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# PREFACE

This brief guide has been prepared to illustrate some of the techniques and practices which managers can adopt as part of programmes :

1. to achieve effective, open, continuing and meaningful two-way communication about business objectives and ways in which they can be met;
2. to train people to provide them with the skills to do their job, now and in the future and encourage them to take responsibility for their own development programmes;
3. to encourage people to innovate and take risks(with management being tolerant of their mistakes);
4. to develop the culture of the organisation to one which values people and encourages development through team-based approaches; and
5. to recognise and reward people's performance effectively.

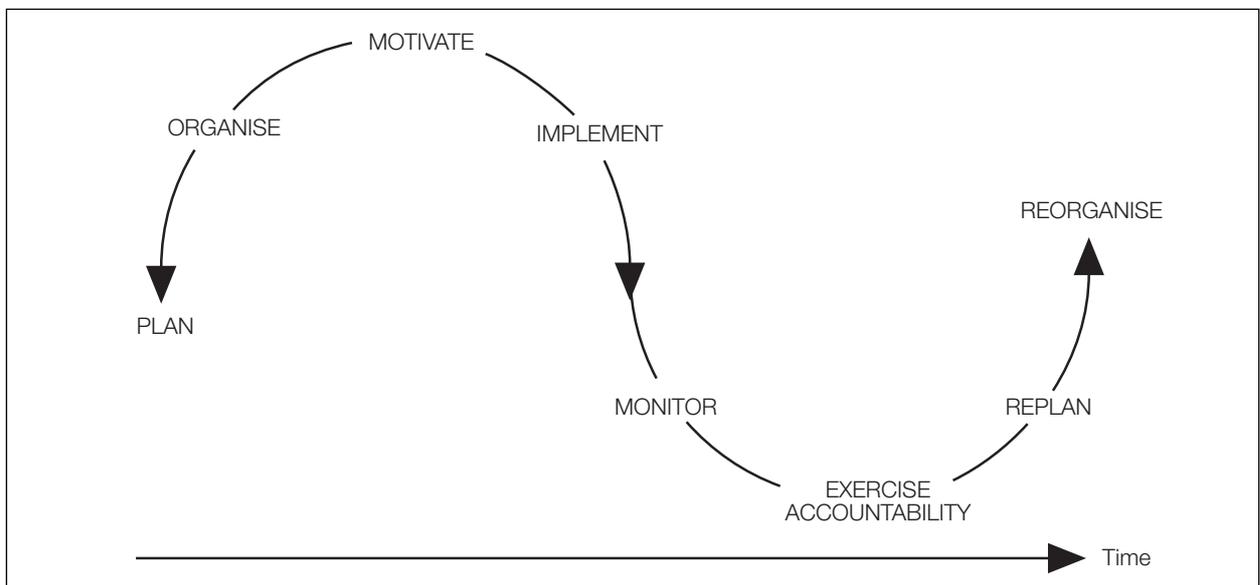
It should be read in conjunction with the other booklets in this series in particular, *From Corporate to Individual: The Objectives Cascade*, and *Executive Remuneration*, copies of which are available from Cecilia Williams of the Institute's Public Affairs Department:

# INTRODUCTION

It is management's responsibility to:

- communicate broad direction;
- set goals and allocate resources;
- translate objectives into business unit and individual contributions;
- clarify people's understanding of what they must achieve and how and the behaviours that are appropriate;
- check people's understanding and behaviours.

These management tasks tend to follow a uniform, sequential pattern, as shown below:



People are an important element throughout these phases and management must delegate responsibility and motivate people to use their initiative in the best interests of the organisation. People will inevitably do their job in their own way but to help them give of their best management must ensure that they are informed, have the opportunities and methods to communicate and share information on opportunities; have the skills necessary to capitalise on them and, most importantly of all, are motivated.

# COMMUNICATIONS

Most organisations have a vision of where they are going and where they want to be. This is set out in their corporate and business plans. Sharing this vision with employees helps them to understand their role and enables them to relate to the corporate objectives. Involving everyone in two-way dialogue gets over any cynicism there may be, gains commitment and builds ownership.

