Stuart Corrigan: This is Stuart Corrigan from Vanguard Scotland. Tonight I'm interviewing Graeme Hamilton who's a service development manager at Glasgow Housing Association. Graeme's going to be talking about GHA's journey through the change management process and some of the really quite amazing results that they've achieved. Graeme has been working in housing for around 25 years. He's previously been a development officer and held central training roles. Two years ago he became a service development manager and quickly moved into what was called business improvement, really doing a lot of change management. His current role is supporting local housing organisations to improve performance and he's been through a number of Systems Thinking interventions so he's well placed to really give us a good 'warts and all' in terms of how to run a change programme. Okay, well let's get cracking. The starting point is why don't you tell me a little bit about your role right now in terms of what you're doing and explain to us what it involves on a day-to-day basis?

Graeme: Yes. I'm currently a service development manager and I work out in the West End of Glasgow where we support nine local housing organisations. The GHA, for those that know Glasgow Housing was the stock transfer from Glasgow City Council and we currently have some 56,000 tenants and 27,000 owner occupiers who are factored by GHA. So my job is to support the local organisations that are as close as they can be to the front line, to working with their tenants, to have their own local tenants committees, and as well as helping them it's also about monitoring and supporting them through their performance in letting houses and managing rent payments and devising a great housing service for all of our tenants and factored owners.

Stuart Corrigan: Excellent. Let's start with, go back to the beginning of the changed programme, why was there a need for change within Glasgow Housing Association? What kicked it all off?

Graeme: Back in 2007, the regulator came in and inspected the Glasgow Housing Association and I remember our stock transfer took place in 2003 so it was an ideal time and we're still a young, new organisation, we were doing, in our eyes, fairly well. The regulator at the end of the whole exercise gave us a C rating which was fair and in many cases people saw that as exactly that, it was fair, but when you looked at the data there were a lot of areas that we could do better or do much improved outcomes on and I think in those discussions we realised, what was there out there that would help us do things better? and one of those was a quick look at Systems Thinking, and that's what we grasped and decided that we wanted to bring Vanguard Scotland in and work with them and have a look at what could they advise us on and how could we help ourselves to be even better and aiming for an A rated organisation.

Stuart Corrigan: Okay. Have you achieved that now, have you got your A rating yet?

Graeme: We haven't got an A rating yet, we're waiting for the regulator to come back again, but we are well on the journey of substantial improvement I think, Stuart.

Stuart Corrigan: What had you tried before in terms of change, or was this your first big jump into change management and change management systems?

Graeme: I think it was the first organisational-wide change that we did in some of our core business areas, i.e. rents and letting, I think in our OD team, Organisational Development team there was a lot of change management, there was a lot of culture change being applied to different teams but this actually gave us our first holistic look if you like at the whole of GHA and starting to think about it from the customer point of view. Perhaps before that
we were looking at how we could just make incremental change within different teams other than that holistic, right across the board piece of change.

Stuart Corrigan: For people who might say, well, that sounds like very nice words ‘holistic’ and ‘from the customer’s point of view’, what does that mean culturally, what does that mean operationally for the business to actually live those kind of values?

Graeme: What we actually did was we got a whole pile of staff in and looked at some of those different areas, holistic rents and letting, for example, they were very functional in our offices, there were rent officers who did just that, they managed rents, if we’re really accurate they were managing rent arrears and not so much focused on the payments and then you have housing officers who managed the let, who dealt with the empty house, the void work and then let to new tenants but very little joined up activity was happening between those two offices. So when you talk about looking at it from the customer point of view, you suddenly realise that it’s that customer who’s going to rent that house from you, who wants to live in a great area, a great close, a great street, a great multi-storey block, but who also wants to know how to pay the rent, when to pay the rent, how much that rent is and we weren’t joining up all of those things, we were passing that customer from one officer to another and, in fact, once we really got into the whole Systems Thinking approach we realised that quite often they were coming back, different days, different occasions or even sometimes they were just being asked to go from one interview booth, sit in the waiting area and then come back into another interview booth, I’m not saying that happened every time but that just was the general trend that we started to see happening, and therefore if we were to change the service to our customers and make the experience of coming in to our offices better for them, and a service that was giving them the right information at the right time to make the right decision about the house that they wanted to take as a tenancy, then we had to change the way we were doing that. An interesting thing was, as we embarked on that with the staff and as we did some road show work with all of their colleagues, staff are saying that this is going back to the way that we used to do things and this is what we’ve been asking for for a long time and I think what we learnt from that was that over all of the years the organisation has just developed organisational functions and attitudes and a culture that actually was going against what staff realised was needing to happen.

