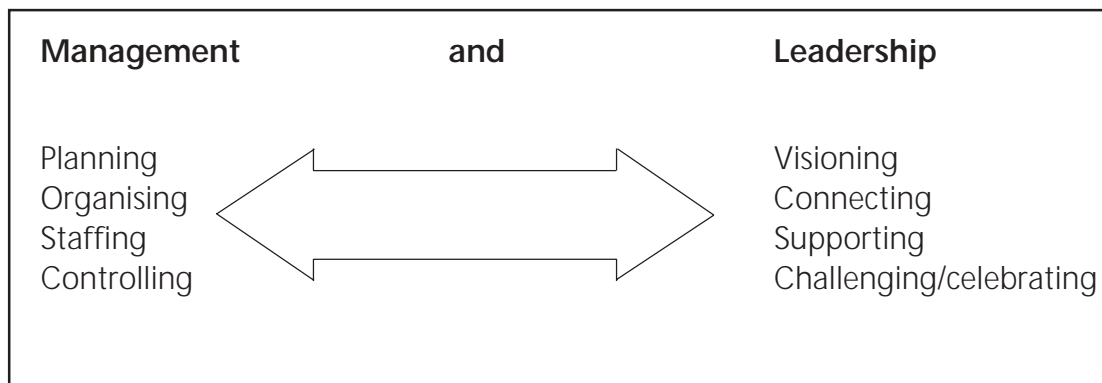


Summary

The research project on management styles and characteristics of local authority Housing Benefit (HB) managers has been designed to identify the 'hallmark' management and leadership practices and skills employed by managers of high performing, or rapidly improving, housing benefit services.

Using a management and leadership framework, shown in the table below, the project examines management and leadership aspects of managers' behaviour in seven case studies.

Figure 1 Management and leadership framework



Whilst there are limits to the scope of the study, the results provide an initial insight into the characteristics considered necessary to ensure high performance within the housing benefit service context.

Planning and visioning

Well developed planning skills are vital within the service context, which is characterised by the case studies as subject to constant change within a stringent regulatory framework. The focus on good operational management skills appears to reflect the potential for performance down-turn in the face of frequent change.

Managers in our case studies are described as 'on top of the detail' and have good technical knowledge of legislation and regulation. These characteristics are seen as key to the forward planning that is demanded by the rate of change experienced by HB services.

Being meticulous and having strong technical knowledge creates comfort not only for senior managers, who want to be assured that the service is in safe hands, but also for front line staff; they know that their manager has a good grasp of the implications of changes and is able to provide advice and support.

HB managers must be able to champion constructive change, and whilst the rate of externally driven change is sometimes questioned, internally driven change linked to performance improvement is greeted with enthusiasm. Characteristics such as desire and determination to succeed and openness to change and new ideas drive this enthusiasm.

The case studies HB managers are typically described as focused on, and single minded about, the HB service. Whilst achieving the purpose of the service is paramount for our case studies' managers, focusing on outputs such as the timely accurate provision of benefits play a major part in realising wider outcomes-based visions for communities, such as income maximisation.

Organising and connecting

Getting the job set right appears to be more important than the structure. Dedicated resources for business planning, IT and training are particularly valued by our case study managers. This support ensures service development, including bidding for additional funds and aids change management activities. For many HB managers, these resources mean they can concentrate on the effective day-to-day operation of the service.

A feature of our case studies is the approach taken, and attitude towards, the relationship of IT to performance. Whilst the importance of reliable IT systems was not underestimated by any of our case studies, the overriding themes emerging do not focus on the reliability or effectiveness of particular systems. Rather the attitude towards, and skills in, managing IT implications are the dominant features of our HB managers and their staff. There is no correlation with any particular type of IT system, software or supplier, and all the case studies had experienced, or are soon to experience, major IT systems changes. Ensuring forward planning processes take account of the potential impact of changes to systems and dedicated IT support resources are critical factors.

The 'connecting' skills that prevail in the case studies are encouraging team working and communications. Commitment to team work and an approachable, listening style are characteristic of the HB Managers in the study. These characteristics are considered to engender a sense of stability that is of great importance in the context of frequent change.

An interesting and perhaps somewhat novel finding from the study is how often humour is cited as an important characteristic for a successful HB Manager. The role humour plays in achieving and maintaining good performance is supported by other research, which suggests humour helps communication efforts, improves morale and supports the development of staff cohesion. Humour features in emotional intelligence theories, which have gained popularity in management thinking and practice over the last decade.

Staffing and supporting

Securing the right resources to do the job, particularly staffing levels, and protecting those resources is a characteristic of our case studies. The use of agency staff is not significant, with HB managers concerned to establish the right level of permanent staffing levels. The role of the top team is particularly important in relation to resources, with many HB managers believing their role in directing the necessary resources towards the HB service, and in some cases protecting these resources from budget cuts, is one of the most significant factors for achieving and maintaining good performance.

Investors in People [IiP] status is an important feature of all our case studies and appears to reinforce the positive view of the benefits that can be obtained from the framework. All the case studies had attained IiP, which is seen as providing an important framework for supporting and developing staff.

Training for front line staff is a priority for HB managers. As well as equipping staff to manage technical changes to working practices, it is seen as a vital change management tool, communicating the need for change and supporting staff coping with change. Access to dedicated internal training resources features in all but one of the case studies.

In contrast, training amongst HB managers has a lower profile. This is linked to three main factors. Firstly, the majority of managers in the research have been in post for 10 or more years. Finding time for training is also cited as an impediment. Finally, HB managers are valued for their dedication to and focus on housing benefits; this may affect how far their own line managers prioritise exploring opportunities for career development.

Flexible working practices feature strongly in the case studies. It is seen as an important retention tool. All operated flexi-time schemes, and six of the case studies operated a range of options, or were due to extend the range, 4 day working and home working.

Controlling and challenging/celebrating

The ability to control their service area is linked most closely by our case studies to good analytical skills, being single minded about the service and able to manage performance against indicators.

Championing high performance and being skilled in managing performance, rather than simply measuring, against indicators are critical attributes. There is little criticism of operating in an externally driven performance indicator culture, and a performance management culture is a strong feature of our case studies. HB managers are described as having high expectations, being demanding and focused on achieving targets.

Furthermore, HB managers and their staff actively value the fact their performance is often closely monitored corporately. This may reflect the fact that DWP performance indicators (PIs) are generally supported as being relevant and meaningful, and that performance monitoring serves to mirror the success of the teams.

An area of divergence amongst the case studies is the attitude towards individual performance monitoring and team based methods. Whilst some operated or were moving towards, individual based methods, some case studies believe the latter to be an old fashioned approach to raising performance.

Conclusions and implications

The development requirements of HB managers as identified by our case studies do not differ significantly from what might be anticipated for any manager at a similar organisational level. In common with developing any management training and development programme, the real challenge for organisations is to identify appropriate interventions that reflect the outcomes desired, based on evidence of existing strengths and weaknesses and what the organisation needs to achieve.

The research indicates the prevailing culture of the case studies is one where change is well accepted and planned for, teams are eager to continuously improve and customer first principles operate. It appears that a subculture of traditional public sector values also exists, where employees stay with the business and are focused on the specific purpose of the service.

This research has not uncovered a model of management style that guarantees success. Rather, what have emerged are some distinct trends for the factors that impact on high performing HB services.

1 Introduction

This report contains the findings from the research study carried out by IRIS Consulting on behalf of the Department for Work and Pensions (DWP) during the period September 2003 – February 2004.

1.1 Research context and purpose

The research was originally proposed at a time when there was concern about differing levels of performance achieved by local authorities in delivering a Housing Benefit (HB) service and when some aspects of performance appeared to be getting worse.