If people are to be able to adapt and respond to the changing needs of the business and the market place there must be a reliable and regular two-way flow of information.

There are many ways of improving communication, including:

- **In-house bulletins** detailing, for example, policy decisions and operational matters. These should enable management to communicate corporate messages and staff to freely express their thoughts and ideas. Bulletins may be paper-based or, as is increasingly common, electronic taking advantage of e-mail and intranets;

## **Example: an IT company**

Staff receive business briefs daily via the internal e-mail system. The briefing contains information on the business and summary information and intelligence on markets, customers and suppliers. This not only helps ensure staff receive consistent and up-to-date information on the business but has also helped build a feeling of unity.

The service is now being expanded to include 'discussion groups' through which management and staff views, ideas or problems can be accessed with minimum disruption and delay.

- **Functional management meetings.** It is important to balance the communication messages from management with feedback from employees. The circulation of this output is equally important. Inter-functional meetings to establish service needs and monitoring performance against them are also valuable.
- **Staff attitude surveys.** These are frequently conducted through questionnaires and can be used to gain information. They should particularly focus on: understanding of vision, motivation, stress, workloads, communication.

## **Example: government department**

Our business uses a mix of questionnaires and interviews to gain the views of all our employees on how our business can be improved.

We take great care over the design of the survey forms to ensure that the questions are clear and unambiguous and also to ensure that employees have the opportunity to submit their own comments. Results are communicated speedily together with an indication of the management action plan which we have developed to take them forward. Further reports on progress against the plan are regularly distributed and displayed on notice boards.

The business has found these surveys an invaluable way of finding out what employees think of our business.

- **Listening.** If management doesn't know what its people are thinking then they can't improve or correct perceptions. This is about *really* listening by seeing others' frame of reference, empathy, reflecting back, *and* doing something;

**Example: an aerospace company**

Staff 'gripe' board. All staff write up problems, complaints and ideas. Staff and managers comment on the board and take forward formally as required.

- "Walking the talk", both formally and informally;
- **Distributing minutes/notes of management meetings.**

**Case study: HM Prison Service**

This communication is written by the duty governor at the end of his/her working day (about 9.00 p.m.) and is then posted on all individual office boards and the board of visitors the next morning. It provides only part of the communication with staff, most of which is covered on a daily 'cascade' basis through the morning management meeting. Department meetings and full staff meetings are held on a monthly basis.

*Security information*

1. *Thanks to all staff who worked so hard on the full stock-take today. All was completed on time – well done!*

*Governor's orders and local notices to staff*

2. *Well done also to the officers' mess and all helpers for an excellent Halloween lunch in suitably decorated surroundings.*

3. *The contractors for the new houseblock will be on-site on Monday 4 November – initially erecting fences around the two building sites. Yes, it's really going to happen!*

*Operational issues*

4. *Mr ——— was suspended from duty today following accusations of a serious nature made against him.*

The hand-written format lends a certain informality.

**Example: a local authority**

The chief executive keeps a flip-chart in his office on which he records all developments of interest/concern to him. At the end of the week, copies of his notes are circulated around his management team and on to their staff.

By keeping the lines of communication open management reduce the risk of serious and damaging rumour and of depriving themselves of one of their most useful source of information and knowledge.

# DEVELOPING POTENTIAL

Organisations need to recognise that different people are motivated in different ways; some by their career aspirations, others who just want to do a good job and contribute usefully to the organisation. By continuously helping to develop their employees' skills and knowledge to help them with their aspirations managers are also enabling the organisation to achieve its business objectives. The maintenance of this balance and relationship requires a structured and well-managed approach.

This should focus on ensuring that individuals:

- have the knowledge and skills to do the job;
- can, if they wish, develop their contribution to the organisation and progress their own career aspirations;
- can participate fully in the organisation;
- are motivated and that their morale is high.

## **Benefits for the individual:**

- responsibility and job satisfaction;
- career opportunities although these may be much more limited now with smaller, flatter organisations;
- skills development.

## **and for the business:**

- better trained workforce better able to deliver the business plan;
- higher profitability and productivity;
- competitive edge.

