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Innovation and Improvement*
*Local Authorities and their Engagement in the
Beacon Scheme*

Executive Summary



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CHAPTER 1

Executive Summary

BACKGROUND TO THE BEACON SCHEME

- 1.1 The Beacon Scheme (until 2005 called the Beacon Council Scheme) was first outlined in the 1998 White Paper *Modern Local Government: In Touch with the People*. The Beacon Scheme is one of the longest-standing policy elements within the Government's drive for improvement within local government. It is intended to raise standards and contribute to capacity-building in local government by, firstly, identifying and rewarding innovation and excellence in local authority services and partnerships, and secondly, by providing opportunities for learning in and between local authorities.
- 1.2 The Department for Communities and Local Government (formerly Office of the Deputy Prime Minister) and the Improvement and Development Agency (IDeA) jointly commissioned Warwick Business School to undertake a three year evaluation of the Beacon Scheme. The aims of the research are to evaluate the impact and effectiveness of the Scheme for local authorities and whether the Scheme has an impact on the quality of those local public services for which local government is responsible. The overall research has included both qualitative and quantitative primary data, including three national (all-England) surveys which include the views of senior elected members, chief executives, heads of policy and service heads in selected services (details available from the author), as well as case studies of selected Beacons and Beacon visitors. The staff survey which is the focus of this report is a key element of the evaluation because it seeks out the views of front-line staff in the improvement of local authority services.

STAFF SURVEY BACKGROUND AND OBJECTIVES

- 1.3 The objective of the study was to explore the relationship between authorities' levels of engagement with the Beacon Scheme and employee attitudes at the front-line of council services. The rationale for this work is explained below.
- 1.4 Much of the research on public services reform and more specifically on local government improvement has relied on the views and reports of senior managers (e.g. Martin, 2006; Pollitt and Bouckaert, 2004; Ferlie et al, 2003). The notable exception to this broad rule is the work of Gould-Williams, in press, who examined the views of staff in relation to Best Value improvement and provided evidence which supported the role of staff in service quality and service improvement.
- 1.5 Without a view from the front line of local public services (sometimes called 'service delivery'), researchers cannot be certain that some managers are not simply "talking up" their achievements, either in ignorance of the real situation at the front-line or with a deliberate attempt at impression management ('spin') of their

- organisation's reputation. Earlier Warwick research on the Beacon Scheme has shown the importance of managing reputation with central government, (Rashman et al, 2005; Hartley and Downe, 2007).
- 1.6 Research has shown that sustainable organisational improvement occurs where there is cultural change affecting behaviours and attitudes (Hartley, 2002; Sinclair, 1991; Burnes, 2004; Payne, 2002) and cultural factors are arguably best assessed by researching staff views and behaviours directly. In other words, a local authority may have well-designed systems and procedures but if they are not understood or accepted by staff then their impact is likely to be reduced or negated.
 - 1.7 Research in the private sector shows that staff act as important ambassadors for their organisations, and their own perceptions on the quality of the firm's products or services has a significant impact on the wider reputation of the organisation (Schneider et al, 2005). For public service organisations which are large employers, this may be hypothesised to have a particularly significant impact on the wider perceptions of services.
 - 1.8 Staff can be a key source of innovation and improvement in service processes and quality, where organisational processes enable this (Borins, 1998; Hartley, 2005, 2006). Innovation is an increasingly important part of the Beacon Scheme and also has significant national policy relevance.
 - 1.9 These considerations suggest that both perceptions of service quality and also job attitudes may be important in service work and in users' experiences of the service, and provide argument for examining staff views in evaluation of service improvement.
 - 1.10 In addition, and specific to the Beacon Scheme, the Beacon award is known to have a positive impact on staff morale. This was indicated from the process outcomes evaluation (Hartley et al, 2002) and in subsequent elements of the Beacons evaluation (eg Hartley and Downe, 2007; Downe et al, 2004; Rashman et al, 2005). Research into the extent of staff morale related to Beacons, and the reasons why such an impact might be found is valuable as a key outcome from Beacons.
 - 1.11 The overall aim of the staff survey was therefore to examine the relationship between staff attitudes and local authority engagement in the Beacon Scheme, both to substantiate the earlier report of an impact of Beacon status on staff morale, and also to find out what elements of staff perceptions and attitudes might be contributing to a sense of innovation and improvement. In detail, the objectives were:
 - to examine whether there is a relationship between degree of Beacon engagement and staff attitudes
 - to examine a range of attitudes concerned with organisational and service performance in order to explore whether some attitudes are more associated with Beacon status than others
 - to examine whether other factors best account for staff attitudinal factors (eg type of job, type of council)

- to examine staff open-ended comments from staff on council performance and on potential areas for improvement.

