

MANAGING CHANGE FOR HIGH QUALITY PUBLIC SERVICES

Innovations and tools to anticipate change in public services



Political Report of the CEEP Project
“Exchange of practices between leaders in public services”



CONTEXT

Public services (or services of general interest) provide the critical infrastructure for the functioning of the economy, being key actors in the development of a sustainable future for the European Union. In 2014, they were contributing more than 26% to the EU GDP and employ more than 64 million people, corresponding to around 30% of the workforce in the EU.

After providing a buffer to the sharp decline in employment in the immediate aftermath of the crisis, public services have seen an accelerated restructuring and playing this role has become more difficult. This stemmed from austerity and fiscal consolidation measures, driven by the worsened state of public finances and the New Public Management (NPM) philosophy.

This has resulted in unprecedented employment losses in most EU Member States, along with the development of a more market-oriented approach, an increased empowerment of management and more focus on performance monitoring.

As illustrated by surveys conducted among providers of public services – such as the Pulse of Public Services (carried out by CEEP twice a year) or the Commission 7th Research Framework Programme on “Coordinating for Cohesion in Public sector of the Future”, effectiveness, efficiency and supporting innovations is a key task in public services today.

Assuming that there is no single route towards greater efficiency and good quality in the delivery of public services, CEEP launched a series of workshops in 2014-2015 to provide an opportunity for members to share experiences and get inspiration from other Member States.

The workshops aimed at providing support to CEEP members and public services providers currently in the middle of significant processes of change. A major motivation for the project was the need to reflect upon the very fast-paced changes in countries undergoing reform programmes under Troika’s supervision. In these

countries, public services are under a strong pressure that often leaves little room for taking the lead to change and reform the provision of services in due time.

In order to support leaders of public services to cope with current and future challenges, CEEP launched a project consisting of a series of seminars and training sessions. Carried out in five different EU countries (UK, Greece, Cyprus, Italy and Portugal), the seminars involved more than 100 top level managers, CEOs and senior executives and a large variety of public services. The issues addressed by the seminars were:

London (UK)	Coping with limited financial resources in healthcare, public administration and the education sector
Athens (Greece)	Managing change in public services and the role of regulators
Nicosia (Cyprus)	Restructuring to improve productivity and efficiency
Rome (Italy)	Innovating in the management of social services and in administrations – steps forward
Lisbon (Portugal)	Developing synergies and managing change within public services in times of financial constraints

CONCLUSION

The examples compiled in this political report illustrate that innovation is more than a wishful practice. It is a crucial precondition for managers of public services to implement changes while facing contradicting expectations, such as “doing more with less” or “doing it in a different way”.

All the cases, examples and initiatives showed that innovations and new ways to organise and provide public services have been key to address challenges, regardless of the specific national backgrounds, socio-economic situations and sectors (hospitals, energy, transport infrastructure or education).

In the context of implementing changes in public services, communication should be a top-priority for the management. There is a need for comprehensive, open and trustful information of employees in order to prevent rumours, misunderstandings, uncertainty and to foster cooperation and confidence. Management of public services – from top to lower levels – are playing a key role in this context.

Nearly all examples have shown the importance of an active support to change by political actors. Here, “strategic triangles”, building on public value and new forms of partnerships have been highlighted as an efficient way to carry out change in situations of scarce financial resources.

Under financial constraints and in times of change, it is important to look at public services as “learning organisations” at all levels. Benchmarking, peer reviews, new forms of communication and exploration of tailor-made programmes have been highlighted.

Finally, considering the challenges faced by public services providers, especially when changes are imposed top-down from external institutions, the project may serve as a start for further support. It should bring in a more proactive approach of implementing change by “learning from each other”, using a permanent tool for sharing practices, providing tailor made support, advice and training for managers of public services.

PROACTIVELY MANAGE RESTRUCTURING



Restructuring has become a key part of corporate development and change for public services in the past few years.

Facing financial constraints, providers of public services had to adapt, improve efficiency and search for better provision of services. Such restructuring can cause organisational uncertainties for employees, and have negative effects on working environments and the quality of the services provided.

