

Reimagine staff management



The world is changing – and so must the civil service. Ian Lithgow and Mike Falvey map out a way to give public servants more flexible and varied careers, whilst stimulating local economies and helping government adapt to today's challenges

The civil service is cutting jobs rapidly up to [100,000 by 2020^{\(1\)}](#). This creates great uncertainty for tens of thousands of civil servants, many of whom feel unprepared for life outside government; and if their morale slips, it becomes still harder to reform organisations and to maintain high-quality services as budgets fall.

All those exits also threaten local economies, which in many areas lack suitable jobs for people coming straight out of public service unprepared for roles in the private or voluntary sectors. These areas require entrepreneurs, investors and technical specialists; many are short of educated, high-performing and experienced staff to fulfil the ambitions of their local economic strategies. And following the Brexit vote, their need for new businesses is greater still: the Purchasing Managers' Index survey released on 22 July signalled economic storm clouds ahead, with activity contracting at its fastest rate since the height of the financial crisis.

Meanwhile, government's need for manpower is changing. The public sector is becoming a commissioner rather than a provider of services; an enabler and facilitator rather than a delivery organisation; a manager of digital systems rather than of counter staff and case handlers. So civil service organisations' staffing requirements are changing from project to project – both in terms of workforce size, and in the mix of skills and capabilities required.

What's more, no peaceful era of stability awaits us after the current decade-long period of austerity and public service reform. Technological, political and social changes are only accelerating, and the civil service must become ever more flexible if it is to realise the benefits – and avoid the threats – presented by robotics, smart devices, mobile technologies, rapidly-evolving public expectations and growing global disorder. So the civil service must not only develop the capabilities to develop and deploy digital technologies; it must also become more flexible, more responsive, and better able to deal with rapid change.

Fit team to project, not project to team

Under the project-team model being used in some departments – such as the Department for Environment, Food and Rural Affairs, where it's been in operation for some years – dedicated new teams are established for each fresh task, rather than pushing projects through a static, directorate-based organisational structure. And this gives an indication of where technological innovations and falling budgets are propelling the wider civil service. As its requirements change, the civil service needs the ability to apply skills and manpower to emerging challenges as and when they're required, to shift resources rapidly, and to abandon or repurpose legacy systems and processes without huge asset write-downs.

Currently, most departments are organised around a set of fixed processes and services, and lack the flexibility and the in-house capabilities to respond quickly to these new challenges; so they must rely on scarce and expensive external expertise to deliver new projects, driving up costs – and leaving themselves equally unprepared next time round. Yet the civil service as a whole has the scale both to develop these capabilities, deploying them around government as required, and to support a more mature market of external suppliers.

If government embraces this more flexible, outward-looking model, then some highly-skilled civil servants will enjoy much more varied and challenging public sector careers, moving between departments to apply their expertise at the point of greatest need, whilst others are tempted out of government by new opportunities within a growing ecosystem of consulting and service delivery organisations serving the public sector. For specialist civil servants, this future offers richer and more diverse working lives; and for government, it provides the ability to rapidly flex resources and capabilities as demand ebbs and flows across Whitehall, plugging gaps by calling on a more mature market of external suppliers.

Building a new business ecosystem

The task of developing an external supplier market will be eased by the progress made in recent years among local authorities and other public bodies, which have been moving from direct service delivery to a host of new models – supporting and commissioning community interest companies, mutuals and other social enterprises, and launching joint ventures and government-owned companies. These organisations need staff with experience in policymaking, business process design and service delivery. And devolution is likely to accelerate demand for these skills and services at the local level, whilst whittling away the need for staff in central government.

Ultimately, most service users are relaxed about who delivers public services, as long as delivery is secure and reliable, information is protected, and people are treated fairly. The changing needs and business models of central and local government point towards the development of delivery chains made up of smaller, specialist units and highly-skilled individuals – both within the public sector, and in a wider supplier market running across the private and voluntary sectors.