The purpose of this research has been to seek to identify key characteristics of the way HB claims are managed by the top performing local authorities which could then provide pointers and 'good practice' lessons for dissemination amongst other local authority HB service providers. These pointers might relate to the personal characteristics and style of the HB managers as well as to management structures and support systems.

A key area of focus for the research has been to identify those characteristics of good managers which help explain good performance in terms of HB administration. The research has only been conducted with high performing (or recently fast improving) authorities predicated on the hypothesis that what is being done in those authorities is associated in some way with management practices and behaviours that result in good performance.

1.2 Methodology

In conducting this study we have used qualitative research methods. In summary these involved:

- An initial literature review.
- Development of a conceptual framework on leadership and management characteristics.
- Case studies in seven local authorities.

The case studies were selected using the following criteria:

- Local authorities which had HB performance in the top quartile (according to the published data on HB Performance Indicators) or had made significant progress in improving performance (which are referred to as 'turnaround' case studies in this report).
- A range of different local authority types and scale of HB operations (such as metropolitan councils, district councils and London Boroughs).
- A variety of geographical and social contexts (such as urban, rural, northern, midlands, south-east etc).

We also sought to avoid locations that were the subject of other DWP pathfinder and pilot exercises, which were at the time the subject of separate research exercises commissioned by DWP.

The DWP sent letters to the chief executives of those local authorities invited to participate in the study making it clear that any information they provided would be treated in confidence and the results presented in a way that did not identify any local authority or any of the participants in the study. One local authority declined to participate and was substituted by an authority that reflected the mix of authorities as outlined in paragraph 6 above.

We conducted case studies in seven local authorities. In each we:

- Interviewed the HB manager, his or her line manager and a peer of the HB manager.
- Ran a focus group with the HB managers' direct reports staff.
- Undertook some direct observations of the HB operation while in the department.
- Used a questionnaire to quantify perceptions of direct reports regarding management and leadership characteristics.
- Reviewed certain documents regarded by the local authority as key operational and strategic planning tools (such as Business Plans, BFI improvement plans, Corporate Plans).

The advantage of this approach is that it enabled us to develop a strong sense of the working climate and prevailing management style of the department – we experienced what it felt like to work there. This would not have been possible with a questionnaire-based survey, even though this could have covered a larger and statistically significant number of departments. We have obtained a richer set of data from the case studies and are able to link together facets of the information we collected to create a composite picture of the prevailing management style.

For these reasons we consider that the case study approach is appropriate for an initial investigation of the role of management style in determining effective HB administration. The insights we have gleaned are thought-provoking and, align, in

many ways, with existing theories of what constitutes good management. Obviously more research would be necessary before we could conclude categorically that the management behaviours we describe are always associated with the delivery of high performance in HB administration.

1.3 Timescales

The research project was commissioned in August 2003 and an initial Advisory Group meeting took place in September 2003. At that meeting it was decided that the researchers should not conduct the case study fieldwork until after the introduction of the Pensions Credit arrangements which was scheduled for October 2003. This was in order to avoid creating additional burdens on local authorities and to enable the research to take account of how those changes had been managed.

Letters inviting local authorities to participate were sent out in December 2003 and the case studies interviews and data collection took place in January and February 2004.

1.4 The Management and Leadership Framework

We have developed a management and leadership framework to explore the two distinct aspects of management behaviour – namely ‘management’ and ‘leadership’. The framework draws on the work of John Kotter, and Ulrich, Zenger and Smallwood who conclude in their book ‘Results-Based Leadership’ (Harvard Business School Press, 1999) that there is general agreement amongst academic and management authorities and analysts that what leaders must do is to:

- *Set Direction* – vision, customers, future.
- *Demonstrate Character* – integrity, trust, analytical thinking.
- *Mobilise Individual Commitment* – engage others, share power.
- *Engender Organisational Capability* – build teams, manage change.

John Kotter contrasted what managers and leaders do in his book ‘What Leaders Really Do’ (Harvard Business Review, 1999). For Kotter, managers address the current situation and manage it through structure and systems. By contrast, leaders focus on the future and on introducing change, and do this through people and culture.

We have worked with this Kotter insight and maintained, for analytical purposes, the distinction between *management*, as working through structure and systems, and *leadership* as working through people and culture.

Of course all managers address the human side of their role, working through people and culture to various degrees. The conceptual Kotter split allows us to look specifically at these two distinct areas of management behaviour. This framework is summarised in the diagram shown in Appendix A of this report. The structure of this report reflects the headings shown in the framework diagram.

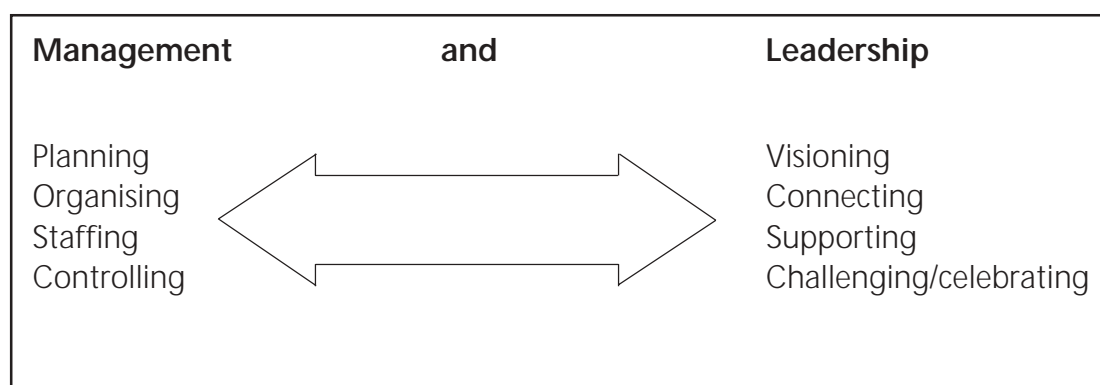
2 Findings

The framework (see Appendix A for details) describes 'management' as keeping the current system operating by working through structure and systems, using competencies such as planning, organising, staffing and controlling. 'Leadership' is described as working through people and culture, leading the organisation to constructive change using competencies such as visioning, connecting, supporting and challenging/celebrating.

The relationship between management and leadership competencies as shown in the framework diagram should be viewed as a continuum. There is considerable interconnection and interplay between the competencies shown under the headings.

The format of this report draws on this interpretation of the framework, outlining the findings from the management and leadership perspectives offered by the framework following each main heading.

Figure 2.1 Management and leadership framework



2.1 Planning and visioning

'You don't need a grand vision with 27 supporting strategies to deliver a Housing Benefits service. You need a good game plan of where you want to get to and how you're going to get there.'

Director of Finance in case study local authority

Housing Benefit (HB) managers are valued for their **meticulousness**. They are on top of the detail with **good technical knowledge** of Housing Benefit legislation and regulation. These attributes are key to effective **forward planning**, particularly in the face of frequent changes to the regulatory framework for Housing Benefit. Without a good grasp of the technical detail, it would be difficult to anticipate the implications of such changes and plan accordingly.

'His technical expertise and thoroughness provides reassurance to me that all necessary changes required will be picked up and that systems are operating correctly.'

Line Manager in case study local authority

For the HB manager's own line manager such attributes act as something of a safety net. They are concerned that the service is in safe hands and acknowledge that HB managers tend to be **focused** on, and **single minded** about, the Housing Benefit service.

'You've got to have the ability to interpret legislation and changes required by the DWP. You need to anticipate the implications and get it right first time and know how to help staff adapt to the changes.'

HB Line Manager in case study local authority

For direct reports and front line staff, these skills help create **stability** and comfort in the face of change. They know the manager understands the implications of change on their day-to-day work and can provide advice on how to deal with claims in the light of changes to regulations.