RESEARCH DESIGN AND METHODS

- 1.12 The research design was based on front-line members of staff (taking these to be managers, professionals and direct workers) but undertaking comparative analysis between authorities which are strongly engaged in the Beacon Scheme and those which are not. The categorisation of Beacon engagement was on the basis of analysis of the Beacons applications database held at Warwick (Hartley and Downe, 2007 gives details). Local authorities across the range of types, Beacon engagement and CPA score were approached in three regions of England: North West, West Midlands, and South East Region.
- 1.13 Front-line staff are defined as workers who are either directly responsible, for closely supporting, the delivery of council services to the public. This can include staff who are quite senior (e.g. managers within council services) or highly qualified (e.g. social workers), however most respondents were below managerial level. Only staff employed by the local authority were included in the sample i.e. the research excluded contracted-out staff.
- 1.14 Respondents were further divided into two categories: those who worked mainly in council offices and those who worked mainly in the community. Table 1 below defines the various 'front-line' job types that were targeted for the survey and illustrates the sort of roles that are typically based within council premises and those based primarily in the community.
- 1.15 The survey was designed and piloted by the Warwick team and was administered on behalf of Warwick by IFF Research Ltd, an independent market research company, in order to preserve confidentiality.
- 1.16 In total 15 local authorities fitting the sample pattern were invited to take part in the research. In each authority, a liaison officer was identified, who took responsibility for the identification of appropriate groups in their organisation, the distribution of the questionnaire to those groups (and not others); the distribution of reminders, and any internal communications within the authority. All were particularly helpful in ensuring that the survey had widespread visibility and support within their own organisation, and the high response rate to the survey (see below) is likely to be in part attributable to their care and professionalism in preparing for and distributing the questionnaires.
- 1.17 Self-completion questionnaires were distributed internally amongst front-line staff through the liaison officers of 15 local authorities in England. The initial commitment from each authority was to distribute 150 questionnaires, but some authorities indicated that they were willing to distribute more than this quota. In total, 3,875 surveys were distributed. Each authority distributed a different number of questionnaires depending on the size of their authority and the resources available at the time. The number of questionnaires distributed per authority varied between 150 and 500. The distribution of questionnaires took place in March 2005.

THE SURVEY AREAS OF ENQUIRY

1.18 The questionnaire consisted of 7 sections relating to the following areas:

- The respondent (e.g. name of council work for; job role; whether or not deal directly with the public; degree of personal autonomy at work; proactivity at work; personal innovation; individual, team and organisational performance)
- How the person feels about their job (e.g. job satisfaction – overall and by particular facets; public service ethos; commitment to council work; intent to leave)
- About the service (innovation in the service; improving services for council users; methods of assessing staff performance; perceptions of managers' ability to learn and innovate; extent of employee consultation; service vision)
- Opinion about approaches to improving the service (opinions about role of inspections, awards and reviews in improving services)
- The Beacon Council Scheme¹ (awareness of Scheme: i.e. questions about whether own service or other services in the authority have a Beacon award now or in the past; for those answering affirmatively questions about recognition of achievement and activities resulting from the award)
- General background information (demographic details such as age, hours of work, contract of employment, gender).
- Suggestions for improvement (optional question asking for two things the respondent thinks their service does best and two things the council could do to provide a better service to the public).

1.19 All scales have been analysed for their reliability, and have been shown to be robust (please see appendix 2 of the full report).

RESPONSE RATE

1.20 Overall the response was high for a survey of this type at 49%.

AUTONOMY AT WORK

1.21 Most respondents felt that they had considerable control over how they get their jobs done and the order in which they do their work, but only half said that they have the authority to act and make decisions about it. There were no statistically significant differences according to Beacon status in reported autonomy. Job role seemed to influence the extent to which employees felt autonomous however, with

¹ Since the date of the survey the title of the Scheme has changed from Beacon Council Scheme to Beacon Scheme.

managers showing particularly high levels of personal autonomy, and those employed in clerical and office worker roles reporting the lowest level of opportunity to control their own working patterns and techniques.

