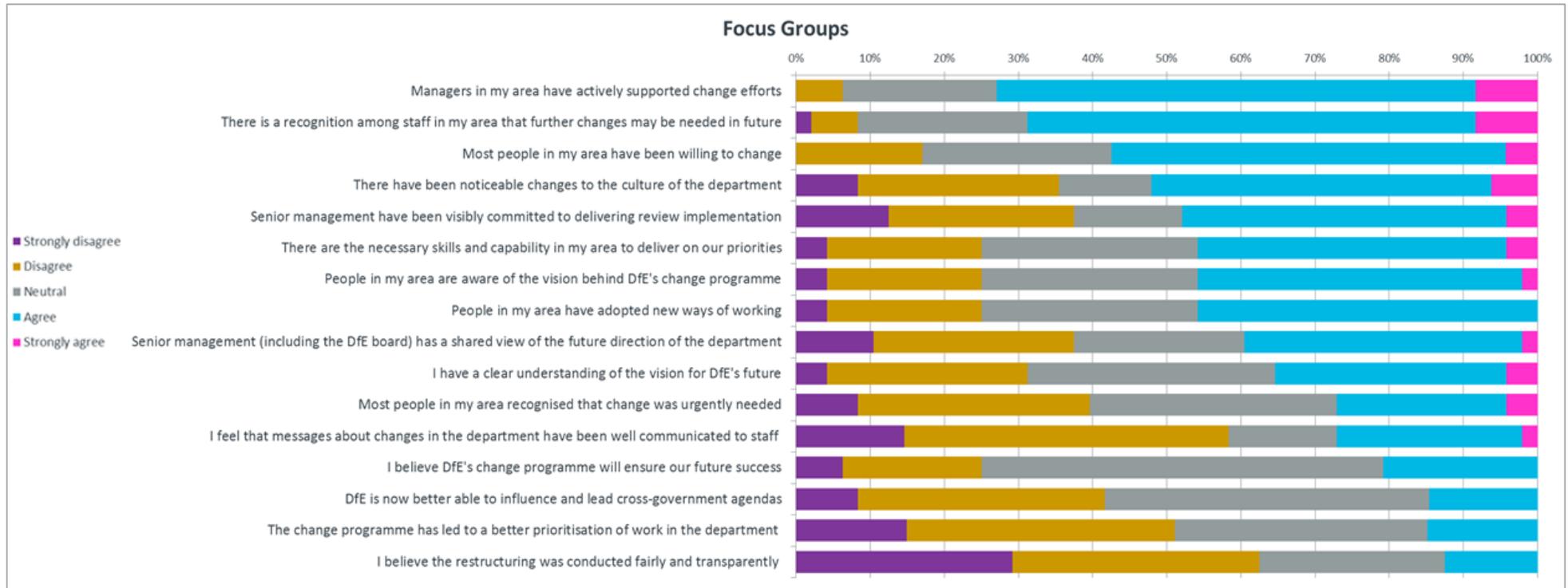
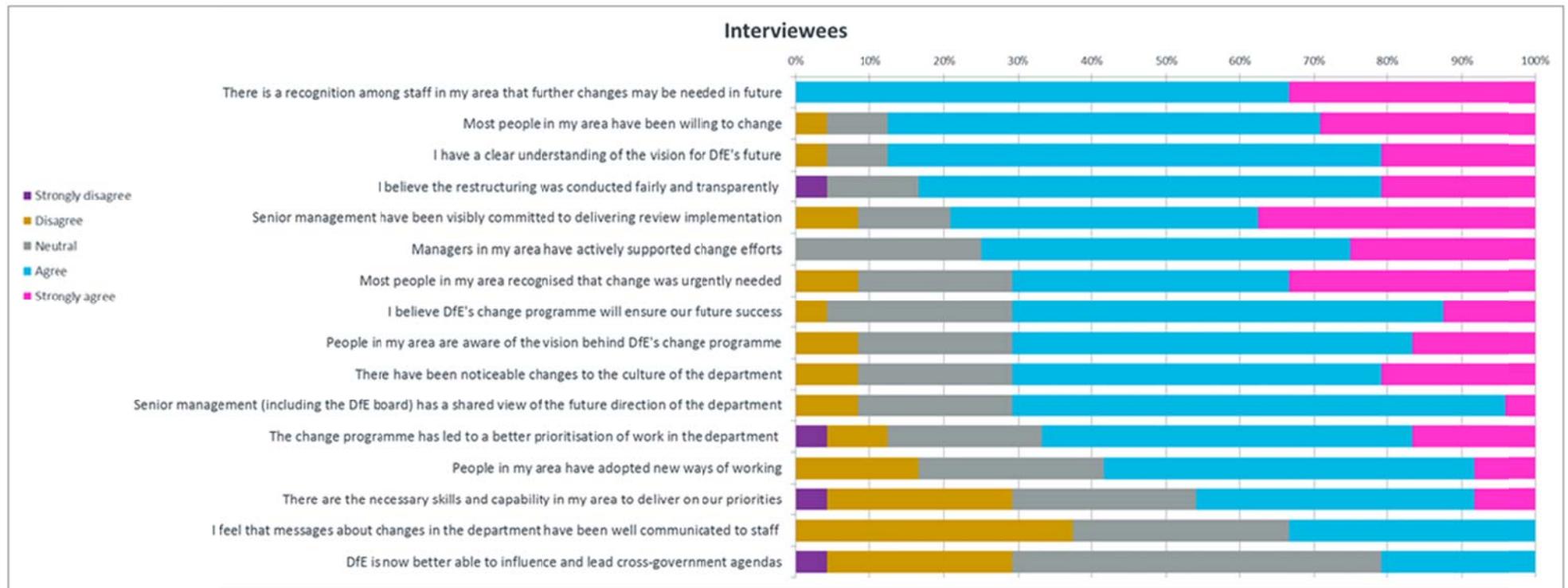


Figure 6: Interviewee survey results



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