'You need to get the details right and be prepared to keep on top of things. Sometimes that can mean Housing Benefit managers get lost in the trees and don't see the overall world.'

Director of Finance

Whilst HB managers are, in the main, described as able to see the bigger picture, it appears there is a focus on the management activities of planning for change in the near future, much of which is externally driven. This raises questions about how far this focus on the **management skills** of planning may impede **leadership approaches** and attributes associated with visioning, and whether this has implications for the performance of HB services.

There is an emphasis on **purpose**, most often described as the timely provision of accurate Housing Benefit in a cost effective manner. A focus on delivering these outputs is undoubtedly crucial if wider visions and outcomes for communities are to be achieved, such as the maximisation of income, impacting on the local economy and quality of life indicators.

Few are convinced front line staff would know the council's corporate vision well and they are comfortable with this fact, believing it is more important that staff be focused on the purpose of their service.

Whilst the body of evidence represented by the case studies is modest, there are indications that a focus on the day-to-day operation of the service and powerful commitment to the HB service may **impact on taking a wider view** of change, the future and service delivery options.

Issues that are on some, but not the majority, of HB managers' **radar** include the implications of the proposed standard housing allowance. Linked to the potential for a less complex process as a result, two case studies mentioned the possibility for HB services to be centralised and delivered nationally. Another suggested the possibility of high performing authorities being able to take on the HB function for other authorities.

Moves towards 'hub', or regionally-based, service delivery are characteristic of many **modern** business approaches across the sectors. Whether or not such a 'vision' for HB service delivery is appropriate or desirable was not the issue in the context of this study, but rather whether or not it is desirable for HB managers to have such future prospects in their line of sight as evidence of a **wide perspective**, and possibly vision, for the future of HB service delivery.

'You need to understand the general good. While you may feel your service quality could be compromised by the call centre or one-stop shop approach, the quality of other services will soar as a result of this approach to service delivery.'

Peer Officer in case study authority

Findings relating to the move towards call centre/single point of access/one stop shop approaches to service delivery (five of the seven have or will be taking this route) reveals concern amongst some HB managers. These concerns focus on the potential **impact on quality** of the existing service. Issues emerging include:

- The ability of generic customer service staff to deal effectively with HB.
- The loss of good HB staff transferring to the new service.

It may be that the ability, or perhaps willingness, to take a wider **strategic perspective** is affected by the strength of HB managers' commitment to their service and passion for high performance.

That said, two of our case studies offer **good practice** in relation to managing these implications.

For one case study, the culture of the organisation is that of 'one team'. That means employees are expected to work together across work areas to meet the needs of their customers. The HB service works in conjunction with Customer Service staff, with fortnightly meetings to discuss service issues. Effectively the HB service take **joint responsibility** for the quality of HB activities undertaken by Customer Services by tracking any trends in quality failures to identify training needs that are then met by dedicated training resources that form part of the HB service. Staff

rotation between the service areas also helps build knowledge and shared understanding. This one team approach extends to housing officers, who now offer some HB advice and 'signposting' for customers.

'We had to try lots of different things because performance was so poor and some didn't work but there was no blame culture, it was about getting onto the next thing to see if that worked.'

Staff who are direct reports to the HB manager

We understand that this organisation was previously characterised by a **blame culture**. In part, the cultural shift for the HB service has been facilitated by a clear diagnostic approach to identifying the causes for poor performance. For example, in the past the Housing department blamed the HB service for the level of rent arrears. An investigation into rent arrears cases exposed that two thirds of them were unrelated to HB claims.

In another case study, the HB service is located within a wider service area which includes all front line services. This position is exploited by, for example, enabling customers to obtain and submit HB information and forms at libraries. Council Tax and Housing Benefit staff operate in **joint teams** and most teams contain multi-disciplinary members of staff who are able to work across the two functions.

'It is our job to pay benefits and not to put unreasonable obstacles in people's way, questioning their honesty at every single point.'

HB Manager

In two case studies there was mention of a **cultural shift** towards customers' right to benefit, away from a culture where customers are perceived as 'scroungers' likely to defraud the council given the chance. Organisational attitudes to HB claimants may affect the operation of the service.

For example, processes in operation may reflect, and be unnecessarily complicated by, whether or not customers are considered to be predisposed to defraud the council. In one authority, when this attitude prevailed, the level of information to be provided by customers was greater than necessary, affecting the efficiency of the service.

In another, in order to manage the impact of IT systems changes claimants were paid in advance, avoiding the creation of a backlog. Risk was assessed, and with the majority of claimants being pensioners less likely to have changes in circumstances, the advantages for both customers and the service were considered to outweigh any risk.

In terms of **championing constructive change**, there is an air of resignation and acceptance about the pace and rate of change. Recognition of the need to accept externally driven change is high, although some mentioned:

- Being worn down by change.
- Questioning the need for the rate of change experienced.

'We've got the performance against indicators right – the challenge for us now is to develop the service to add value.'

Line Manager

We found that change linked to **performance improvement**, particularly step and continuous improvement that is internally driven, inspires greater enthusiasm. The way HB managers are described provides some insight into this enthusiasm:

- Desire to succeed.
- Determination to succeed.
- Not accepting failure.
- Finding new and better ways of doing things.
- Focus on sustaining and building on performance.
- Encourages innovation.
- Open to new ideas about how to do things differently.
- Open to change.
- Redesigns processes for change and improvement.
- Creates stability.

'Housing benefit is very process driven. It's not unlike a car conveyor belt or making widgets. You need to keep on top of it. You don't need people with grand ideas to keep it going.'

Line manager

We found that few HB managers are actively engaged in **leadership development** activities. Whilst not having the time to engage in their own development is one reason given, it is uncertain whether developing leadership competencies, as described in the framework, is as actively valued by them and their organisations as good management competencies. The potential for performance downturn in the face of frequent change may also drive the focus on good operational management skills in this arena.

2.2 Organising and connecting

Managers in our case studies display many of the **organising** skills outlined in the framework.

Organisational structure seems less important than the 'job set' for achieving excellence. As explored elsewhere in this report, dedicated resources for business planning, IT and training are highly valued by our case studies. **Business planning** capacity in particular is considered vital by many of our case study HB managers, facilitating service development and more importantly securing additional

resources through bidding for funds. For some managers this function allows them to focus on the day-to-day operation of the service.

2.2.1 Is IT irrelevant to performance?

'We've outsourced, we've changed our IT systems, and none of it worked. It's people that are the critical factor. Great people will compensate for almost anything, including crap systems.'

Chief Executive in case study authority

All of our case studies have already had major **IT systems** changes, or will be having them in the near future. None have experienced serious unplanned performance downturns relating to the changes. A feature in those that have planned for IT changes is that they have also planned for, and acknowledged, the impact on performance. In one case study, arrangements were made to pay claimants in advance to address the potential for **backlogs** to accumulate during the change. In another, **targets** were set for predicted performance downturns.

We found that none of our case studies identified major **performance failures** in their IT systems, although some did acknowledge that systems can hinder performance. The ability to **plan for change** and **good internal IT support**, often from people with an HB background, seem to be important factors in managing the implications of IT.

We found that our case studies' approach to project management is diverse. All credit their HB service as meeting deadlines and not characterised by a 'fire fighting' approach. As highlighted in the previous section, good planning is evident in our case studies. However the application of formal **project management tools and techniques** is less evident. We found that project management skills do feature fairly strongly in feedback about competencies required by HB managers and were frequently suggested as suitable areas for an HB managers' development programme. The **experience** and **knowledge** gained through **length of service** of the majority of HB managers and/or their direct reports is seen as a factor in successful project management.