Training and development can take many different forms including:

- formal, class room style education;
- on-the-job experience and development;
- work shadowing and coaching.

A structured approach comprises some basic components, for example:

- commitment from top level management to develop all employees to achieve business objectives. Organisations should, have written but flexible plans setting out business objectives, how employees will help the business meet its objectives and how their training and development needs will be assessed and met;
- senior management should regularly review the training and development needs of all employees;
- there should be an action plan to train and develop individuals both on recruitment and throughout their employment and this must be delivered; and

- continuous evaluation of the effectiveness of the investment in training to assess and to improve its future effectiveness.

However, these are developed to meet the needs of the business, committed senior management setting and communicating business goals and developing people to meet those goals will improve both the people and corporate performance.

The establishment of management and training systems requires considerable skill and effort. Each organisation has to develop an approach that is right for its particular circumstances and even then not everyone may be comfortable with it, even if ultimately they recognise the benefits.

# INVESTING IN PEOPLE

The key objective for the UK Investor in People standard (IIP) is to encourage organisations to realise that business success depends upon their primary resource – their staff. The standard is geared towards placing people at the heart of the business and concentrating efforts on their training and development.

IIP centres on the key elements of good business practice and the management of staff:

- forging clear links between training investment and business needs;
- raising the profile of people management and placing it higher up the senior management agenda;
- organisational communication;
- business planning;
- appraisal;
- individual and organisational objective setting, the development of individual and organisational competences, and staff induction.

## Measuring the improvement

In many organisations short term measures of inputs and outputs are inherently difficult to apply.

The success of any training activity can only be measured with any degree of validity by reference to the longer term performance of participants. However, targets against which progress on training and development might be measured include:

Hard targets:

- recruitment;
- retention;
- absenteeism;
- expenditure on training
- training programme met/achieved;
- skills gap closed.

Softer targets:

- morale
- motivation level;
- employee satisfaction/fulfilment.
- quality;
- customer satisfaction.

While it is difficult to quantify benefits directly attributable to training it is possible to relate a number of key achievements of organisations to the practices and procedures which have arisen from the process of achieving the IIP standard.

**Example: a training organisation**

Through working towards the Investors in People standard our business has been able to build on the existing commitment to staff development and, additionally, use the national Standards within Investor in People to:

- Provide a coherent framework for staff training policy.
- Link business goals to training plans.
- Embed existing good practice.
- Send a clear message about our commitment to enhancing the skills and competence of our staff in order to meet customer needs more effectively.

We have gained significant benefit from achieving of the Investor in People standard:

- Productivity – bottom line improvements in staff performance.
- Quality – performance of individuals and departments improved through effective targeting of training;
- Customer satisfaction- surveys show high levels of favourable responses.
- External recognition for good practice in staff training and development.
- Increased productivity and a reduction in unit costs.
- Enhanced reputation as an effective training provider.
- More effective use of the training budget and evaluation of training in relation to organisational needs and goals.
- More effective communication systems – most notably monthly sales briefings.
- Development of new sectors that will lead to increased turnover and profit.

# PLANNING TRAINING

Pre-planning and identification of training needs are measures of improved performance in this area. Departments within an organisation can each have a training plan and the inclusion of a training and development review within say personal review schemes context can further enhance a more coordinated approach to identifying and meeting training needs.

## **Case study: Prison Service**

Performance is monitored through targets set up as part of the development of the strategic plan each September, and further ratified the following February by the annual budget plan.

All targets are communicated to all staff and a full training plan is raised from these to cover new initiatives, new staff and refresher courses. The overall target for training is a minimum of six days per person per year.

Training evaluation should be conducted as a matter of course. Line managers should be closely involved in the process of identifying training needs and devising their own training plans. As a consequence, there should be a greater awareness of the potential benefits of training and the wide variety of activities which represent staff development, an enhanced awareness of the need to review training activities in the light of departmental organisation and to make full use of the new skills staff have learned; and a greater willingness amongst line managers to encourage staff to extend and develop their skills and to provide opportunities for them to learn at work.