PROACTIVITY

- 1.22 Taking pro-active steps was an area that a greater proportion of respondents felt confident about contributing towards the working and administration of their sections. Employees of councils with Beacon status showed higher levels of confidence in these areas than those without this status, indeed those in Beacon authorities reported statistically significantly higher levels of proactivity than those in Mid-Beacon, or Non-Beacon authorities. There were also variations by occupation, with managers reporting the highest levels of confidence in each area, whilst clerical and office workers tended to be least confident.

PERSONAL INNOVATION

- 1.23 Respondents who had personally introduced new methods and procedures at their authority tended to be in a minority (approximately one in five). Respondents of Beacon Councils were statistically significantly more likely than other council workers (in both Mid-Beacon and Non-Beacon councils) to report higher levels of personal innovation. As would be expected, managerial staff were more likely to have personally introduced new work procedures, target and methods compared to other occupational types.

INDIVIDUAL, TEAM AND ORGANISATIONAL PERFORMANCE

- 1.24 Respondents rated their individual performance highly; approaching nine in ten said they agreed to a great or very great extent that they conducted their tasks well and thoroughly. There was no significant variation by Beacon status on individual task performance measures, or team performance measures. Those in a Beacon council reported significantly higher ratings of organisational performance than respondents from Mid- or Non-Beacon councils. Respondents in more senior roles were less likely to feel that they had achieved tasks well than others, particularly manual and clerical staff. More than seven in ten respondents agreed that they projected a positive image of their service both internally and externally. Staff at Beacon councils were slightly more likely to agree that this was the case than those from Mid- or Non-Beacons.

JOB SATISFACTION

- 1.25 Respondents were generally content with their job; 86% agreed that they liked their job and 83% said that they liked working where they do. The level of satisfaction with their job was slightly lower but nonetheless high at 71% overall. There was some variation in job satisfaction by Beacon status, as staff at Mid-Beacon and Non-Beacon councils were significantly less likely than their counterparts at Beacon councils to express satisfaction. Workers at Beacon councils were more likely than respondents from other councils to feel they receive recognition for good work, and

to state satisfaction with their immediate manager. However, only two-fifths of respondents expressed satisfaction with their current rate of pay (regardless of Beacon status).

PUBLIC SERVICE ETHOS AND COMMITMENT TO COUNCIL WORK

- 1.26 Approaching nine in ten respondents said they enjoy working on behalf of the public and three-quarters said they were proud to work in the public sector. However, respondents' commitment to their current positions and the public sector in general was slightly lower; three in ten said they would probably look for a new job over the course of the next year. Public service ethos was significantly higher for those respondents in Beacon authorities than for those in Mid-Beacon authorities, though not significantly higher than for those in Non-Beacon authorities. Respondents' attachment to their council was less positive. Less than half (44%) of respondents believed that the council they worked for cares about what happens to them, and just a third felt a strong sense of belonging to their council. A further third disagreed that they felt a 'part of the family' where they worked. Attachment / affiliation to their council was significantly higher in authorities with Beacon status than in those with either Non-Beacon or Mid-Beacon status.

INNOVATION AND IMPROVEMENT

- 1.27 Only half of respondents believed that their service was continuously searching for new ideas, whilst a slightly smaller proportion saw their service as being open to new ideas and quick to respond when change is necessary. The difference in response between those in Beacon and Non-Beacon councils was statistically significant, with respondents from Beacon councils reporting significantly higher levels of innovation and improvement. Only a fifth of respondents believed that the needs of service users is not a top priority within their service with a similar proportion stating that their service does not give due consideration on how to improve services for their users and responds slowly to their needs. Workers from councils with some degree of engagement with the Beacon Scheme tended to be more likely to disagree with statements that implied that their service was oblivious or negligent towards the needs of service users.

METHODS OF ASSESSING STAFF PERFORMANCE

- 1.28 Around three-fifths of respondents agreed that their employer sets goals and target for their workers and measures their performance regularly. Respondents at Beacon councils were slightly more likely to agree that their work is guided by goals and targets but were no more likely to say that their performance is monitored compared to workers at other councils. Staff at metropolitan and unitary authorities and London boroughs were slightly more likely than those from other authority types to agree with both statements. Overall, a minority of respondents said that they receive feedback on the quality of their work. This result holds even for those in Beacon councils (although they were slightly more likely to receive feedback compared to staff at other councils).