We found that in terms of the **leadership skills** associated with **connecting**, it is in the realms of encouraging team work and communications where our case study HB managers excel.

Creating stability is a consistent theme emerging, linked to engendering a strong team; in an environment which can feel somewhat uncertain. Given the amount of change experienced, this is considered a vital attribute for HB managers.

A keen sense of **team spirit** features strongly in our findings and is typical amongst our case studies. A commitment to **team work** is typical of our case studies. It is seen as key to good performance, through the enhanced communication, good team work engenders. It is considered to help retain staff, to be beneficial for morale and performance levels.

Team working is not taken for granted. For example, one case study notes the need to establish an understanding of the purpose of supporting team performance overall by redirecting resources, countering competition between teams.

One of the strongest themes emerging, in relation to encouraging teams, is the emphasis on encouraging the **contribution and involvement of staff** in challenging and changing how things are done. Examples include a formal process of improvement projects run by staff and annual 'challenge' meetings where managers are encouraged to challenge how things are done in each others' services. Staff suggestion schemes are also in evidence.

We found that all our HB managers are considered to be good **communicators**, which features highly as a requirement for HB managers and an important aspect of any development programme for HB managers. The ability to adopt appropriate communication styles that engage the full spectrum of stakeholders – front line staff, Members, diverse customers and key partners such as housing associations – was frequently noted by our case study interviewees.

HB manager's in our case studies are described as someone who is:

- Approachable.
- Listens.
- Available to staff (helps to interpret legislation, regulations).

A recent survey commissioned by the IDeA¹ provides further evidence of the value of good communications and the contribution and involvement of staff. The survey identified some key differences between the responses from employees of local authorities rated by **CPAs** as 'excellent' and 'good' compared with those rated 'fair', 'weak' and 'poor'. Employees of 'excellent' authorities are more likely to:

- Be satisfied with their ability to input into work planning.
- Have opportunities to show their initiative.
- Say managers are willing to listen to employees' ideas.
- Feel well informed and believe the reasons for change within their organisation are well communicated.

That research concluded that these factors '*...are key issues for managers who want to improve performance.*'

We found that **humour** is another characteristic and requirement often noted by our case studies. There is independent external evidence about this trait from the work conducted by Fabio Sala of the Hay Group, a management consultancy, who

¹ Comprehensive Performance Assessment (CPA) and Employee Attitudes: the impact of motivation on organisational success. Improvement and Development Agency/MORI, 2004.

studied the verbal behaviour of 20 managers. He found that managers who were ranked as 'outstanding' by their organisations used humour more than twice as often as those ranked average. They used mostly positive or neutral humour, but also sometimes used negative humour (for example as a put-down). He concluded that humour:

- Reduces hostility.
- Deflects criticism.
- Relieves tension.
- Improves morale.
- Helps communicate difficult messages.

Sultanoff² explores how humour positively affects communication, team spirit, stress and creativity, suggesting:

- Humour provides a non-threatening medium through which an employee or employer can communicate in a light and, therefore, less stressful way.
- The development of staff cohesion and a sense of team effort in the workplace can be effectively facilitated by the use of humour.
- Humour can shift mind sets, in that people find things humorous when they are incongruous or mismatched, breaking a particular mindset over a problem which then leads to increased creativity.

'I won't tolerate stress! It's easy to complicate benefits but I think we need to relax a bit, this isn't rocket science all we need to do is to provide a service to customers, and you don't need overcomplicate that.'

HB manager in case study authority

Michael Kerr³ builds on the role humour plays in creative thinking, stating:

- Both humour and creativity involve playing with ideas and changing our mental perspectives.
- Humour in a workplace fosters a culture of risk taking – an essential ingredient in innovative organisations.
- Humour challenges our basic assumptions and rules.
- Humour keeps people focused on solutions rather than problems.

For some commentators humour is a marker of **emotional intelligence** – a concept that has gained popularity over the last decade. Whilst humour is unlikely to be a cause of success, it is a quality that helps build successful relationships, enables the

² Steven M. Sultanoff 'Taking Humour Seriously in the Workplace', 1993

³ Michael Kerr 'You Can't Be Serious! : Putting Humor to Work', 2001.

manager to empathise with others to build team spirit and facilitate successful team working.

Daniel Golman, a psychologist specialising in emotional intelligence, identifies five components of emotional intelligence at work. Some of the hallmarks of these components, as shown in diagram 2.2, are key characteristics of the HB managers in our case studies.

Figure 2.2 Golman's 5 components of emotional intelligence

	Definition	Hallmarks
Self-awareness	The ability to recognise and understand your moods, emotions, and drives as well as their effect on others.	Self-confidence. Realistic self-assessment. Self-depreciating sense of humour.
Self-regulation	The ability to control or redirect disruptive impulses and moods. The propensity to suspend judgement – to think before acting.	Trustworthy and integrity. Comfort with ambiguity. Openness to change.
Motivation	A passion to work that goes beyond money or status. A propensity to pursue goals with energy and persistence.	Strong drive to achieve. Optimism even in the face of failure. Organisational commitment.
Empathy	The ability to understand the emotional make-up of other people. Skill in treating people according to their emotional reactions.	Expertise in building and retaining talent. Cross-cultural sensitivity. Service to clients and customers.
Social Skill	Proficiency in managing relationships and building networks. An ability to find common ground and build rapport.	Effectiveness in leading change. Persuasiveness. Expertise in building and leading teams.

We found that building **partnerships** is an emerging theme for HB services. Many of the case study authorities noted activities to get closer to partners – such as private landlords, housing associations and county councils. One case study has agreed with their county council that two county council officers will be located in the district's 'one stop shop'. Another will locate two of its HB officers in a Housing Association office for part of the week. Regular meetings with private landlords are also a feature of our case studies. A number also cite the need for HB managers to make effective coalitions and partnerships will become more important in the future.

2.3 Staffing and supporting

We found that securing appropriate **resources**, particularly **staffing**, was a significant theme amongst our case studies. It is a particularly strong theme reported by employees who are HB managers' direct reports. Whilst resource levels are often described as 'tight', in the main our case study organisations are proactive in planning adequate staffing levels and using them effectively.

In one case a significant **trainee scheme** has been put in place to address actual and projected staff shortages. In part this action was taken in the light of neighbouring authorities paying higher salaries for HB staff.

In turnaround authorities, efforts to increase and maintain staffing resources were evident and seen as a major factor influencing improved performance. In one of the turnaround authorities, **diagnostic** work to identify the causes of poor performance evidenced the need to increase permanent staffing levels.

In two of our case studies, HB services had been 'protected' from **budget cuts** affecting other service areas.

Use of **agency staff** is not prevalent in our case studies. There is a focus on building a stable, experienced team of permanent staff. Keeping control of costs and quality are key reasons given for limiting the use of agency staff. One case study has entered a **partnership** with an external agency, where tailored HB training is provided to agency staff to improve the quality of staff available to the authority when needed.

The ability to **redirect staffing** resources to work areas and teams where performance is dipping is important to maintaining overall performance. This is more typical than reliance on agency staff or the use of overtime, although the latter is used in two of our case studies.

2.3.1 Staff attitude surveys

Five of the case studies undertake formal staff attitude surveys. Of the two who do not currently use staff attitude survey tools, both carry out staff 'polling' with staff to test out attitudes.

2.3.2 Training and appraisal

All the case studies have obtained **Investors in People** status and view this positively in terms of a framework for supporting and developing their staff. Appraisal systems operate in all the authorities and tend to reflect a fairly standard format of annual appraisals, with bi-annual reviews (and address training and developmental issues and needs).

In relation to **supporting**, and the leadership qualities of developing others and self-development, we find that training for front line staff has a very high profile. It is seen as a key tool for both communicating change, the need for change and equipping staff to adapt to change. Internal training capacity is valued by many of our case studies, although one authority has outsourced technical training.

