



Summary of ippr seminar Getting more from less: Can ICT make public sector workplaces more productive?

ippr Seminar Summary

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**Monday 25th October 2004, 14.30 – 16.30
ippr, 30-32 Southampton Street, London WC2E 7RA**



Summary of ippr seminar *Getting more from less: Can ICT make public sector workplaces more productive?*

Agenda

- 14:30 Chair's welcome & intro
- 14:35 Robert Taylor, Adviser to the European Trade Union Confederation
- 14:50 David Coats, Associate Director – Policy, The Work Foundation
- 15:05 Peter Thompson, Head of the Business Productivity Solutions Group, Microsoft
- 15:20 Discussion opened to the floor
- 15:55 Close and Vote of Thanks

Biographies

David Coats

David Coats is Associate Director - Policy at The Work Foundation. His current priorities include labour market policy, the next stage of the Work and Enterprise project and the future of trade unions. In 2004 he chaired the Department of Health's *Choosing Health – Opportunities in Employment* Task Group. His recent publications include *Efficiency, Efficiency, Efficiency*, a commentary on the Gershon recommendations and *Speaking Up! Voice, Industrial Democracy and Organisational Performance*.

Prior to joining the Work Foundation he worked on a variety of different policy areas at the TUC, was a commissioning editor for Sweet and Maxwell the law publishers, and was a member of the Low Pay Commission from 2000-2004. He also serves on the Executive Committee of the Involvement and Participation Association and a number of academic advisory panels including the Industrial Relations Research Unit at Warwick University, the Centre for Organisation and Innovation at the University of Sheffield and the ESRC Future of Work Programme.

Will Davies

Will Davies is a Senior Research Fellow on the Digital Society programme at the Institute for Public Policy Research. Previously, he worked on The Work Foundation's iSociety project, where his research focused on the relationship between communities and new media. He is the author of two iSociety reports *You Don't Know Me, But...: Social Capital & Social Software* looking at new uses of the internet in supporting social networks, and *Proxicomunication: ICT and the Local Public Realm* exploring uses of ICT in sustaining local communities, and which is published on 29th July.



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Robert Taylor

Robert is an adviser to the European Trade Union Confederation in Brussels. Former employment editor of the Financial Times, he is also an associate at the LSE's Centre for Economic Performance and author of a series of reports on the Economic and Social Research Council's future of work project. Mr Taylor is a historian and at present is writing a book on the history of the parliamentary Labour party.

Peter Thompson

Peter is the Head of Microsoft's Business Productivity Solutions Group, a team focussed on helping our enterprise customers realise business value from their investment in the Microsoft 'Information Worker' platform. Prior to joining Microsoft, Peter was a Management Consultant with Ernst & Young, working in their Business Transformation practice. This followed a period of eight years with energy giant BP, in a number of sales and marketing roles.



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The following is a summary of the themes of the ippr seminar *Getting more from less: Can ICT make public sector workplaces more productive?* prepared by Emily Keaney, Research Assistant, ippr.

The papers:

The slides from all the presentations as well as links to the full reports or papers can be found at www.ippr.org/digitalsociety under the link to events.

The discussion:

Gershon - aims and consequences

It was suggested that the Gershon review is moving eGovernment from a cultural to a fiscal concern and that it is being presented in terms of cuts, rather than in terms of higher productivity. This was countered with the argument that the Gershon review is not about cuts, it is about releasing resources to the front line and improving the amount of productive time for front line service delivery.

This led to a deliberation of what Gershon means by “productive time” and what types of work could be made more productive. There was a query over whether this would be blue or white collar work, particularly with the emphasis on front line services. One participant suggested that Gershon is subtler than the Chancellor’s presentation of it. The review suggests that a lot of productivity will be gained through the workforce remodelling agreement (e.g. through teaching assistants). ICT is just one factor; we also need training and the remodelling of jobs.

What’s in it for the public?

It was hoped that taking better decisions more quickly should be a key outcome that the users of public services will see. The actual definition of productivity was also discussed. It was pointed out that in the public sector productivity is often about getting to the really hard to reach and marginalised people. Efficiencies need to be channelled into the front line so that our public services are able to be more productive at engaging with the people they are there to support and providing a better quality service.

ICT in the workplace

The good news is that the British workforce is quite advanced in the use of ICT. Two thirds of British workers use ICT at work. One in five workplaces could be said to have a high tech strategy. However firms are not using ICT very effectively in sales, stocktaking, measurement of time or movement of workers from one area to another. ICT use is still in the foothills. The application and use of ICT is part of a high performing workplace but some areas of the public services have hardly any ICT equipment at all and the staff is very badly paid and demotivated. Expectations are often incredibly low because the provision in many areas is so poor. Customs and Excise employees did not even have access to the internet at work. The attitude of the management was that this was a good thing because it stopped employees browsing the internet at work. However this attitude will prevent employees ever using the internet to innovate.



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Lessons from the private sector

Some participants felt that the government needs to look at the lessons from the private sector. However there was some disagreement about whether there is a clear correlation between ICT investment and productivity in the private sector.