So there is demand for skilled staff within local private sector economies, within a growing private and voluntary sector ecosystem catering to public sector clients, and within departments moving to more flexible, project-based staffing models. And there's a steady stream of civil servants leaving public service without the confidence and training to apply their skills in these emerging markets.

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To seize this opportunity, departments must start being open with their staff about the mid-term impact of these changes on civil service roles, explaining that ongoing digital reforms and the continuing spending squeeze will continue to cut jobs – but changing the way that is addressed. Currently, everybody tries to keep their heads down whilst they await the next swathe of exits, hoping to be spared to hang on until the next time. The long-term prospect is of a shrinking workforce, so morale is low; but the goal is to keep your job, so there's little support in preparing for the alternative.



The civil service as waypoint, not endpoint

Instead, departments must change staff expectations and create new career pathways, fast-track talent programmes and reformed recruitment and contracting models – facilitating much greater movement into and out of the civil service. Indeed, government has already recognised the need to increase its “porosity”: in June, new civil service chief people officer [Rupert McNeil told the website Global Government Forum](#)⁽²⁾ that he wants to make it “much easier for people to come in and out of public service at various points in their careers, and to make it much more the norm.”

With this aim, Mr McNeil said, [he will be introducing](#)⁽³⁾ a “more industrialised approach to secondments”, and preparing talented managers “to be leaders in a system that goes far beyond the civil service”. Meanwhile the civil service’s traditional concentration on developing ‘generalist’ leaders must, [he explained](#)⁽⁴⁾, be balanced by more work to deepen people’s technical and specialist skills: “There isn’t any [civil service] profession that doesn’t have some kind of external equivalent, and this helps people to be marketable in that environment.”

To further boost porosity, government could also broaden the use of fixed-term contracts – introduced during the last parliament for new permanent secretary appointments – and improve its recruitment systems. HR teams could, for example, recruit more actively outside government – perhaps with the help of new digital tools that aggregate and interrogate databases and social media posts, pinpointing people with the required skills.

Fostering potential, creating opportunities

To attract talented specialists and leaders from outside government, the civil service will need to improve its 'employer brand'. It already has a good reputation for providing responsible and meaningful jobs, but shifting towards the fixed-term hires and purpose-built teams common within the private and voluntary sectors will give it more to shout about in terms of flexibility, variety and career development. And the civil service's training offer will have to evolve to appeal beyond Whitehall – offering a stronger focus on non-sector specific capabilities such as change management, resilience and partnership-working. Government should also not forget the brand strength that comes from being able to help make a difference to society.

Whilst these changes to staff development and management will equip civil servants with more of the skills and attributes required in the wider economy, there will also be a need to provide practical advice and support in making the transition out of permanent public sector employment. Some departing officials may have an interest in setting up businesses, investing their redundancy payments in the

local economy as they do so. Some may want to remain in public service, seeking work in the diverse ecosystem of voluntary and private sector organisations emerging to support public bodies and policy goals. Some may want to focus on sharpening the technical and commercial skills required in government projects, with the aim of contracting back into different departments. All will need the courage, the confidence and the morale to believe in a life beyond government, and to pursue it rather than trying to evade it.

If departments are ready to be clear with their staff about their own prospects within the civil service, they may find themselves improving morale whilst strengthening our labour markets – boosting local economies, supporting reform and efficiency in the wider public sector, and facilitating the civil service's move to a new model. But first we will have to abandon two great fictions: that the civil service is currently able to meet the demands of our fast-changing world; and that the best way for individuals to secure their future is by hanging on to disappearing jobs within a shrinking public sector.

1 <http://www.telegraph.co.uk/finance/budget/11718573/Budget-will-pave-way-for-up-to-100000-Civil-Service-job-cuts.html>

2 <http://www.globalgovernmentforum.com/rupert-mcneil-chief-people-officer-for-the-uk-civil-service-exclusive-interview/>

3 <http://www.globalgovernmentforum.com/uk-civil-service-to-launch-new-secondments-scheme-says-chief-people-officer/>

4 <http://www.globalgovernmentforum.com/uk-civil-service-to-launch-new-secondments-scheme-says-chief-people-officer/>





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