Training for HB managers appears to have a somewhat lower profile. Relevant factors include:

- *Length of service*: The majority of HB managers in our research have been in post for more than 10 years.
- *Finding time for training*: this factor is common across sectors and job types, although it tends to be a particular issue for front line, operational managers.
- *Opportunities for career development*: Many HB managers are valued by their own line managers for being 'on top of their job'. Being single minded about, and focused on the Housing Benefits service, is also valued by this group. It is uncertain what career progression opportunities exist for HB managers and how far their own line managers actively prioritise continued development.

Notwithstanding the points raised above, **technical training**, such as IRRV qualifications, is seen as important. Two HB managers in our study are undertaking broader management development activities, including coaching skills, and mentoring.

'Despite the emphasis [in the Local Government Act] on building capacity for strong leadership, the Government actually seems very focused on processes, concentrating on things like risk management and procurement strategies.'

Chief Executive in case study authority

It is important to note that we found that there is support for building the **leadership and management capacity** of HB managers. Senior officers in two case studies believe investing in developing management and leadership capacities will reap greater returns than the perceived focus on investment in tools to do the job (such as IT) and process orientated activities. In the conclusions section of this report we explore the theory of leadership within a management culture.

2.3.3 Valuing the contribution of employees

Our findings here are somewhat inconclusive, although it is important to see this in the context of other findings on team working and performance management.

When asked if the organisation overall valued the contribution of HB staff, and the HB manager in particular, the themes emerging are:

- That opportunities to **reward** high performance financially are limited in the public sector.
- That HB services have a **lower profile** than services such as Social Services and Education.
- That HB services tend to have a **high profile** in the organisation only when 'it goes wrong'.

2.3.4 Harassment policies

We found that all the case study authorities have anti-harassment policies in place. Few identify harassment of staff by customers as a significant problem and the need to equip staff to avoid the potential for situations to escalate is noted by some.

2.3.5 The contribution of the top team

We found that the majority of case studies are specific about the value of the contribution of the top team – both at directorate level and corporate level – to the success of the service. The most **valued activities** by the top team include:

- Securing the right level of resources for the service.
- Protecting these resources from budget cuts.
- Close monitoring of the performance of the service.
- Giving feedback and praise to front line staff.

In all but one case study, the HB service was part of a wider **finance service** area, or was situated in a directorate that included financial services. For some, the location of the service in Finance is important. The reasons cited for this include:

- A perception that there is less tolerance of poor performance in Finance directorates compared with Housing.
- A better fit with the core business than when located in Housing.

2.3.6 Obstacles to good performance

Factors considered to hinder good performance include:

- Limited [people] resources.
- Recruitment and retention – 'poaching' by neighbouring authorities, particularly where pay scales are higher, affects some case studies.
- Corporate policies, for example sickness and capability procedures, perceived to present hurdles to managing performance.

2.3.7 Flexible working

Flexible working is seen as a key retention tool by all our case studies. All operate some form of flexible working. In four case study authorities traditional flexi-time schemes operate, and amongst these one is keen to encourage home working, and another will be introducing a wider range of opportunities in the near future.

What is less clear is how far organisations maximise the potential of flexible working opportunities as a **recruitment** tool. Many organisations fail to profile flexible working opportunities actively in their recruitment activities. Moreover, ensuring flexible working strategies are designed to deliver **business** as well as **employee benefits** is an issue organisations are increasingly addressing.

2.3.8 Controlling and challenging/celebrating

We found that HB managers in our case studies are rated highly in terms of **controlling** their service area, being described as:

- Having good analytical skills.
- Single minded about the HB service.
- Good at managing performance against indicators.

Typical descriptions of case study HB managers relevant to the **challenging/celebrating** aspect of the framework include:

- Is courageous:
 - committed;
 - hands-on approach;
 - resilient;
 - relaxed;
 - shows common sense;
 - prioritises.
- Demonstrates strong sense of customer service:
 - focused on achieving PIs, targets.
- Champions high performance:
 - gives praise and feedback;
 - sets challenging yet realistic targets;
 - has high expectations.

- Confronts issues that hinder performance:
 - firm but fair;
 - strict discipline;
 - demanding;
 - doesn't suffer fools.

It is in the arena of **performance indicators** and **championing high performance** where HB managers clearly demonstrate both management and leadership qualities.

'You know you're being looked at (by the corporate management team). This acts as a motivator.'

Direct Reports

Whilst many of the key performance indicators are externally set, there is little or no criticism of a **performance indicator-driven culture**. Corporate, top team (including Members) involvement in, and focus on, service monitoring is actively valued by many. This is seen to serve as a driver to sustain and improve performance.

'We now feel like an up-and-coming business. We're trying to improve all the time. If you sit still you're going backwards is the motto around here from the CE.'

Direct report.

Systematic, **continuous** and **challenging** monitoring mechanisms are typical of our case studies. All those interviewed believe the statutory indicators for HB services are about right. In particular many say they reflect what is important to customers. None believe their focus on the **statutory indicators** detracts from or distorts the delivery of a good service.

'If it's possible to do something better he'll want to do it.'

Peers

The descriptions of the attributes and approach of HB managers given in our study are evidence of a **performance management culture**. They are manifested by the following traits:

- Determination to succeed.
- Sets challenging targets.
- High expectations.
- Demanding.
- Don't suffer fools.
- Realistic targets.

- Focused on achieving PIs/ targets.
- Good *management* [rather than simply monitoring] of PIs.
- Runs a tight ship.

We found that the nature and **context of HB services** influences – and indeed compels – the performance management culture that operates. For example:

- The potential for HB performance to dip relatively quickly.
- The service is process driven, with clear outputs that are easily visible.
- The relative ease of setting meaningful performance indicators.

2.3.9 Individual versus team performance monitoring

'It's not our style to monitor every key stroke, we have team targets. I think Benefit services are going down the wrong route on individual performance. If performance is poor, I ask what the manager's doing and whether they are getting across [to staff] what they want.'

Line manager

We found that there is a dichotomy of views on the relative benefits of **individual performance** monitoring and **team based performance** monitoring. One of the 'turnaround' case studies is taking an evolutionary approach, beginning with strengthening team based performance monitoring and intending to move towards individual performance monitoring. Another organisation uses a 'benchmarking' approach, where individual performance is set against highest and lowest individual performance in the team, which is discussed fortnightly in one-to-one meetings with their manager. By contrast, the top performing organisation in our study is steadfastly against such an approach, considering it to be an old fashioned, time and motion approach to raising performance.

Both of the turnaround case studies acknowledge that **dismissing** poor performing staff has played a part in improving performance. One has actively dismissed poor performing staff, including agency staff. Another made clear that an employee's position was untenable, leading to their resignation. This organisation is also considering the position of other employees who have failed to improve their performance.

2.3.10 Dedicated resources for service development

As noted earlier in this report, the existence of resources dedicated to service development and improvement activities is considered significant for improvement by the case studies. With only one exception, all have dedicated posts for training and/or business development, including **business planning**, bidding for **additional funding** and service **improvement activities**. Such posts are considered by HB managers as fundamental to sustaining and building on their performance and service offering.

