



MINISTRY OF DEFENCE

Ministry of Defence

Civilian Workforce Strategy

A New Chapter



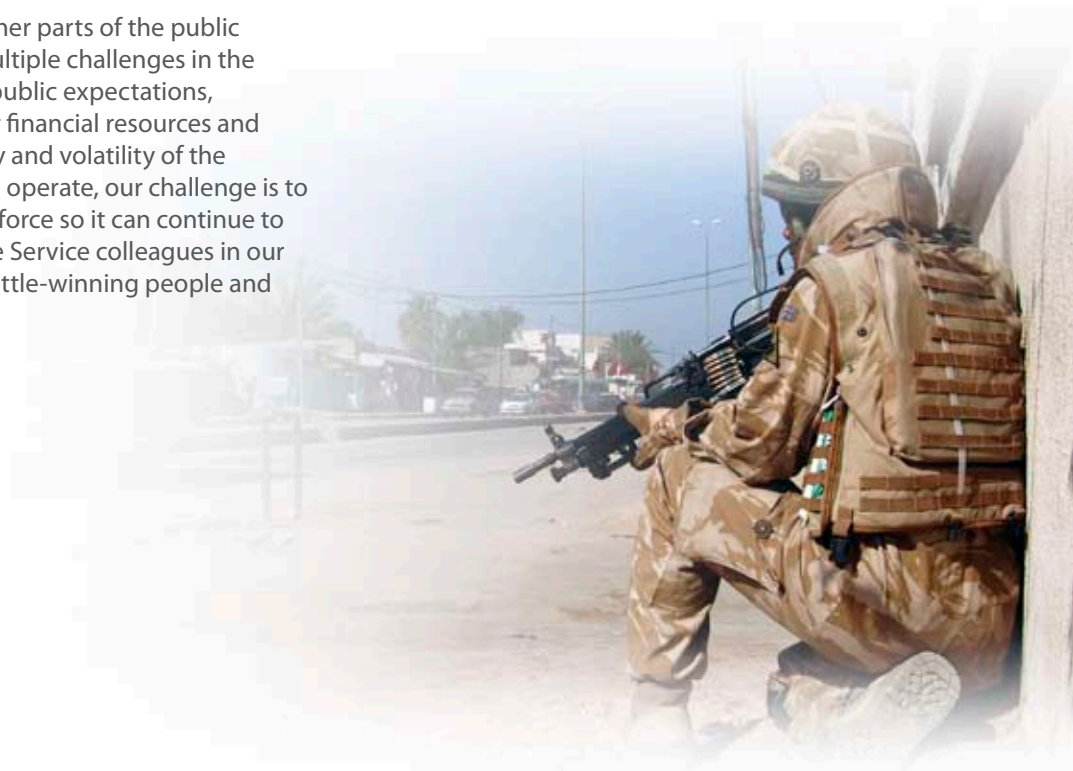
Civilian Workforce Strategy

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Introduction

1. This document looks again at our strategy to maximise the civilian contribution to Defence between 2008 and 2012. We first described this in our Civilian Workforce Strategy 2006 but have re-examined our people priorities in the light of changing business needs, taking account of the Capability Review, the Spending Review and our Investors in People assessment. We will use this strategy to plan our programme for 2008-09 and as a starting point for a deeper review as the new Departmental and Business Improvement strategies develop following the Streamlining reforms.

2. In common with other parts of the public service, Defence faces multiple challenges in the years ahead. With rising public expectations, growing demands on our financial resources and the increasing complexity and volatility of the environment in which we operate, our challenge is to develop our civilian workforce so it can continue to play its full part alongside Service colleagues in our core task of producing battle-winning people and equipment.



Background

3. The first stage of the People Programme delivered around £360M in efficiencies, halving the cost of delivering civilian HR services. In doing so, we have created one of the most advanced shared service organisations in Government. We have also built an HR function with the potential to add real value in delivering defence business objectives both now and in the longer term. And, most importantly, we have laid the foundations of a culture in which managers are given the responsibility and the tools to deliver confidently and effectively through their people.

4. As we move into the second stage of the People Programme, we will build on these achievements and focus more of the resources available to us on building capability within our workforce. We will do this by addressing capability gaps in both the short and longer terms, particularly by shaping the development of individuals and managers and improving the policies and services we deliver in support of the business.

Operational and Business Challenges

5. Our fundamental purpose is to ensure that our civilian workforce makes the maximum contribution to delivering Defence's public service aims and objectives, which are:



Ministry of Defence Aim

To deliver security for the people of the United Kingdom and the Overseas Territories by defending them, including against terrorism; and to act as a force for good by strengthening international peace and stability.

Objective 1: Achieve success in the military tasks we undertake, at home and abroad.

Objective 2: Be ready to respond to the tasks that might arise.

Objective 3: Build for the future.