PERCEPTION OF MANAGERS' ABILITY TO LEARN AND INNOVATE

- 1.29 Just under half of respondents view their managers as being open to new ideas, willing to accept ideas from outside the organisation, and have a record of learning from new initiatives. Around 50% of respondents at Beacon and Mid-Beacon councils believed that their management were open to new ideas and learnt from mistakes, compared to only two-fifths of staff at Non-Beacon councils. Those in Beacon councils reported significantly higher ratings of management's ability to learn than those in Non-Beacon councils. Unitary / London borough councils were the only subgroup where agreement was significantly above average on three of the four measures used to evaluate management's ability to learn and innovate.

EMPLOYEE PARTICIPATION

- 1.30 Most services appeared to offer staff formal opportunities to express their ideas and opinions. Overall, 70% of respondents agreed this was the case for them. However, only a minority of respondents believed that they have any influence over decisions made at a higher level. This is particularly the case with long-term decisions that affect the overall direction of each council service; just over a quarter of all respondents felt they had some degree of influence in such matters. Those in Beacon councils reported significantly higher levels of participation than those in Non-Beacon and Mid-Beacon councils. By job type, influence amongst managerial staff was significantly higher compared to all other categories both for short and long-term decisions. However, even amongst these workers only a minority (43%) agreed that they had such influence over long-term issues with a third disagreeing and a further quarter unsure.

SERVICE DIRECTION (VISION)

- 1.31 Fewer than two-fifths of respondents agreed that the future plans of their service are clearly communicated to them. A slightly greater proportion said that they were aware of the future direction of their service, although those in agreement remained a minority. Communication of future plans appears better at Beacon councils and at unitary authorities and London boroughs; staff were more likely to be aware of the future direction / plans for their service than was found on average, although in each the majority of respondents were either unsure or disagreed. In terms of service vision, those in Beacon councils reported significantly higher ratings than those in Mid-Beacon councils. There was significant variation according to job role; approaching half of management staff were aware of the future plans for their service, while only 29% of professional staff were (with 45% disagreeing with the statement).

ATTITUDES TOWARDS PERFORMANCE MEASURES AND BEACONS AWARENESS

- 1.32 External audits or inspections and Comprehensive Performance Assessment were felt to have the strongest influence over employees in terms of encouraging them to improve their service. Only 13% said that Beacon awards or applications encouraged them to a great or very great extent. Even amongst staff at Beacon

councils, this proportion only rose to one in five. Only two in five respondents (41%) were aware of the Beacon Scheme and only 14% of all those surveyed were both aware and able to explain the awards system to someone else. However, those in Beacon councils were significantly more likely than those in Non-Beacons councils to rate the importance of various performance measures higher.

- 1.33 Amongst staff who reported that they worked in authorities with a Beacon award (now or recently, there tended to be a high degree of uncertainty about the forms of communication and recognition following Beacon awards. In most cases around 50% of those whose councils held either a current or former award were unsure as to whether any particular communication activity had followed an award. Most commonly recognised was mention of the staff gaining the award via the Council newsletter, with 68% answering this section recalling this. The next most frequently recalled activity was a letter of congratulations from the chief executive (45%) or from a senior elected member (38%).

Key Findings

The main findings here support the contention that the Beacon Scheme is associated with favourable organisational outcomes. Respondents in 'Beacon' Councils (high levels of engagement with the scheme) reported significantly² higher levels of a range of important organisational outcome measures when compared with two comparator groups of councils (middle levels of engagement – 'Mid-Beacons' and lower levels of engagement - 'Non-Beacons'). They reported significantly higher levels of:

- proactivity
- personal innovation
- organisational performance
- satisfaction
- innovation and improvement
- participation

In addition, they reported significantly higher levels of the following for one or other of the comparator groups (as shown in parentheses):

- public service ethos (higher than in Mid-Beacons)
- management's ability to learn (higher than in Non-Beacons)
- vision (higher than in Mid-Beacons)

² Here and elsewhere in this report, we use 'significant' or 'significantly' in their narrow, statistical sense. These terms describe findings that are unlikely to be attributable to chance alone. The cut-off used to determine significance is the conventional 95% significance level.

- importance of performance measures (higher than Non-Beacons).

It can also be noted that without exception, the direction of difference we found in terms of ratings across the three groups was as hypothesised. That is to say, those in Beacons councils reported higher ratings on every construct measured.

Alternative explanations of findings were analysed but not found to have an impact, though there is some effect by type of occupation and type of council for specific items. However, controlling for these effects in further analyses did not alter the key findings in relation to Beacon councils.