

Conversation Tracker

Functional Leadership

Building buy-in and making the model stick

26 September 2013

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We came together to discuss how we communicate and socialise the objectives and benefits of functional leadership across the system. How can we disseminate and get buy-in for what we are trying to achieve: with agencies, Ministers, and the various 'markets' we are working in? How can we work together to get the system on board to drive performance (efficiencies, improved capability, overall strategy in business areas)? What can we learn from embedding other reform programmes, both in New Zealand and overseas?

The session was led by David Albury who presented myths and emergent strategies to drive innovation/transformation, based on his wealth of international experience. David is Director of The Innovation Unit Ltd (UK); Associate of the UK Institute for Government; Visiting Professor in innovation Studies, King's College London; and Design and Development Director of the Global Education Leaders' Programme.

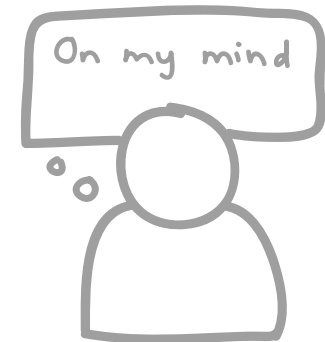


Key 'Top of Mind' Issues

Getting a coherent "GCIO story" to present to stakeholders

Developing champions (including from outside central government e.g local councils)

Messages still not penetrating down in organisations (despite communication efforts) e.g awareness of new procurement rules



Working out how Optimise Finance and HR it with the overall Better Public Services/Functional leadership approach

Influence is wider than the centre, need to foster collaboration including with markets

Securing the right talent – new skills required that span public and private sector experience – we are competing for the same people

Future trajectory – do we build on good practice (FL mandates given where there is a track record) or start from scratch (where there are opportunities or gaps in performance)

Meeting Ministers' expectations for ambition and progress (especially where capability is forming eg. GCIO assurance)

Cumulative impact on governance and accountability arrangements of cross government changes (FL, Optimise etc).

Change and evolution within agencies means limited space to achieve buy-in for wider schemes

The strategic conversation with David prompted us to explore several key questions. What is our.....

- 1 Compelling case for change?**

Functional leadership is a key pillar and enabler of Better Public Services. More efficient and effective back office with enhanced capability frees up energy and resources (at agency and system levels) to focus on and enable frontline services and creating value for New Zealanders
- 2 Evidence based statement of benefits?**

What results can we show from FL? Needs to include results related to efficiencies/savings, as well as impact of enhanced capability across the system and joined-up whole of government strategies
- 3 Support/service offering?**