6. The period to 2012 is going to be tough. Our short term over-riding priority, in conjunction with Other Government Departments and the international community, remains strategic success in current operations. For civilian HR the primary concern is the supply and support of the 500 or so civilians who deploy to operational theatre each year, and, beyond that, the many civilians playing important roles in the generation, support and management of current operations.

7. Looking forward, the rapid pace of business change will continue in the years to 2012. The Defence Equipment & Support (DE&S) Business Strategy requires a workforce that is more skilled, more agile and more effective at managing through-life performance and will entail a reduction of around 7000 military and civilian posts. The Streamlining programme will bring major changes in Head Office, resulting in a reduction of around 1000 civilian posts. There are also a range of individual change programmes, with significant HR impact, such as the Defence Training Review, including the transfer of work and employees to the private sector.

8. Our challenge, therefore is to maintain and preferably improve the quality of the civilian contribution to Defence as the workforce reduces in size and while managing the HR consequences of these change programmes at a time when HR resources will themselves be reducing. In managing this difficult period, it will be crucial that we maintain employees' commitment to Defence and its values and minimise long-term structural or skills problems.

A Civilian Workforce Fit for the Future



9. As owner of the Department's civilian workforce process, the MOD Personnel Director is responsible for providing:

*A civilian workforce of **sufficient** numbers that is appropriately **skilled, managed** and **motivated** to support Defence capability now and in the future.*

10. We want a workforce that is drawn from the breadth of the society we defend, that gains strength from that society's range of knowledge, experience and talent and that welcomes, respects and values the unique contribution of every individual. This means that diversity will remain

a high priority influencing all aspects of our workforce strategy. We have made significant progress towards a more diverse workforce in the last few years, particularly in the feeder grades and talent schemes, and we must ensure that this is sustained and works through to our top structure despite the pressures caused by a shrinking workforce.

11. We envisage our workforce in which:

- Civilian employees understand their role and how it contributes to achievement of the Department's vision and business aims.
- Business areas, line managers and individuals know what skills and competences they need to deliver against business objectives and take action to close skill gaps and to address future workforce requirements.
- Line managers understand and take ownership of their role and their performance is judged on their delivery of results through effective management and people development;
- Line managers deliver honest performance assessments of all their staff and act on these to manage and develop their team and individuals in it.
- Differential recognition, reward and promotion is based on past, present and expected delivery against business objectives and demonstration of Defence values.
- Individuals feel that their line managers are responsive to their needs and preferences and that they are treated with dignity and respect.
- Individuals and line managers do not feel over-burdened by MoD's rules and procedures.
- A culture of trust and co-operation is established, where innovation is encouraged and learning through mistakes is accepted.



12. Whilst we are moving in the right direction, in many areas we still have a long way to travel. In some ways the issues we face now are more, rather than less, demanding than those we faced in the first stage of the People Programme. As we move forward we must recognise that the future will be uncomfortable for some employees as, at all levels, we ask our people to examine their skills and behaviours and to face up to a number of challenges, both business and personal.

13. HR support for the civilian contribution to military operations, both on deployment, through our Support to

Operations programme, and more generally within the UK remains a very high immediate priority. At the strategic level, our analysis presented to the Defence Board in January (DB (08)01: Civilian Workforce Strategy 2008 – Update) identified three challenges we particularly need to address as a priority during 2008-09:

- i. The risk to our change programmes posed by the decline in overall satisfaction with MOD as an employer that we have seen since 2005 and the disengagement many of our people feel with them.
- ii. The limits on individual and organisational performance imposed by the variable quality of management and leadership and the limitations of our pay and reward structures.
- iii. The threat to future capability flowing from the skills gaps associated with Streamlining and the DE&S Business Strategy, the lack of a deep understanding of our skills needs and our uncertainty over whether we will have an adequate supply of talented people, sufficiently representative of the society we serve, to fill key posts in future.

Priorities for Building Capability

14. As we shift our focus from modernising policy and service delivery to developing individuals and line managers we will work increasingly closely with our Service Personnel colleagues on areas of common interest. Our objectives for 2008-09 will be to:

- i. Manage organisational change effectively - by operating our early release scheme as sensitively as possible; and by redoubling our efforts to reduce the uncertainty felt by Head Office and DE&S staff by communicating effectively and involving them in decision making to the greatest extent possible.
- ii. Improve leadership and management – by investing to improve the capability of civilian and Service line managers, in particular in relation to performance management and development; by developing more flexible management models that focus management activity on that which improves business output; by further developing support structures appropriate to a shared services environment; and by quantifying



how better line management will lead to greater staff engagement and by equipping managers with the diagnostic tools and support to deliver greater employee engagement within their teams. The Defence Board have emphasised that they regard this as a very high priority.

