

# Title: Organisational Development Update

**Date: 4th October 2023**

| **Purpose:** | Discussion |
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| **How does this link with our corporate priorities of improving biodiversity or delivering nature-based solutions to climate change:** | This paper provides an update on our recent organisational design work, which forms part of our Organisational Development journey, delivered through our Transformation Portfolio. Our aim for this work is to design a fit for purpose, agile approach which focuses on delivery of our organisational objectives to ‘Protect, Restore & Value Nature’. |
| **Summary:** | Our new operating model went live on 1 April 2023, and the design phase of the programme ended on 30 June 2023. A significant engagement programme has been undertaken with high reach across the organisation. We are now in a period of review given the process has only been in place for two cycles. An action learning set is reviewing our implementation, to ensure the new operating model is properly embedded.  We have a new People Strategy and People programme, which incorporates organisational development workstreams, for leadership development, strengthening our culture and ensuring we have the right people, at the right time, with the right skills. |
| **Actions:** | Board are invited to note the development of this work and provide advice on any risks and opportunities, to support NatureScot, and its people, to thrive and transform to achieve the goals set out in the Corporate Plan. |
| **Recommendations:** | Board are asked to take note of this work, scrutinise, and to support SLT and the extended leadership community (ELT) as it progresses. |
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| **Appendices**: | Annex 1: New Resourcing & Performance process  Annex 2: High level summary of key elements of the new People Strategy |

## Purpose

1. This paper provides Board with an update on our recent organisational design work, which forms part of our Organisational Development journey, delivered through our Transformation Portfolio.

## Update

1. The Organisational Design programme set out to design and implement a new operating model, which went live on 1 April 2023. The new operating model delivers a better method of prioritising our tasks and resourcing them.
2. In summary, the Organisational Design programme has delivered:

* A new operating model meeting the requirements set out by SLT which went live on 1 April 2023;
* Established effective programme governance;
* Established a significant engagement programme with good reach across the organisation;
* Engaged with formal staff groupings (Change Partners), and with the Trade Union Side;
* Integrated the new operating model with our refreshed approach to Business Planning and established the structure and process for our 90-day Business Planning cycle (see Annex 1);
* Supported key leaders and our Extended Leadership Team in the implementation of the new model – their own roles and bringing their teams with us;
* Through Business Planning, created a resource planning process which will help us adjust resources to changing and emerging priorities far more quickly and more easily than before, with greater understanding of the resource available;
* Aligned our people resourcing decision process with the refreshed budget decision process in line with Corporate Plan objective-led budgeting;
* Enabled the better use of and linkage to the Performance Management framework and the Learning and Development framework both of which are key to the success of the new operating model; and
* Undergone a period of post-implementation feedback gathering and support for the new model.

1. The new operating model is now live, but has yet to be tested in a full year of the new 90-day Business Planning approach. Ongoing ownership and governance of any alterations to the new operating model required from lessons learned over the course of the year will remain within the People Strategy (Governance) workstream and with Finance, Planning and Performance team as custodians of the Business Planning approach. There is still much to do to embed this approach into the DNA of the organisation, and to assess the reality of how it is operating in practice.
2. Early indications demonstrate that the approach has been well received by all stakeholders and there is a common understanding of its benefits and what it is aiming to achieve. There have been examples when it has worked well and where ad hoc requests to Allocations Group have fed through the 90-day cycle and been filled by resources which would not have been apparent to the relevant team leadership.

## Stakeholder views

1. A key investment in time during this change management programme was directed to engagement with colleagues across the organisation. Collectively the engagement programme accounted for over 100 hours of engagement. The purpose of this engagement was so that everyone felt informed and had a chance to have their say/ provide ideas and feedback; and in doing so, could see the benefits of the work and would engage with it – a key requirement of the programme. Ultimately this will help in the successful implementation and “bedding-in” of the new operating model and the organisational culture change and ways of working required to deliver it.
2. The engagement took several forms, as follows:
   1. Individual Team meetings: the bulk of the programme and where the majority of colleagues engaged with the programme;
   2. Meetings with functional groupings of staff – in particular with the Extended Leadership Team and also with Administrators Forum;
   3. Monthly engagement with Change Partners – key to gathering feedback, testing ideas and providing deeper information to allow Change Partners to feed back to their teams or answer questions;
   4. Regular informal and formal engagement with TUS – informal discussions to inform of progress and hear feedback plus formal consultation on some of the guidance and products in support of the new operating model;
   5. A presence at the Staff Conferences in May 2023; and
   6. A monthly Organisation Design blog published on the Intranet Transformation Hub.
3. The engagement programme is evaluated as being successful in delivering a meaningful engagement, but the measure of success of the eventual outcome will be known over the course of Q1 and Q2 2023/24 as we measure this using the Pulse Surveys. However, it achieved its objectives in that every team was reached, and there were repeated and ongoing opportunities to engage. TUS Partnership recognised the strength of the engagement in May 2023 noting that it had been successful because of the scope of the engagement opportunity.