## **Casestudy: central government department**

In our organisation an annual review board was set up to review the training strategy and provision. It comprised representatives from each main business area. The board seeks to agree organisational priorities for staff training and development, to achieve a balance between individual, departmental and organisational training and development needs. This helped in the allocation of resources to meet those needs. The board also reviews the training activities of the previous period against organisational objectives. Priorities for training include health and safety, management development, NVQ provision, key-staff training and equal opportunities.

Administration and support staff should be included in the training strategy. They too can benefit from the achievement of basic and advanced IT qualifications and higher levels of participation in management, business administration and IT training activities. Improved individual performance might for example be evidenced amongst staff not previously able to use PCs and associated packages and in the levels of competence, confidence and performance in staff across an organisation.

## Staff induction

The provision of adequate staff induction courses for all staff joining can be problematic. Staff induction material should be produced to meet the needs of new staff coming in for whom induction courses cannot be run. All new staff can also be given a training and development interview within the first month of their arrival and encouraged to produce a personal action plan.

In our business one of the main challenges was ensuring that every department was implementing IIP. Curiously enough, those who were last to come on board were not in some of the smaller and more distant offices but in head office policy departments full of professionals who felt they didn't need development.

Some of the problems we were having were highlighted by a 'mock' assessment. We failed on induction. While we were telling new recruits about health and safety, the basics of the job, where the photocopiers were, we weren't giving them the bigger picture of the organisation.

## Staff briefings

Team briefing and monthly staff meetings can be greatly valued by the staff. They can go a long way to improving communication across the organisation to provide staff with accurate and timely information about how the organisation is doing and what the future may hold.

Staff need to be assured that they are being managed well and that they are valued. Part of that assurance comes from the demonstrated commitment of managers – from the very top of the organisation and right through.

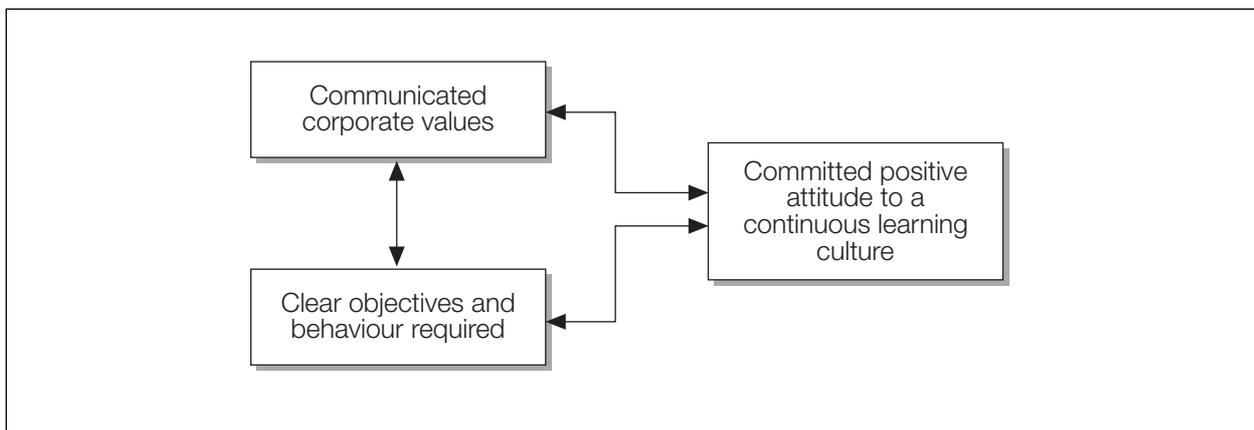
Renewed commitment to making clear to everyone what the organisation is trying to achieve and how individuals contribute to that can provide a unique opportunity for the senior managers to make the future significantly different – and better – and thus harness the dedication, enthusiasm and potential of staff.

# STAFF DEVELOPMENT

Programmes of staff training and development events organised in-house and externally can demonstrate continued commitment to staff training and development. An ethos of continuing professional development can be tied to wider national initiatives intended to improve the competence and qualifications base of the business.