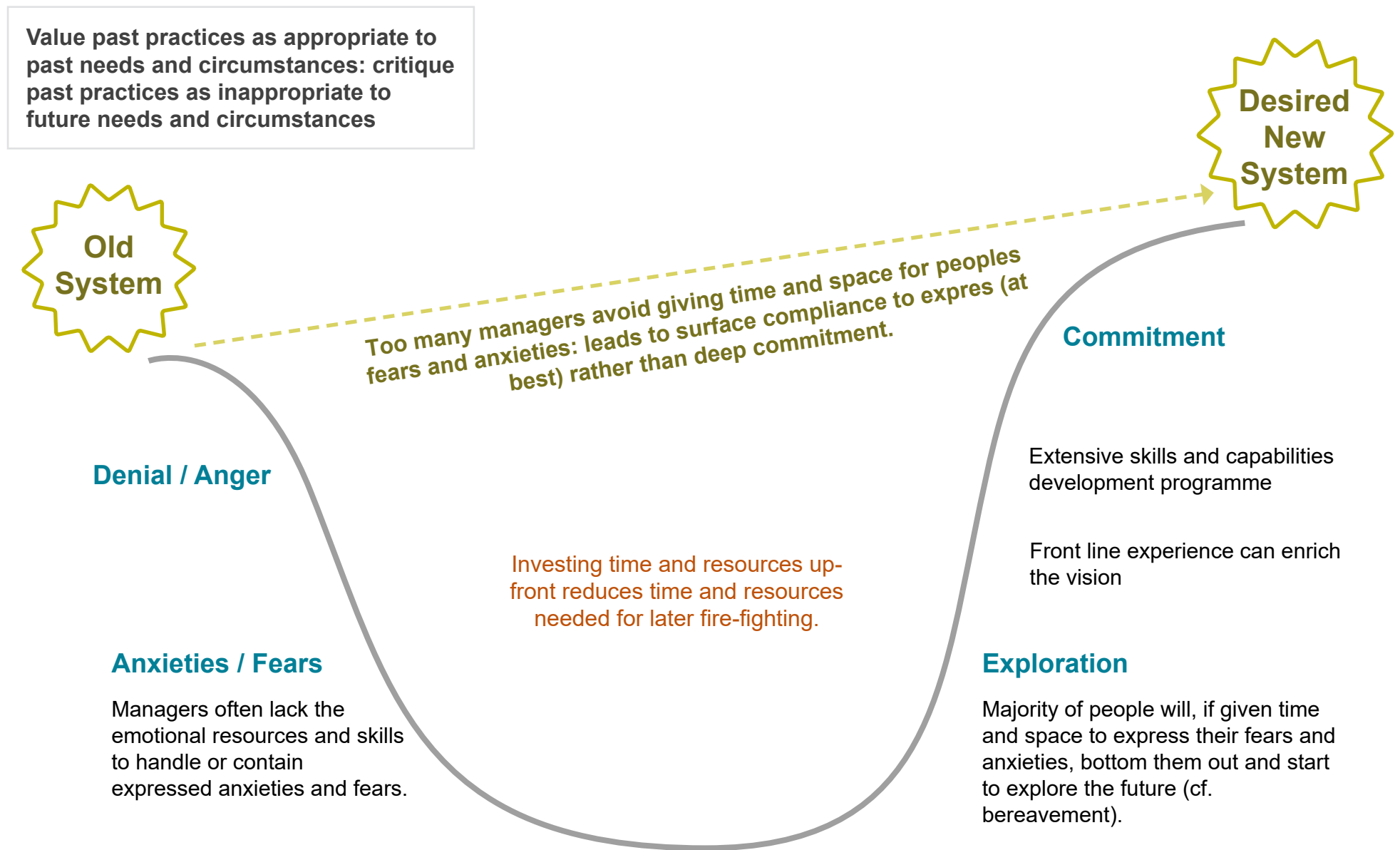
What service offering are FL providing now (and what are the ambitions for the future)?
What is the infrastructure supporting/encouraging agency participation (e.g CE performance management system, PIF, 4-year plans)
- 4 Ladders of participation?**

Offer many ways for people to engage. Engage at the right levels and appropriate to each stakeholder group. Interactions might be different depending on the 'type' of organisation and level/function of people within organisations. Engagement with 'markets', local government is important for dissemination/building demand.

Five myths:

- 1 Diffusion is just an informational problem.**
Reality – just telling people about it won't change hearts and minds.
- 2 The dominant mechanism of diffusion is transfer.**
Reality – in the private sector diffusion is usually via acquisition and scale.
- 3 Innovation and diffusion are separate and sequential processes.**
Reality – diffusion occurs from being part of the design and innovation process and is not linear. The more you get end-users and potential adopters involved in the process, the more likely they are to adopt it. The process looks more like a seismograph than a straight line (we are attempting a 'seismic shift')
- 4 Increasing the pipeline of innovation will increase diffusion.**
Reality – quantity of new things is less important than 'adopt and adapt' opportunities.
- 5 Professionals are the key agents of diffusion.**
Reality – users demanding change or innovations provide more powerful 'push' for change.

Overcoming Resistance to Change – what can we learn?



- 1 Change is human-centred – people not organisations need to adopt/adapt and drive the change.
- 2 People may simply adapt their language to suit new initiatives even if nothing has changed below the surface (ie. retrofit business as usual).
- 3 Psychology suggests that people like change but we need to distinguish between people making a change and having change made to them. They need to be a part of the change process. Do things ‘with’ people not ‘to’ them.
- 4 Shortening the change curve and pushing through reform can lead to compliance mentality and behaviours; conversely going through the full cycle may help develop continuous improvement.
- 5 Being able to articulate an end state and direction of travel is important for achieving buy-in . Need principles that resonate and frame the change process.
- 6 “Functional dysfunctionality”. People often cite having too many transactional tasks as a distraction from core business. But case studies suggest that taking away those tasks does not necessarily enhance core business capability and focus.
- 7 Characteristics common to organisations that embrace transformation include leaders that are passionate about outcomes, but flexible about the means to achieve those outcomes (ref: David Albury research on high performing innovative organisations)
- 8 Don’t pretend that tensions don’t exist – acknowledge them and use them for the insights they offer.