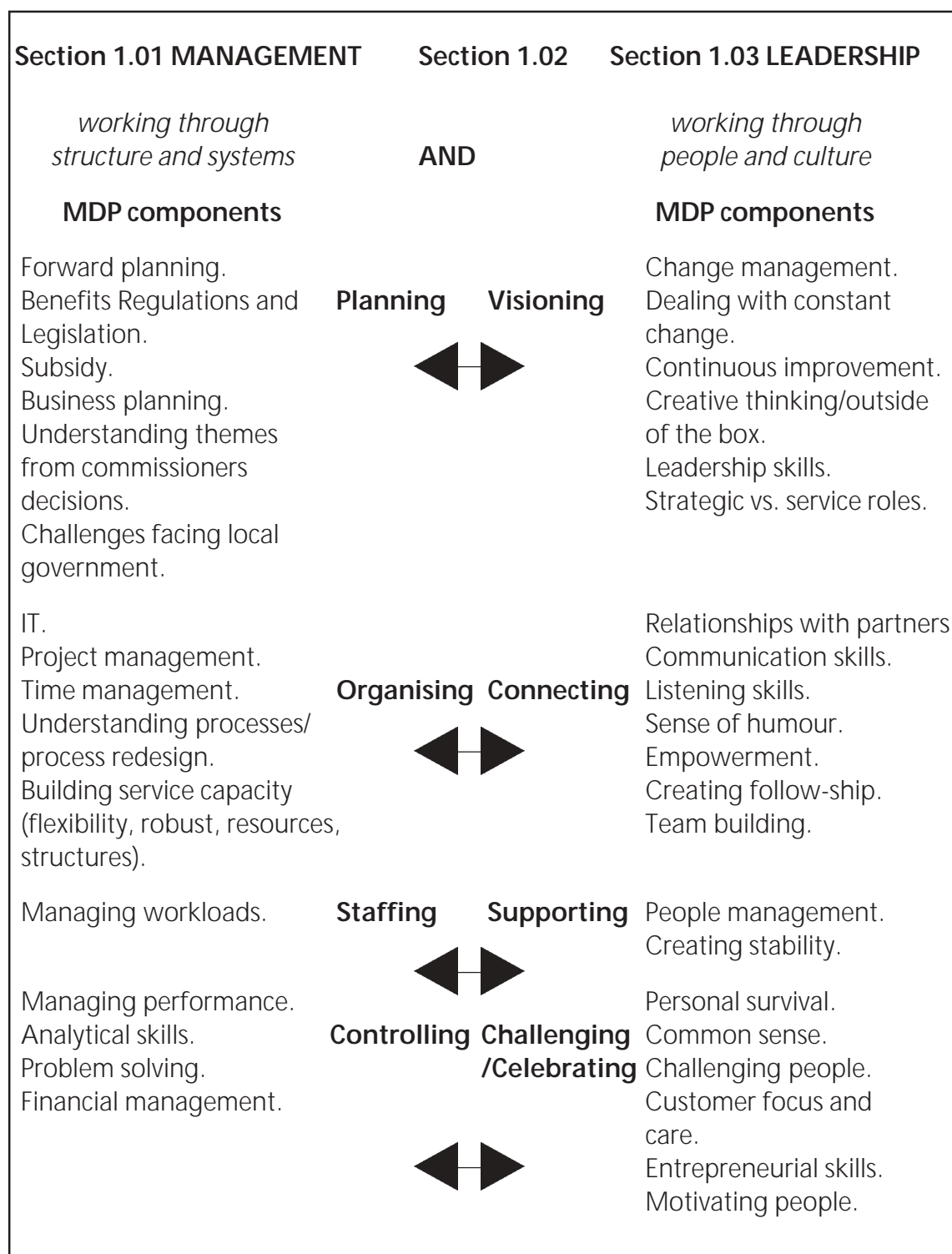
3 Management development programme requirements

We obtained views on what the major components of a Housing Benefit management development programme (MDP) should comprise. The results indicate a **balance of management and leadership competencies**, as listed overleaf.

The proposed components are comprehensive and, for the most part, unambiguous. Those that are **less unequivocal** and open to further exploration are around **leadership** and **people management** skills.

The programme requirements do not differ significantly from what one might expect to see in such a programme. The challenge for any organisation is to develop programmes that reflect **outcomes required**, based on good knowledge and evidence of the **strengths** and **gaps** in organisational **capacity**.

Figure 3.1 Management development programme components



4 Conclusions

The findings from our research indicate that the culture operating in our case studies is one where:

- Change is well accepted.
- Teams are eager to continuously improve.
- 'Customer first' principles operate.
- Forward planning happens.

The sub-culture that appears also to operate in our case studies might be described as aligned to 'old style public sector values', characterised by managers and staff who stay with the business, and are focused on the business-specific purpose. This raises the possibility of a symbiotic relationship between these cultures, where one set of values need, or is supported, by the other prevails.

The manager's expertise in the field and retaining knowledge and experience within the team is seen as critical. The expertise and knowledge of front line staff is harnessed to improve service performance through an open, listening culture that provides opportunities to be involved in improvement activities.

'It's easy to put your finger on the reasons for good performance and that's the people. But it's very difficult to put your finger on what that is!'

Peer

In our high performing case studies, Housing Benefit managers are characterised by their positive behavioural traits and 'people management' skills. These include good communications skills, being approachable and adopting a listening style with their people.

The task, process-based nature of the HB function is headlined in the findings, yet knowledge of task based activities and processes alone do not determine success. Rather it is accomplished team working that seems vital. Inspiring and supporting team spirit, encouraging the active involvement of teams in designing and delivering improvements is an important factor in delivering high performance.

'Housing benefits is about good habits day in and day out – it's not about a magic wand.'

Director of Finance

Emotional intelligence theories suggest that ingrained habits can drive behaviours – productively or not. Identifying and driving out unproductive habits (such as the blame culture or a suspicious view of HB claimants) delivers real benefits in terms of performance improvement. Moreover it can transform how teams feel about themselves, promoting positive behaviours and a 'feel-good' factor.

'The authority is a good place to be at the moment and there is a real feel-good factor around here.'

Direct reports

We found a real desire to achieve within a performance indicator driven environment. Performance indicators mirror their success and are relevant to what teams do and achieve. As such they act as a powerful 'rallying point' for HB managers and their teams to focus efforts on sustaining and building on their performance. As performance builds and stabilises, capacity extends to seek out 'value adding' activities.

The central tenet of situational management theories (of which the best known is the Situational Leadership Model developed by Paul Hersey in the 1960s) is that successful leaders adapt their behaviour to meet the demands of their own unique situation.

Our case studies show how successful HB managers are careful to listen to their staff, and to involve them in challenging how the work is done. This combined with other data on these managers' readiness to accept change and to plan for it, suggest that they are highly adaptable.

Some of the findings from the study reflect the conclusions made by other research projects about the factors that hold back organisations from raising their performance. A global survey of 500 multinational and government organisations carried out in 1997 found amongst the top ten barriers to performance improvement were factors such as middle management resistance to change, inadequate communication, lack of change management skills and failure to address people issues.

However the Hersey model suggests that the amount of socio-emotional support that the leader gives followers should reduce as the followers show themselves increasingly willing and able to take responsibility for directing their own behaviour. In our case studies we did not pick up any tailing off of emotional support from the leader – and this was in situations where the staff were highly competent and well motivated. So, in a sense, our findings conflict with the Hersey model, as the sustained high level of emotional support given was proclaimed as an important factor in the overall success of the HB department. (A summary of the Hersey model is given in Appendix B.)

We found that there is a focus on the requirement for Housing Benefit managers to display good 'management' skills. Zaleznik⁴ believes some organisations develop a *managerial culture* that is prone to developing managers rather than leaders, based on the need for competent managers who will assume practical responsibility. A managerial culture emphasises rationality and control, with managers directing energies towards problem solving. The findings from this research appear to reflect his definition of leadership in the context of a managerial culture:

'...leadership (in the context of a managerial culture) is simply a practical effort to direct affairs, and to fulfil his or her task, a manager requires that many people operate efficiently...It takes neither genius nor heroism to be a manager, but rather persistence, tough mindedness, hard work, intelligence, analytical ability,...tolerance and good will.'