The prerequisites of a learning environment include:

- a willingness/preparedness to give time to share information and train people;
- a learning culture;
- management commitment and support;
- methods of measuring progress towards objectives;
- encouragement and use of feedback.



## Types of Training

In developing training programmes priority is given to that training which provides staff with the competences to perform their jobs to the best of their abilities. However, it is important also to consider the longer-term needs both of the business and the organisation.

There are several ways of categorising the types of training:

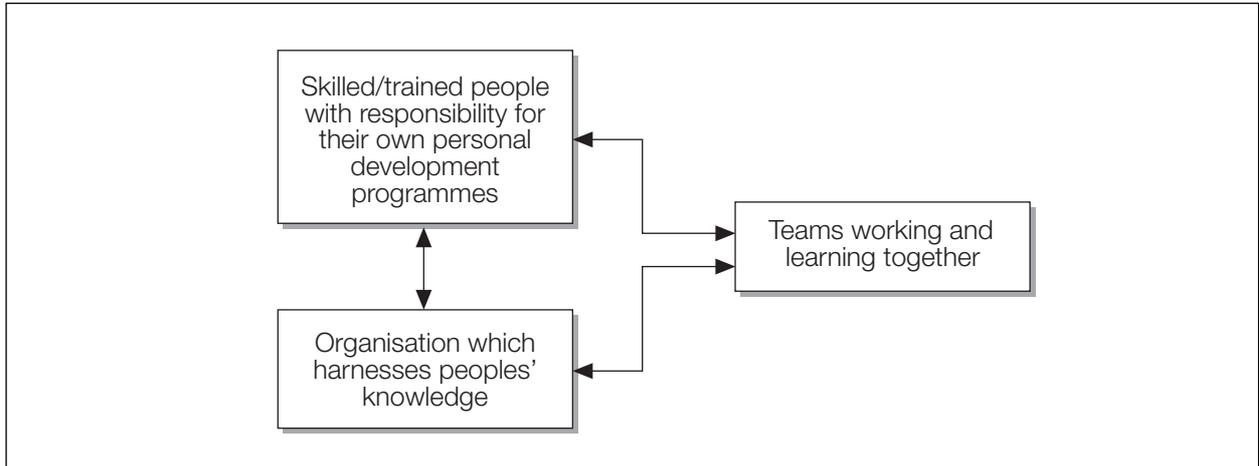
- organisational – e.g. understanding of the business and its operations;
- core competences e.g. the basic skills expected and required of most people in the business;
- organisational specialist skills e.g. managing processes within the business;
- business unit specialist competences e.g. departmental managers and above;
- further education and training.

However, the key objective is to assist managers to continuously improve this performance and through this enhance organisational performance.

Through structured programmes businesses can link training activities to nationally recognised qualifications. Staff who are able to see continued investment in their training and development The achievement of these can bring two things; firstly, improved levels of competence and secondly, and possibly most importantly possibly enhance, morale. Staff are able to see continued investment in their training and development.

Learning and knowledge – capture/sharing should be encouraged:

- at individual levels, so that people are responsible for their own learning and development;
- at group level, so that people can share experiences and learn together; and
- at the organisation level, where organisations need to find ways of capturing the knowledge held by their people on, for example, customer’s needs and business processes.



# DEVELOPING A TEAM-BASED CULTURE

Many organisations are changing their cultures to meet the demands of their markets and customers. There is also a significant move towards the use of business centres, product teams and total team concepts. Motivation and involvement is thus less centred on individuals but rather on individuals as members of a teams.

## **Case study: a training organisation**

Our organisation was set up with a team structure, where our core values include encouraging personal and professional development, helping and supporting others, and explaining what we are doing. We found that for teams to be fully effective, the individuals with greater technical knowledge needed to devote more than the rest of the team to bring them up to speed; this meant that the experts needed to educate the team so that they could contribute more fully to the day to day work and see their work in context. This was not easy for some experts to do as they felt that they were going over old ground and wanted to move on, especially as there were tight deadlines. For the rest of the team it was more motivating to understand the technical issues, especially as it enabled them to make more informed decisions. It also added to the corporate knowledge base, which is key to the survival of the organisation as it continues to reshape itself to meet changing needs.