3 promising emergent strategies:

Organic growth

building communities of practice, engagement and interest

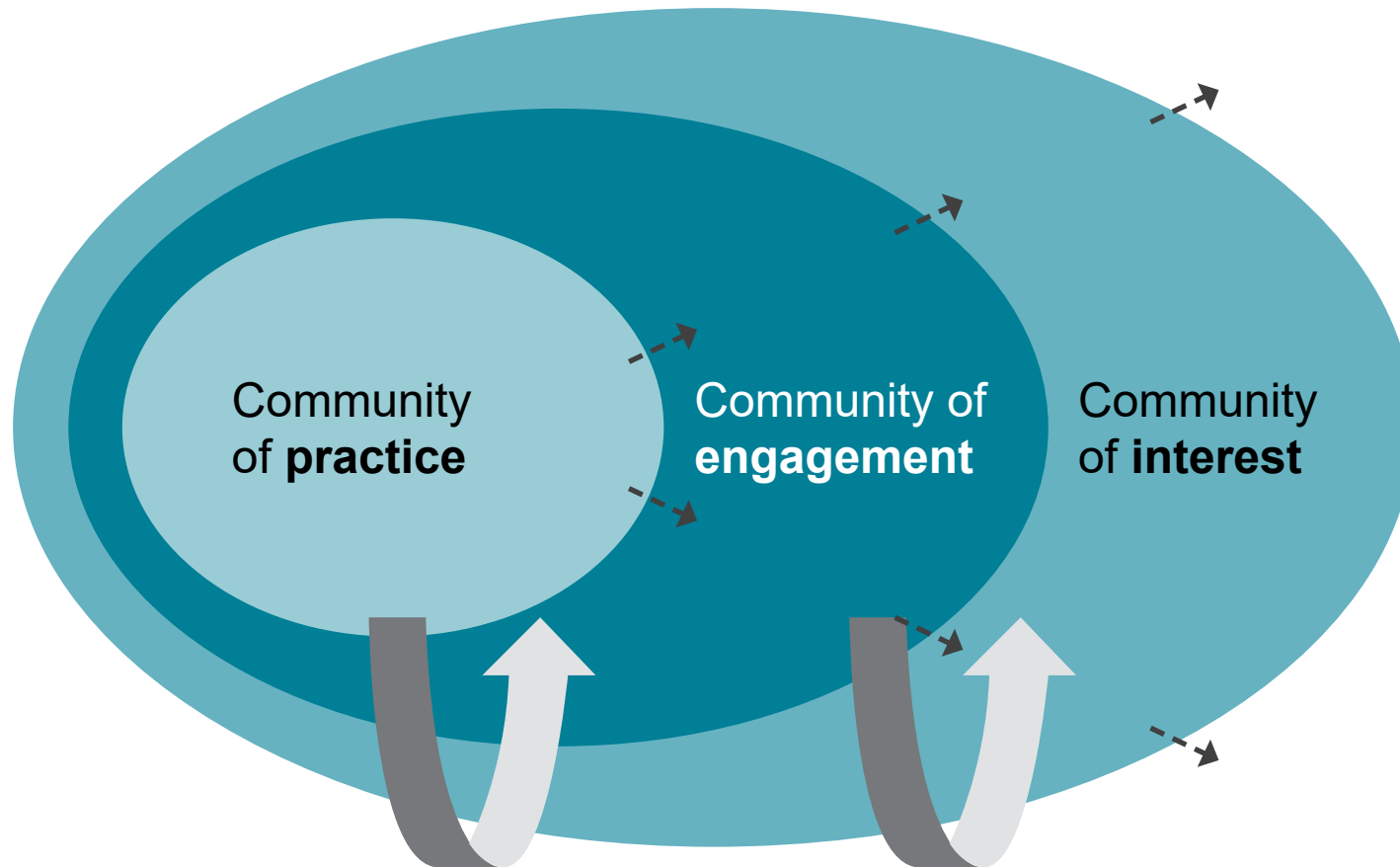
(F.L. teams already operate as a community of practice)