- iii. Develop a coherent skills and talent programme – by investing to close the skills gaps associated with Streamlining and the DE&S Business Strategy; by conducting a full review of our future skills requirements across Defence, including the Front Line Commands; by working with our Service Personnel colleagues to develop the MOD Skills Strategy and Defence Skills Framework; by completing our project to develop a Talent Management Strategy, including succession planning; and by developing a coherent approach to workforce and skills planning, including developing a closer relationship between business planning and learning and development planning and evaluation.
- iv. Modernise pay, reward and recognition systems to reflect changing business needs – by using the breathing space created by a three year 2008 pay settlement to conduct a full review of our financial and non-financial reward and recognition structures, in particular to simplify them, strengthen the emphasis on performance rather than automatic progression, ensure compliance with equal pay requirements and support the skills agenda.

Priorities for HR

15. We are also committed to a programme of continuous improvement and efficiency in HR. The People Programme envisages an HR function that is focused on helping MOD's business areas to deliver their objectives efficiently and effectively by developing simpler policies and processes and enabling business change. In headline terms, our objectives are to:

- i. Provide a better experience of using existing HR policies and services - by improving our responsiveness to phone and email enquiries and the way we present HR information; and by extending electronic access to services to more of our employees.
- ii. Simplify key policies and services - by overhauling internal recruitment and then subsequently by improving the policies, services and tools our managers need to raise individual performance and adopt a more rigorous approach to under performance.



- iii. Build HR capability - by improving analytical and strategic thinking; by providing a coherent framework of management information to drive business planning and management; and by focusing the post-Streamlining corporate HR function more on achieving positive business impact and less on rules and process.
- iv. Deliver efficiencies - by automating more of our back office HR processes; by developing skills, working practices and structures to match the best in shared services; and by adopting alternative sourcing arrangements in specific areas where it could improve value or reduce risk.

Conclusion

16. The years from 2008 to 2012 are going to be demanding for all sections of the civilian workforce. If Defence is to continue to be successful in meeting the challenges it faces, the civilian workforce will need to adapt to changes in working practices and to respond flexibly to the needs of the business.

17. This will create challenges for business leaders, managers at all levels and for the HR function. In addition to actively supporting the business, HR will need to continue to transform itself and the way it works. As a first step, the HR function will develop the priorities in this document – which are drawn together in the Annex - into a programme for 2008-09.



Annex

Priorities for Building Capability	
i Manage organisational change effectively	<ul style="list-style-type: none"> • by operating our early release scheme as sensitively as possible; • by redoubling our efforts to reduce the uncertainty felt by Head Office and DE&S staff by communicating effectively and involving them in decision making to the greatest extent possible.
ii Improve leadership and management	<ul style="list-style-type: none"> • by investing to improve the capability of civilian and Service line managers, in particular in relation to performance management and development; • by developing more flexible management models that focus management activity on that which improves business output; • by further developing support structures appropriate to a shared services environment; • by quantifying how better line management will lead to greater staff engagement and by equipping managers with the diagnostic tools and support to deliver greater employee engagement within their teams.
iii Develop a coherent skills and talent programme	<ul style="list-style-type: none"> • by investing to close the skills gaps associated with Streamlining and the DE&S Business Strategy; • by conducting a full review of our future skills requirements across Defence, including the Front Line Commands; • by working with our Service Personnel colleagues to develop the MOD Skills Strategy and Defence Skills Framework; • by completing our project to develop a Talent Management Strategy, including succession planning; and • by developing a coherent approach to workforce and skills planning, including developing a closer relationship between business planning and learning and development planning and evaluation
iv Modernise pay, reward and recognition systems to reflect changing business needs	<ul style="list-style-type: none"> • by using the breathing space created by a three year 2008 pay settlement to conduct a full review of our financial and non-financial reward and recognition structures, in particular to simplify them, strengthen the emphasis on performance rather than automatic progression, ensure compliance with equal pay requirements and support the skills agenda.

Priorities for HR	
i Provide a better experience of using existing HR policies and services	<ul style="list-style-type: none"> • by improving our responsiveness to phone and email enquiries and the way we present HR information; and • by extending electronic access to services to more of our employees.
ii Simplify key policies and services	<ul style="list-style-type: none"> • by overhauling internal recruitment; and subsequently • by improving the policies, services and tools our managers need to raise individual performance and adopt a more rigorous approach to under performance.
iii Build HR capability	<ul style="list-style-type: none"> • by improving analytical and strategic thinking; • by providing a coherent framework of management information to drive business planning and management; and • by focusing the post-Streamlining corporate HR function more on achieving positive business impact and less on rules and process
iv Deliver efficiencies	<ul style="list-style-type: none"> • by automating more of our back office HR processes; • by developing skills, working practices and structures to match the best in shared services; and • by adopting alternative sourcing arrangements in specific areas where it could improve value or reduce risk.

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