We also found it important for the team members to fully brief the top management team. Although the organisation has devolved many key decisions to the teams and their leaders, the top management team felt that they needed to be kept informed. For some this was seen as interfering by the management team and demotivating, but they recognised that management had a role in looking at the implications of the team decisions for the rest of the organisation and for policy in general.

The team approach has several inherent advantages:

- employees at different levels and from different parts of the organisation can be brought together to bring their different experiences and skills to bear on a problem;
- a wider range of problems can be addressed;
- by being involved in the development of the solution people have bought into it and will more readily participate in its implementation;
- individuals have the responsibility to contribute as a team player, sharing information and ideas and updating the team on progress, plus developing a willingness to coach people to bring them up-to-speed in their understanding of complex issues to enable them to ‘own’ a task and see it through to completion. This in turn can facilitate the learning environment.

# RECOGNITION AND INCENTIVES

While it is a much used (and perhaps abused) phrase that an organisation's investment in people is for many their biggest asset, frequently too little attention is paid to the maintenance of that asset and, even when attention is paid, it may be from the wrong perspective.

It is not what management considers to be involvement or motivation that is important, it is what gains a positive response from the team or individual, consistent with the organisation's business objectives and culture.

Money is traditionally quoted as a main element of motivation. But in reality individuals respond more readily to other factors. Being able to identify what tasks and forms of recognition bring out the best from people is therefore crucial.

One of the strongest motivators is the sense of achievement in gained from meeting a challenge and attaining an objective. This is closely followed by special mention of a job well done, especially in team meetings or in the staff newsletter and by having stimulating task to perform (especially if it also brings job security).

Incentives which continue to be regarded as effective motivators include:

- salary increases ahead of the going rate;
- appraisal related pay;
- individual and team bonuses;
- merit bonuses.

Other incentives can include:

- provision of child care (or assisting with paying for it);
- travel concessions
- flexible hours
- job sharing
- provision of health/fitness facilities

There is also growing recognition that a 'standard' package is no longer adequate to address the widely differing motivating factors of individuals. 'Cafeteria'-style arrangements are now being pursued by a number of businesses under which employees themselves have the ability to select from a range of rewards available within pre-set financial parameters.

It is the role of the manager and team to identify what it is that motivates the individual and to develop them. This requires:

- empathising;
- nurturing;
- coaching;
- listening;
- understanding;
- getting to what makes people tick.

Whatever the approach adopted, it is important that management demonstrates its commitment and ensures that this is sustained.

# IMPROVING PERFORMANCE THROUGH PEOPLE

## – A CHECKLIST

- Management must determine broad direction and set goals.
- Management must delegate responsibility and motivate staff.
- Management should encourage people to innovate and should be tolerant of mistakes which will be made.
- Management should develop a culture within which people are valued and supported as members of teams.
- Performance should be effective and appropriately recognised.
- People need to communicate and share information on opportunities consider, e.g.:
  - in-house bulletings
  - e-mail and intranets
  - ‘gripe boards’
  - listening
  - ‘walking the talk’.
- Good communication avoids rumour and speculation.
- Structure training programmes can ensure that individuals:
  - have the knowledge/skills to do the job;
  - develop their potential and contribution to the organisations goals
  - participate fully in the organisation
  - are motivated.
- A structured approach comprises:
  - commitment for senior management;
  - regular reviews by senior management of the training and development needs of all employees;
  - an action plan that is delivered;
  - continuous evaluation.
- A team based approach ensures:
  - employees at different levels and from different parts of the organisation can bring their collective skills to bear on a problem;
  - a wider range of problems can be addressed;
  - people ‘buy into’ a solution and more readily participate in its implementation;
  - the development of a ‘learning culture’.
- Management need to be able to identify what tasks and forms of recognition bring out the best from people, They should:
  - empathise;
  - nurture;
  - coach;
  - listen;
  - understand, reflect and act.

This booklet was prepared by a project team of the Institute's NHS Provider Group. The team comprised:

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