Stuart Corrigan: Okay. Are you saying that you really pushed against an open door with the staff then? Was there very little resistance because most people listening to it would go, ‘Well, come on, a massive organisation, what did you say, 56,000 houses, change can’t be that easy’. What’s your view on that?

Graeme: Well, change is never easy and yes we were certainly engaging with staff that were enthused because they could see some of the benefits and the quick wins in some cases for them as employees about the way that they were engaging with all of our tenants and customer, so yes, in a sense, we were pushing an open door but it’s not easy and it’s not been easy and yes, we’ve made some significant improvements in our performance in rents and letting and now in our repairs management and some of the other (the word we use is interventions) with different teams but we’ve got a long way to go. We’re not in the top quartile of benchmarking yet but we are certain that the regulators have seen us make a big change, that other housing associations and providers across Scotland, and probably across the UK, have seen GHA have made a big improvement and I think we’re now riding a wave and our staff are with us. We’re currently going through another organisational review but we’re doing that from a basis of knowledge, which perhaps in previous structural changes we haven’t done before and that’s something I think any
listeners to this would want to do is make sure you’ve got knowledge and base your change on the information that you gathered.

Stuart Corrigan: Three things so far: one, making sure that you look at the system from a customer’s point of view. The second, you’re saying make sure you understand how the whole thing fits together. People use these words Graeme, don’t they talk about joined up working, but most people actually don’t really do very much joined up working. But you’re saying that the real key, as certainly John Seddon [founder of Systems Thinking and Vanguard] has always said at Vanguard, the real key is before you make any change, get knowledge first. Can you talk for a minute about what does getting knowledge looks like in a housing association, what kind of data did you gather that informed the changes?

Graeme: Let me give you another example of an area that we worked in, it was our repair system. We sat down with members of staff from GHA but also from building services who were our contractors and when you looked at the data you thought that we were hitting something like 99% success from completing the repairs. Only as you dug into it did you realise that sometimes repairs were signed off maybe because of no access, and then it [the repair] was raised again, but the sign off has happened inside the target timescale that our contractor was being expected to work to. And as you opened up the databases and the spreadsheets of information, we suddenly realised we had thousands and thousands of data points with thousands and thousands of charges that were being made to the organisation and we were in a sense wasting the time of the operatives who were answering the phones, taking the calls, putting them on the computer system, perhaps the plumbers and the joiners and the electricians who were going out to the tenants’ houses to carry out these jobs to find nobody in. We were never actually asking the tenant themselves what suited them. We were, if you like, finding out that we were suiting ourselves, going out between 9 and 5 and there wasn’t a time appropriate and we hadn’t actually created any appointments with our customers. So armed with that knowledge we could then start to say how can we change things, how can we make it better, how can we set up an appointment based system, how can we set up so we make sure that we’re measuring the right things, i.e. we’re not measuring the fact that the call was closed down within 24-hours or 10-days or whatever measure we were using for the different categories but actually that we were getting the right job done for the customer to their satisfaction at the time that suited them and a time that our operatives were able to be out there to do that job. That’s one example of the kind of things we started to pull through.

Stuart Corrigan: How much did you have to challenge inventions around current policies and around management thinking? In other words, so many people think that change is simply about changing processes but you know as well as I do that processes are merely a reflection about how managers think about the design and management of work, so therefore unless you’re attacking it at that level you’re not going to get the really big changes that people obviously say that they want, so again, how much did you have to challenge thinking and policy?