Management should address those uncertainties and turn fears and concerns into confidence. Restructuring can bring a spirit of fresh start, and it should be regarded as an integral element of managing change in public services.

Based on the examples from Vienna Energy (Austria) and the Ports of Sines and Algarve Authority (Portugal), the following conclusions were drawn:

- Managing change and communication should be a top priority.
- There is a need for comprehensive, open and trustful information towards employees in order to prevent rumours, misunderstandings, uncertainty and create cooperation and confidence.
- Internal management workshops to develop a suitable communication and information strategy should take place.
- Information technology and innovations by intelligent applications can have a strong effect on the competitiveness and efficiency of services and administration.

DEVELOP INNOVATIVE APPROACHES TO FUNDING



The 2008 crisis has dramatically increased the financial pressure on providers and the delivery of public services.

Some providers have been unable to adjust and have had to outsource service provision. Other organisations are facing the risk of full or partial privatisation, often at a pace determined by political agendas and not allowing a realistically manageable transition for employers and employees.

In response to fiscal and financial constraints, the focus of many EU governments is single-minded, focusing on reducing public expenditure and cutting financial deficits via severe cuts in public services. It is up to providers to find ways to finance activities, and keep providing quality services to users.

Based on the examples from Scape Group (UK), Infraestruturas de Portugal (Portugal), Kommunalen Arbeitgeberverband Bayern (Germany) and Dunea (The Netherlands), the conclusions were drawn:

- It is important that political actors at local level actively support the search for solutions and innovations and explore all the opportunities.
- “Strategic triangles” which build on public value and new forms of public partnerships with new types of private companies that offer integrated services can increase efficiency significantly.
- If implemented in a good manner, privatisation is only a legal and formal act, and could be good for the business and the workers. Good practices illustrate that improvements of service efficiency and quality go hand in hand with good working conditions, social dialogue and active involvement of employees.
- A successful form of improving efficiency, quality and reducing public financial commitments of public services at local level has been to transfer public companies and entities into private businesses, while still maintaining public ownership and control.

CHANGE MINDSET AND FOSTER INNOVATION



IMPLEMENT SUSTAINABLE SOLUTIONS

Public services are facing increased pressure on costs, as they have to evolve in an environment favouring short-term solutions to reduce public expenditure and financial deficits.

In order to avoid downward spirals in provision and quality of service while responding to new demands, providers need to implement long-term innovations in the design of public services.

The broad variety of national and sectoral backgrounds from participants illustrated the great interest in the elaboration, benchmarking and dissemination of tools and measures to promote innovation among staff, in HR management and in the provision of services.

Based on the examples from North East Regional Employers Organisation (UK), Transport for London (UK), Transportes de Lisboa (Portugal) and the Flemish administration (Belgium), the following conclusions were drawn:

- Innovation and change should not be imposed by the top management to employees. Reasons for innovation must be presented and the success of innovation must rely upon the active participation of all.
- Companies resulting from a merger or which underwent heavy restructuring should aim to develop a new corporate identity and culture.
- Depending on the expected outcomes, a change of mindsets and the development of new practices, roles and contents in public services can take different forms (training, skills development, performance assessments, experimental projects).

INVOLVE EMPLOYEES, USERS AND STAKEHOLDERS IN THE PROCESS



IMPLEMENT CHANGE

INVOLVE STAKEHOLDERS

COMMUNICATION OPENNESS

MOTIVATION SATISFACTION

The involvement of all is an important challenge to successfully implement changes. Cooperation to support the implementation of change should involve all levels within an organisation: managers, employees, users and every other stakeholders.

During the seminars and workshops, several innovative cases illustrated how involving all actors can bring very positive and sustainable results, despite being a complex mission.

Based on the examples from GEBALIS (Portugal), Magistratsabteilung 48 (Germany), Electric Authority of Cyprus (Cyprus), ARAN (Italy) and the Irish Health Service Executive (Ireland), the following conclusions were drawn:

- The active involvement of users and stakeholders is a key for improvements, even in difficult environments and circumstances.
- If implemented as an integrated approach to foster the quality of the service and customer relations, changes have also positive effects on workers satisfaction and motivation.
- Social dialogue, participation of employees, transparency and trust are key aspects of initiating and implementing change processes.



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