Policy levers

creating systemic conditions to enable and support change/innovation/transformation
(include in our operating model)

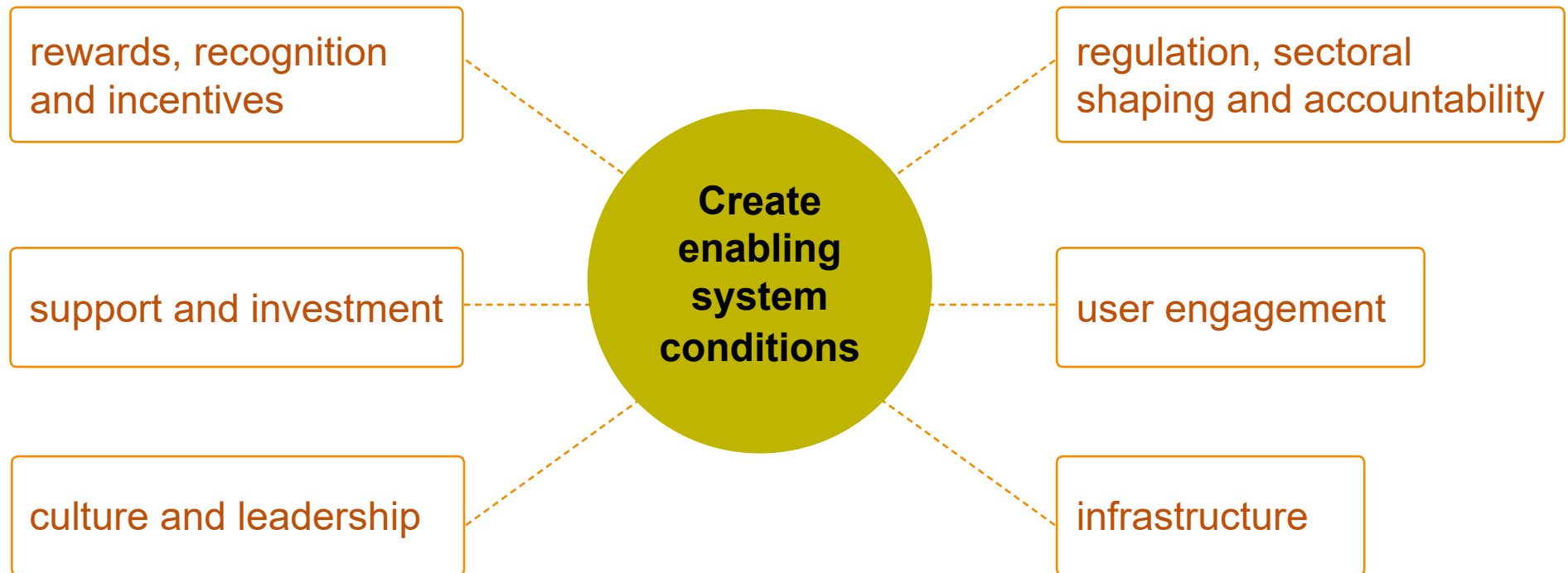
Mobilising demand

from supply side to demand side
pressure for change (creating demand for our service offerings)
Learning from social movements.