Graeme: You’re spot on there Stuart, a lot of challenging. We were lucky that our director at that time (who is now our chief executive) was right on board with the whole need for a.) the change and b.) for Systems Thinking as a method to do that, and Systems Thinking in my mind only works when you have the leaders right behind the eight ball, if you like, in making that happen. That was our philosophy after we would see all of those focus groups and early looks at the data and knowledge and presenting back some of the options. Once we started rolling out some of the changes and we went to something like 45 local housing organisations, Stuart, in our network and once you started rolling that out it was the leaders of every one of those LHOs, they’re called community housing
managers, they had to take the lead. We, as service development managers, some of us were seconded in and changed our title to business improvement needs and they pulled in a few other people – and others working on this - and we just spent three weeks supporting the local community housing manager to support his or her team to bring about that change and you’re right, what we had to do was awaken them to the potential and the success that they could actually have because of changing the systems they operated, the processes they were doing and putting a completely customer orientated spin onto the whole process.

Stuart Corrigan: Give me an example of a big policy on a big aspect of management thinking or a measurement that you had to change that most people would say, ‘Well, conventionally we’ve always done it that way within housing’ and that maybe you challenged that?

Graeme: I think the biggest one for us is our rent arrears, that’s what managers measured, how many customers were in arrears, how was our level of arrears and they didn’t focus on how much rent payment we actually got in the last four weeks nor how much rent payment can we predict that we’re going to get in the next four weeks and therefore how can we predict also where the problems are and the root causes of the rent arrears cases so that we can actually tackle some of those, rather than the big spreadsheet with 2000 tenancies perhaps on it if you looked at everyone. That particular thing, that led to lots of other issues, Stuart, that’s why I think it’s one of the big ones to look at because we were taking something like 600 tenants every month, we were issuing them with a notice of proceedings for recovery of possession, MPRP (Scottish terminology about taking somebody to court to recover the tenancy because of the level of their rent arrears) and I think that’s particularly challenging because if you imagine that we’re doing 600 a year, we were 7000 that we were doing, sorry 600 a month, over 7000 in a year, we were clogging up the Sherriff Court in Glasgow. We were really upsetting the Sheriffs because it was always Glasgow Housing Association tenants who were appearing before them, they were only sitting one day a week for these rent cases and because of the volume that we were pushing through they’d actually increased that to two days a week just to deal with the GHA cases, never mind all the other housing associations that were raising eviction actions. Actually, once you dug in and once your knowledge was getting in there we found that we weren’t evicting anything like 600 cases as you followed it through over a period of months, in fact it was very small number that were evicting. Then you start to see - why are we spending all this money on court, on sending out letters, on raising evictions, on sending sheriff officers to the doors? - and actually are the tenants reacting to all of these letters and legal notices or as we called it, all we were doing was pasting the walls with all this paper that we were churning out and sending their way. One of the fundamental things that came out of the review was to completely change round the way that we dealt with rent arrears, start to look at rent payments, start to identify where the root cause of the problems were, was it in the relationship that we have with our housing benefits service, were we actually advising our tenants how much to pay, when to pay, how to pay, were we keeping on top of our support upfront, were we doing any income expenditure guidance and support with them, were we actually giving them any basic benefit advice and what we’ve now got a year and a half on is that we’re suiting an average about 50 to 55 notices of proceedings going through every month against the 600 that we used to do, a major change in thinking and a major change in the way that we tackle and focus on the rent payments.

Stuart Corrigan: How much do you think that’s saved you annually?
Graeme: I haven’t got that information but it’s a phenomenal sum Stuart, that we’re now saving but more than that we’ve got the good grace of the courts back again because they know now that any case that we do take we’ve tried everything, we’ve worked with our partners whether in housing benefits or social work or community planning partnership agencies to make sure that when it does go to court it’s the last resort and that’s the huge thing and you’re working with Shelford as well, keeping them appraised and absolutely on board with us because eviction is the last resort because what we don’t want is to create a spiral of somebody eventually becoming homeless because of that eviction presenting back to social work colleagues becoming a referral back into either us or another housing provider but actually doing everything that we can upfront to secure that tenancy, to sustain that tenancy and to help that tenant and their family continue to live in that property.