## Next Steps

1. However, there is still some bedding in to be done as different resourcing questions and demands arise (e.g. backfill when colleagues resign, additional resource for strategic projects or ad hoc requirements caused by unexpected absences or pinch points in resourcing needs), and the Allocations group assesses any requests given limitations on pay bill.
2. Ongoing review of the impact of the new operating model is planned and will be continue to be overseen by SLT’s Oversight Group. This will also review lessons learned from the first 90-day Business Planning cycle. This will be informed by an action learning set which has been scheduled with Extended Leadership Team members, relevant internal stakeholders, and TUS partners.
3. Ongoing evolution of the approach is anticipated as we continue to refine the operating model and iron out any teething problems. This will ensure a sharp focus on the effective and efficient delivery of our corporate objectives.
4. The measures of success have been mapped across into the Transformation Portfolio and People Strategy measures and will be reported within these, and monitored by the Governance workstream of the People Strategy. The ownership of the 90-day Business Planning process still sits with the Deputy Director of Business Services and Transformation and Finance, Planning and Performance Team.
5. A key ongoing deliverable is embedding a culture of flexibility and agility. It is clear, based on research (Source: Bain & Company organisational toolkit and Bridgespan analysis), that this facilitates decision making and organisational structures that support delivery of objectives. It is acknowledged however, that there is more work to progress in terms of leadership development and putting in place effective and efficient work processes and systems to support the structural work achieved in the design phase of this programme.
6. As part of the new People Strategy and People Programme (see Annex 2), it is important to note there are workstreams which will take forward the Organisational Development work, including:

* Leadership Development: embedding the Insights tool into our wider leadership community and utilising the Inner Development Goals (IDGs) Framework to support leadership development across the organisation.
* People: defining skills for work in terms of the future success of NatureScot and aligning this to our strategic workforce planning. Improving and strengthening our performance development cycle process (PDCs) into a continuous conversation model which motivates and incentivises employees, ensuring both are aligned to our corporate plan and organisational objectives.
* Culture; supporting transformational change via strengthening the change champions network and developing a leadership for all proposition, while developing highly performing teams in a hybrid and agile working environment with a focus on wellbeing as a core trait.

1. Some of this work is ongoing and builds on past initiatives, while other aspects are recent initiatives which aim to capitalise on both good and emerging practice, e.g. IDGs Framework.

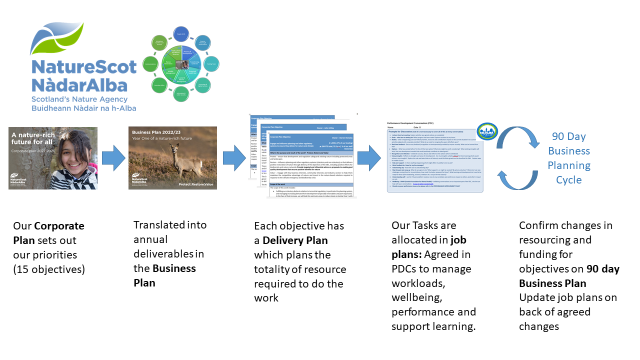
## Conclusions

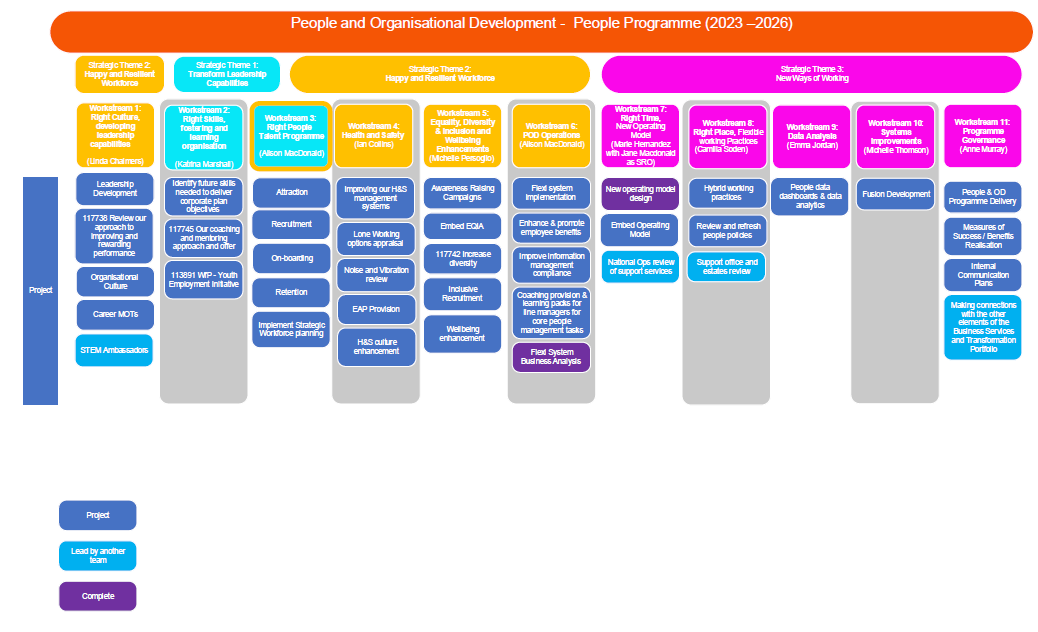
1. The Organisation Design programme has progressed well, and at pace, with the key deliverable of the new operating model being in place for April 2023. Engagement has been a necessary and very strong feature of the programme, which has resulted in good levels of support for the new operating model and associated work.
2. This will help inform and steer the implementation of future phases of organisational development aligned to the delivery of the People Strategy and Programme. There will require to be clear and explicit leadership around the culture and ways of working required for the new operating model to work successfully. Specifically, this will require:
   1. SLT leadership and support for the Delivery Team and Objective leads. This is a new requirement on these leads to be making direct decisions on the resource allocated to prioritised tasks within their objectives. They will need to explicitly drive resourcing and prioritisation across the organisation, breaking down the barriers between the Activity/National Ops in support of the delivery of their objectives.
   2. ELT will need to lead their teams in the cultural and ways of working changes required. Whilst to some, the new operating model won’t look very different, it will feel very different with decisions about resourcing and task allocation coming directly from Objective leads. ELT will need to support and lead their teams in this.

## Recommendations

1. Board are asked to take note of this work, scrutinise, and to support SLT and the extended leadership community (ELT) as it progresses.

### **Annex 1: New Resourcing & Performance Process**

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**Annex 2: High Level Summary of Key Elements of the new People Strategy **