Knowledge article: How can capability building be improved in the public sector?

Introduction

2020 Delivery is a management consultancy, committed to helping our clients improve the delivery of public services and social objectives. We support our clients in strategy, delivery planning, performance improvement, governance and capability building. We underpin our support by developing and sharing practical knowledge based on our experiences and best practices within and beyond the public sector.

This knowledge article is focused on capability building in the public sector – an issue which many of our clients wrestle with and which we believe can be improved by applying the proven practices outlined in this article.

The challenge: Embedding improvement capabilities

While the Government is effective at building certain capabilities (particularly in policy-making and legislation), it struggles to develop those capabilities associated with delivering and improving operational performance. This is a consistent message in Government reviews\(^1\), and it is echoed in our client work and in our interviews with civil servants.

There are particular capability gaps in:

- **Problem structuring**: Disaggregating issues to facilitate problem solving, prioritisation and planning.
- **Evidence-based analysis**: Using evidence and rigorous analysis (particularly quantitative) to underpin decision making. It is not sufficient for policy and operational staff to say ‘I don’t do numbers’.
- **Basing policy decisions on frontline experience**: Civil servants in Central Government are frequently reluctant to spend time at the frontline of their service. As a result, their perspectives are not shaped by what is happening in practice. For example, consultants will be asked to attend focus groups of frontline workers in place of the commissioning civil servants.

What works: Applying cultural change practices

While traditional approaches (e.g., training courses and recruiting experts) help to build understanding, in isolation, they are not enough: they give people tools without creating the environment for them to successfully use them.

Instead, we believe that a more fundamental culture shift is needed to embed these capabilities in Government. When approaching such a change, adult learning principles suggest that it is necessary to develop a range of interventions which are mutually reinforcing across four broad categories:

1. **Demonstrating what good looks like**: People will be more likely to adopt the new capabilities if they see others (whom they respect) behaving in the new way. These role models demonstrate what good looks like and can provide successful case studies for others to learn from. For example, a project

\(^1\) Capability Reviews: Progress and Next Steps, December 2007. Of the 10 capabilities measured, ‘build capability’ scores in the bottom two across the departments, with only one department scoring above ‘development area’ and over 40% scoring ‘urgent development area’ or ‘serious concerns’.
manager using an issue tree to structure a project shows the wider team that issue trees are a valued tool and how they are applied in practice.

2. **Creating belief and understanding**: In parts of Government, there is a perceived reluctance to build new capabilities. Reasons for this include: change weariness and cynicism from previous failed initiatives; aversion to additional effort involved in attaining new capabilities; seeing new capabilities as being done by others (particularly analytical capabilities); and a lack of trust that the new capabilities are a better way of working. Trying to build capabilities in people who don’t want them is an impossible task. People need to understand what they are being asked to do differently, understand why and agree with this. In our experience, individuals sometimes need to go through a whole project before they recognise that there are better ways of doing things.

3. **Developing skills**: People need to have the skills and tools to behave in the new way. Time needs to be carved out in day-to-day work for people to learn and absorb new skills and information (e.g., time is rarely scheduled in a project plan for capability building). In addition, gaps in basic skills need to be filled so more advanced skills can be built. In particular, IT literacy (e.g., ability to use spreadsheets, produce slides and write reports).

4. **Getting the basic systems right**: An organisation’s structures, processes and systems will reinforce the desired changes in behaviour. This includes both formal (e.g., recruitment, development and performance management) and informal (e.g., ad hoc coaching, informal communications, praise) processes.

Where these four elements are in place, capabilities will be embedded. This has been demonstrated in the units across Government which have designed their organisation to support these improvement-based capabilities: the Prime Minister’s Delivery Unit, the Strategy Unit, and the Office of Climate Change. While it is easier to build a supportive environment in a ring-fenced unit, it is important to recognise that these environments can also be created in the wider organisation, for example, through project teams (e.g., the OMSAS Strategy team in the Ministry of Justice has created change through a high-profile project team), or through process lines (e.g., the Ministry of Defence created cultural change using ‘lean’ approaches along selected processes).

**External organisations as capability building partners**

Government often looks to external organisations to help provide these improvement capabilities. This has contributed to an increasing reliance on external consultants. However, poor transfer of skills from consultants to internal staff can compound the problem².

This needn’t be the case. External organisations, including consultancies, can play a constructive role in helping people to build improvement capabilities in Government. In our experience, external organisations can facilitate capability building by using the following practices:

1. **Open book support**: Skills can only be transferred if the external support is completely transparent. Remote consulting teams, ‘black box’ Excel models and ‘pdf’ end products all create barriers to capability building. A more effective approach (in terms of skills transfer and end product) is to

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² UK National Audit Office Value for Money: Central Government’s use of consultants: Estimated spend across the Public Sector increased by 33 per cent between 2003-04 and 2005-06, taking it up to £2.8 billion. Red / amber progress against recommendations to improve skills transfer to increase departmental capacity.
have the client fully involved in the team. The client can reinforce this behaviour by insisting skills transfer is built into the project contract and workplan.

2. **Government branding and ownership of end products**: Skill transfer is increased if the client retains ownership of the product. If reports are client-branded (rather than consultant-branded) the responsibility for the end product remains with the client. This creates a strong incentive for the client to remain engaged in the development of the work. As a result, the client learns the skills used in developing the end-product and is well-positioned to put the report into action. In written documents, this can be taken a step further by keeping the client leader as the lead author of the document.

3. **Role-modelling good practices**: The external organisation should consider all interactions with the client as an opportunity to role-model good practices. Supporting client teams with experienced project managers and/or team members creates day-to-day opportunities for team members to observe good practices and receive coaching.

4. **Tailored solutions**: Each organisation is at a different starting point and it is important to tailor the interventions to this. For example, some clients require support in developing tools and processes, others require support in role modelling and demonstrating how to apply the capabilities.

5. **Connecting people and sharing tools**: By working across different departments, external organisations are well placed to put people in touch with others who have been through similar experiences. In addition, if they have kept materials client branded they can also help build skills by sharing tools that they have developed for one department with another department (clearly at no additional charge!). As an illustration of this, we developed a guide for fast-paced projects for the Office of Climate Change and were able to share this with a team within the Ministry of Justice, who have adapted it to their context.

**Conclusion**

In conclusion, we have found that there is a great deal of interest across Government in what it takes to build lasting ‘improvement’ capabilities. Through these conversations and from our own consulting experience, we believe that this can be achieved by using cultural change interventions: demonstrating what good looks like; creating belief and understanding; developing skills; getting the basic systems right. In addition, external organisations, such as consultants, can become partners in helping to achieve this change.

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