The usefulness of the private sector analogy was also questioned. There was concern that it could undermine the publicness of the public sector. There was concern that ICT at the moment effectively means privatisation because if there isn't the investment in training and consultation it can only be done through PPPs. It was suggested that before developing plans for ICT in the public sector there is a re-examination of where the limits are and what the boundaries are between the two sectors. The public sector remains a much better employer than the private sector in terms of benefits and consulting staff so there is a lot to build on. ICT is just an instrument of change and the debate about how it is used needs to focus on how it can benefit the public services not just be driven by cost. Some were concerned that the Gershon agenda was too focused on the latter.

Beyond British horizons

Neither the UK's public nor private sectors are as effective as countries like Norway, Sweden, Denmark, Iceland or Finland in using ICT to improve productivity. We need to have a less insular attitude and be prepared to learn from the experiences of other countries. The Finnish taxation system is an interesting model. They will fill in the information on the tax returns for citizens based on the information they hold in their files. It is then up to the citizen to change that information if necessary. This stems from an attitude of trust in the citizen and they make huge efficiency savings. It also sets out by thinking about what they are trying to achieve and then applying the ICT rather than just computerising what they are doing already.

Bringing the workforce with you

It was generally agreed that it is vital to take the workforce with you if you are going to successfully implement change and that information and consultation rights are very important. It was suggested that we need to emphasise internal flexibility as well as external, which means a permanent workforce who are loyal, motivated and committed to change. Some participants were not convinced that the government was really committed to the level of consultation and change management that would create successful change.

The government could make a useful contribution to this by providing a sensible definition of what constitutes a project. If the treasury green book said that there was no such thing as an ICT project but only a business change project all the accompanying business change processes would have to be included in the project plans to get approval. Unfortunately they dislike this idea because the figures for each project would increase significantly

There was concern about the low levels of training, even in the most basic tools, in both the private and public sector. This can dramatically affect productivity as it often means people are taking much longer than necessary to complete simple tasks. There is free training in all Microsoft's commercial agreements but it is very rarely taken up.



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Measurement and evaluation

One participant suggested that it would be useful to use balanced scorecard to measure the success of the project in all areas, including the business change elements. It was also mooted that if you bring in the people who will be operating the new systems really early on and get them to understand why new systems are needed and what benefits they will bring they may be amenable to a measurement system.

The difficulties

It was acknowledged that this is a complex area with a lot of difficult issues to get right. To do this properly takes a long time and many of the participants felt that the timescale for efficiency savings was optimistic.

It was felt to be very important that time and money was spent first on understanding what the problems and the needs are of the particular organisation or service before spending money on the ICT. Too often an organisation will just throw ICT at a problem without understanding why it is a problem or what the desired outcomes are from a solution. This requires consultation between senior staff and those on the ground which is often lacking.

One of the difficulties is the public sector mentality. It is very hard to shift the public service culture away from the command, control, inspect mentality and towards the freedom for individual workers to take decisions for the best interests of the public. The culture of our media makes it particularly difficult and leads to the public services being very risk averse.

Scale is a unique challenge in the public sector. It is very hard to consult in the health service because the numbers are so huge. We need to run pilot systems to ensure we get them right and so that there are demonstrable models of success to help convince people when the programmes come to be rolled out. The private sector tends to do this much more often. It is important to make the distinction between central and local government here. Local government is a bit better at getting results because they tend to do it in manageable chunks but this is rarely replicated across the rest of local government. It is also important to remember that the public sector is not one organisation but lots of different organisations all with very different cultures. This makes it a very difficult thing to manage.

Another problem in both the private and the public sector is that a lot of systems are implemented that people simply don't use. This happens in the private as well as the public sector but the private sector seems to be prepared to accept this waste. There was concern that there does not seem to be any sign of the public sector getting to grips with this problem and designing better systems.

Finally the relationship between ICT and productivity is complicated by the fact that the worker can be expected to do more and take on more tasks as the possibilities of what they can do are expanded and this can actually undermine productivity. Email is a



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particularly good example of this. When we introduce ICT we need to ensure that it supports the way we work and makes it easier rather than impeding it.

Good and bad practice

Several examples of good practice were given. One example of ICT really improving the productivity and productivity of our public services is in the modernisation of the employment services. The computerisation of job information and of benefits has produced enormous savings and has also improved the quality of the service for its users. Another example was in local government. In Surrey they have really effective integrated child care systems. A front end system draws together information from all the different databases which hold information on those children.

However there is also a lot of bad practice. In particular ICT too often leads to replicating work by creating an archive and still maintaining paper records. This is not a productive way of dealing with information or of using the technology. Need to get beyond the idea that ICT is just an extra record.

Agents of change

The issue which arose repeatedly as the biggest barrier to successful ICT implementation was lack of consultation and engagement. Two potential solutions to this were put forward. The first was to create and train multi-disciplinary professionals to act as change managers. Currently there are very few who have the ICT skills, people skills and change management skills which would make these types of projects successful. The other approach felt that individuals alone would not be enough. It was argued that we need to do some institution building and that effective delivery of this agenda requires collaboration and team working. We need alliances to improve skills and innovations. It was argued that other EU countries have these and that we should do some comparative research on their structures. However some participants were concerned that this would not be politically viable because they believed that the present government made a conscious decision not to go down the road of social partnership and workforce engagement because they did not trust the unions to deliver their part of the bargain.