Figure 4.1 shows how key characteristics identified amongst the HB managers in our case studies display considerable leadership qualities within the context of a strong managerial culture. Leadership qualities are concentrated towards the practical efforts and activities needed to ensure effective and efficient day-to-day operation of the HB service.

'In 25 years I've never had a complaint about a strategy or a policy document. People complain about an experience so let's keep our feet on the ground.'

Case study Chief Executive

⁴ Abraham Zaleznik, 'Managers and Leaders: Are They Different?' Harvard Business Review January 2004.

Figure 4.1 Key characteristics of HB managers

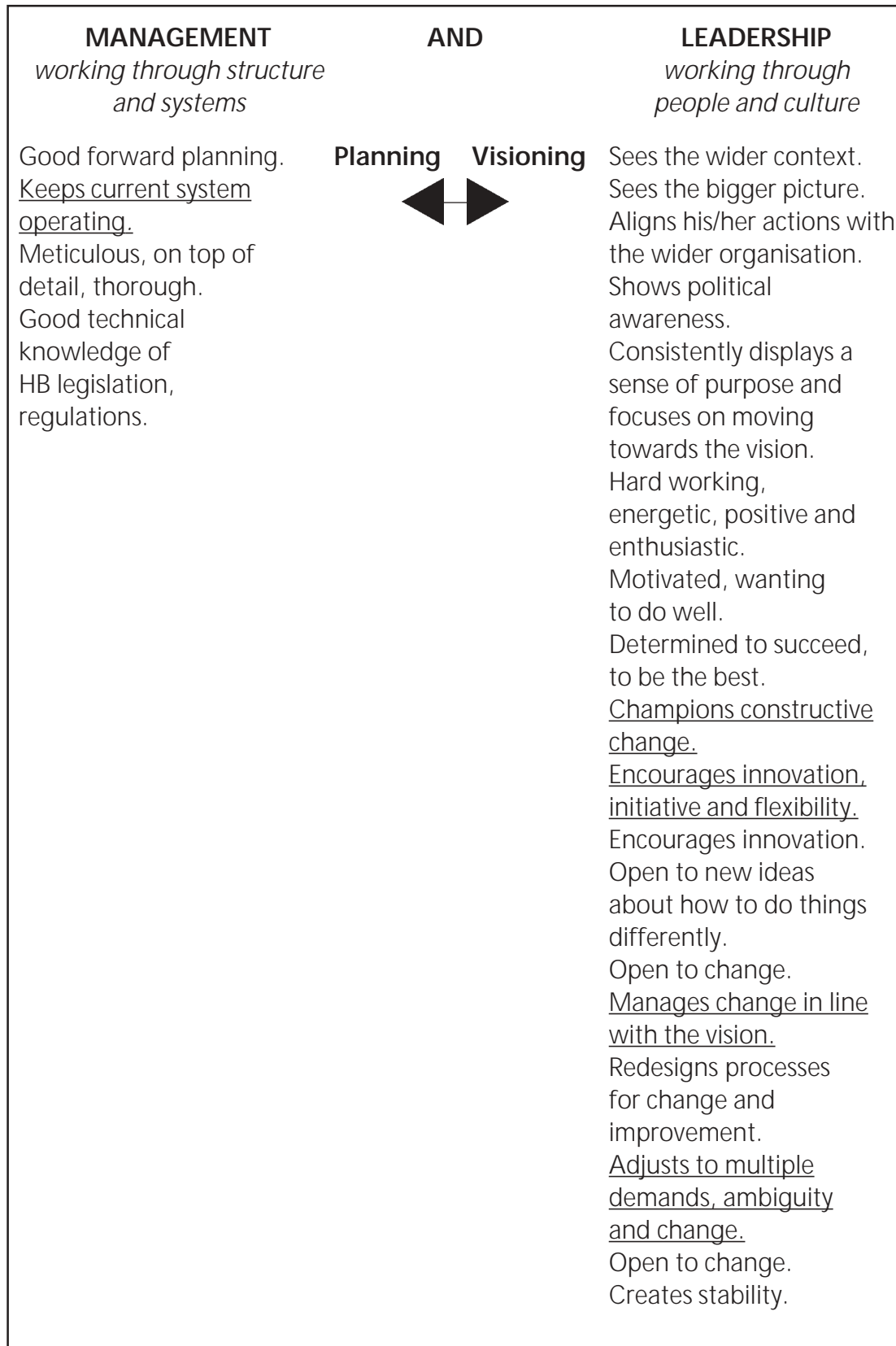


Figure 4.1 Continued

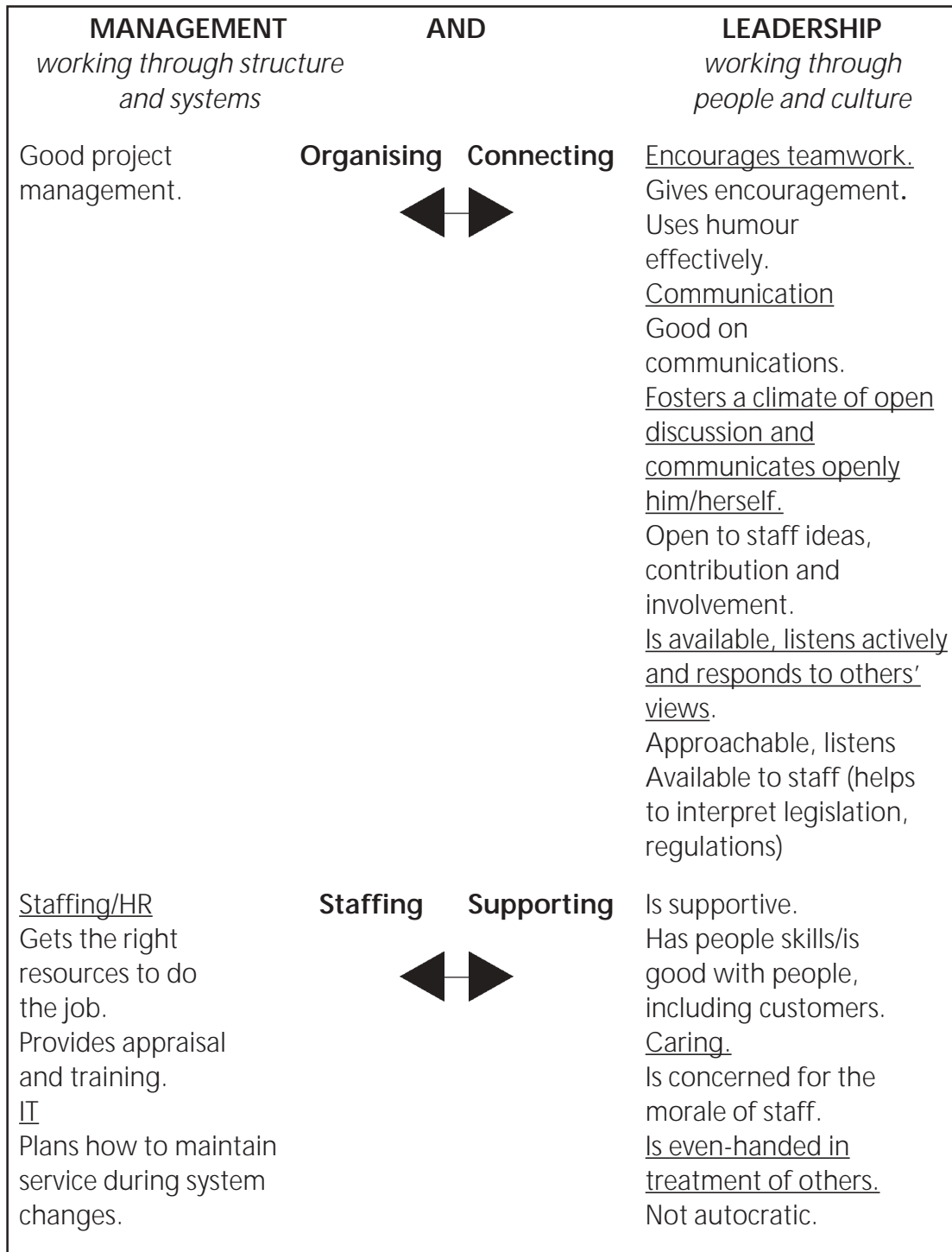
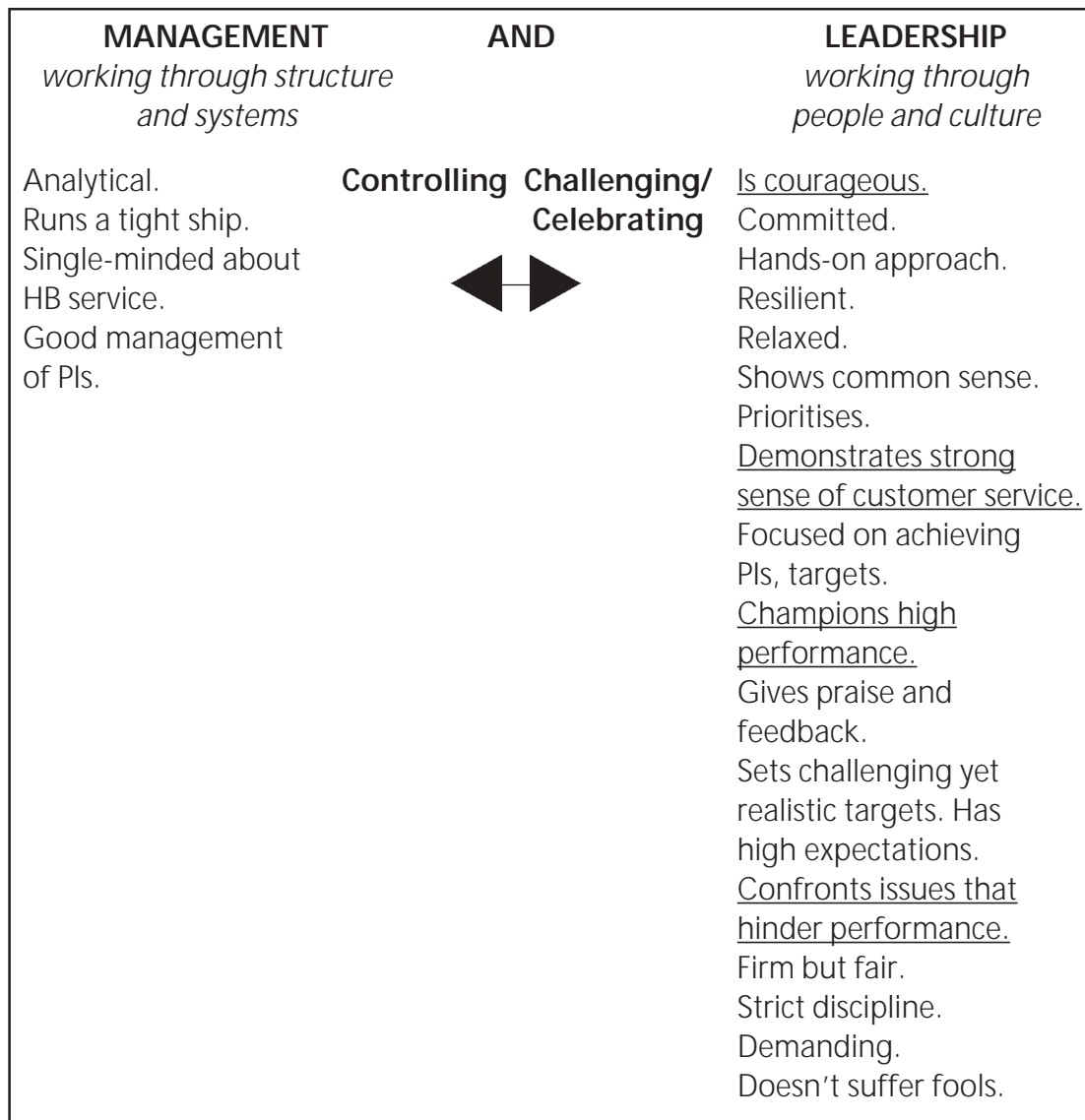


Figure 4.1 Continued



4.1 Is there a secret ingredient making for good performance?

Amongst our case studies we found a clear willingness, and indeed desire, to place emphasis on developing and valuing management and leadership capacity as key to achieving high performance in delivering Housing Benefit. Feedback on the competencies and development requirements for Housing Benefit managers suggest that these do not differ substantially from those required to build and support good management and leadership in any sector or service area.

Whilst some powerful trends emerged from the study in terms of both the requirements for, and characteristics of, HB managers, there is no universally applicable model of management style. The needs and requirements of each authority will influence this. For example, an organisation in need of radical

turnaround performance improvement may require a strong top-down driven style of management; an authority already at the top end of performance league may require a steady state, with a 'safe pair of hands' approach.

This said, the ideal manager that emerges from our case studies has qualities that at first sight may appear somewhat paradoxical, for example:

- Is personally knowledgeable, 'knows the answers', but works to get the best from others.
- Has an open, listening style, uses humour, yet does not suffer fools
- Is not/not expected to be 'visionary', yet sees the bigger picture
- Manages change well, but creates stability.

'I work to the staff as much as I work from my head of service.'

Case study HB Manager

Rather than regard these traits as contradictory, it is the ability of our case study managers to deploy a balance of management and leadership qualities that distinguishes them. This appears to reflect the particular context of HB service delivery – it is a process and outputs driven service that relies on effective team working to attain high performance standards.