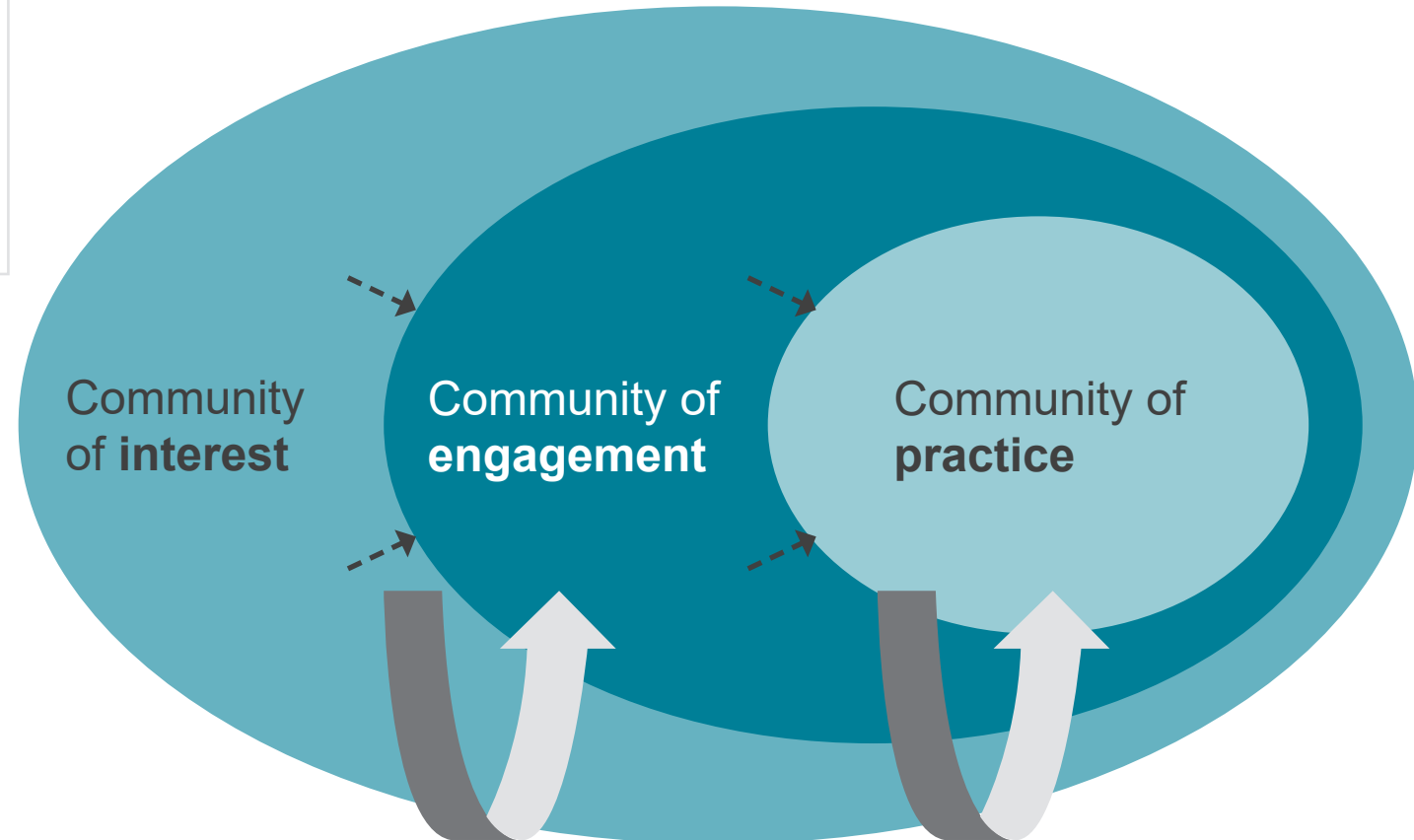
“early adopters”: critiquing, enriching and validating new models being developed by community of practice

adoption and adaptation through codification, protocols and standard operating procedures



Animate the system through

- a compelling case for change
- an evidence-based statement of benefits
- a support offer
- ladders of participation



Alternative strategy is to simply demand compliance but this carries risks:

- 1 Less responsibility for poor performance/ failures (you made me do it, therefore it is your fault if it doesn't work)
- 2 Lower developmental capacity, reducing flexibility (if stakeholders are not part of the journey/design of the change, they are less likely to adopt and adapt new ways of working, and the process will not benefit from their insights which could lead to future improvements)
- 3 Potential shrinkage of market (reduces pressure for continuous improvement, further innovation)
- 4 Lack of diversity to learn from (prescriptive approach, one-size fits all, reduces learning from adaptations/ alternatives)
- 5 Surfaces compliance not deep commitment (passive resistance)



What are our next steps?

Next sessions:

- **8 October** – targets and reporting (with Helen Wyn)
- **10 October** – refine and discuss targets and performance criteria
- **24 October** – revisit agency engagement, disputes resolution/escalation paths and clarity of decision rights (follow on from 12 Sept session).



Thank you all for your participation.