There is evidence from our case studies that even in highly structured environments, such as local authorities, that people are enthused and motivated to perform at the higher levels when they share and subscribe to the personal values imparted by their managers and top team. Individual members of staff at middle management and lower levels tend to find it difficult relating to high level corporate values; instead they are more likely to be 'turned on' by the examples and role model set by their direct line managers. This in turn manifests itself in terms such as 'integrity', 'honesty' and 'trust'. Indeed, in one of our case studies, these issues have been identified as the values most important to staff, who are regularly 'polled' on how the organisation 'scores' against such values.

4.2 Concluding observations

This research was conceived as an initial exploration into the management and leadership traits associated with top or good HB performers rather than a comprehensive survey of all local authorities which might have allowed direct comparisons with poorer performing authorities. The results of recent research carried out by the IDeA⁵ suggest that such a comparison may add to the evidence base and learning points.

⁵ 'Comprehensive Performance Assessment (CPA) and Employee Attitudes: the impact of motivation on organisational success', research study conducted for the Improvement and Development Agency by MORI 2004.

Some of the evidence from our research indicates that there are concerns even amongst some high performing local authorities about the potential additional benefits of 'one stop shop', single access approaches to service delivery. In particular, there are concerns about maintaining high performance and quality following the advent of these types of service delivery options which are perceived as taking away some of the best performing HB staff into more generalised local authority service delivery activities.

We found a dichotomy of views regarding the efficacy of team-based and individual performance monitoring and the ramifications of individual based targets. This suggests it might be worthwhile to seek out further data in the HB environment regarding the efficacy for performance levels and the staffing impacts of the different approaches actually being taken.

The research shows that there is interest in, and support for, developing HB managers to deliver high performing services. How this activity is delivered to produce the right outcomes for diverse organisations is an area that could benefit from further exploration by the local authorities.