Stuart Corrigan: It’s also a good example I think Graeme, of when you think about it from the right perspective and when you’ve got data, how easy it is to actually work with other partners. Again, I always hear a lot of senior managers talking about things like ‘We must do more partnership working’, and what that often means is people sitting in a room saying, ‘How are we going to do partnership working?’ but none of them ever bring data to the table and none of them ever have information on how the system works or how the policies work when there is work that has to go cross-functionally or across organisations. So for me again it comes back to having the data which allows you to influence and get others on board with the change. Would you agree with that, that the data is crucial in partnership working?

Graeme: Totally, Stuart. There was a meeting this morning with just a whole pile of other partners out in the west, big discussion and we started looking at some case studies about tenants with addiction problems and you realise that there’s pressure on the addiction services, I think the lads there talked about 2000 open cases and I think it’s only because I’ve now been involved in Systems Thinking for the best part of a year and a half that I can understand and you think, ‘Actually I wonder how many of those open cases always get looked at, how many of them should need referred on to other agencies and support and can we do something that will help him get the knowledge so you can actually look underneath some of the roots causes of some of those issues and change having 2000 open cases into having something much more meaningful, so that we’re actually helping tenants sustain their tenancies. And that’s just alcohol and drug addiction, the debate then started moving on to new types of addiction like online bingo and online roulette and we realised there’s a whole hidden problem in there that none of us, as agencies, have really started addressing yet which will impact, in our case perhaps, on rent not being able to be paid and on others, gas and electricity providers for example, on their fuel bills not being paid and it suddenly becomes a huge social challenge that there’s a different way of looking at it by doing it together in partnership.

Stuart Corrigan: I think as well, what happens when you start to use better methods of management, suddenly you can start to elevate what you believe your purpose is. So for example if you take repairs, you can start off by saying “well, our purpose is to do the right repair at the right time in a way that suits the client” and then you can start to say, actually if we think about this differently, how about if we had a situation where planned works and planned maintenance were so good that actually we had a dramatic drop in the repairs that needed to be done and really then it was only a few repairs here and there down to because maybe it was some tenant error or an accident or a door breaking. The repairs don’t become routine anymore and suddenly your whole purpose changes. Do you agree with that? That you can really change what you’re all about?
Graeme: Yeah and that’s where we’re now starting to get to and this has been moving through several phases. We now have a customer contact centre where all of our calls come in 24-hours, including these repair calls, and it’s really a lot easier to analyse what’s coming through and we do have a growing programme of cyclic and planned maintenance for the very reasons that you’re outlining, and the more that we do that then we should be seeing a completely dramatic drop in the number of active repairs that are being requested and I think that’s still one of our challenges as we work through getting that data and understanding it and looking at where we’ve done our major capital investment and we’ve done a lot right across Glasgow now. Now where we’re doing the cyclic maintenance and built that whole programme up so that as you said the direct payers become the exception rather than the norm.

Stuart Corrigan: Yeah, so to summarise we’ve got to look at the system from the customers’ point of view, we’ve got gather data and get knowledge, we’ve got think about the system holistically and there’s two other things that you said that I’d like to pick up on. One was all about leadership and how well it was lead by senior leadership, I’ve got to be honest with you and say that’s not normal, if I go back over the past 11 years I’ve been doing this, I’ve met maybe 4 or 5 exceptional leaders. How well was your programme led and what do you think of the lessons for other people who are saying well, I’d like to dabble with change but as a leader I just don’t really have time for it. What would be the lessons there?

Graeme: The short answer really is, if you’re the leader of the organisation, you’ve got to get behind it. We were driven by Martin who’s now our chief executive; we were driven by another senior manager Mags who absolutely got Systems Thinking, absolutely sold Systems Thinking to the whole organisation. Don’t leave it to junior or middle managers and abdicate your responsibility or just think that they can get on with it and just touch base with you feeding back to a project board. If you’re the senior, the leader of the whole organisation, you’ve got to get behind this to make it work, partly because you give it credibility, partly because you are seen to drive it and you make it drive and you will see the benefits that will come out of it for your whole organisation and you’ll be able to join different parts of your organisation up so that they’re all getting the whole thing.

Stuart Corrigan: What does ‘getting behind it’ mean? What does that mean day-to-day, week-to-week?

Graeme: Initially it’s about getting your sleeves up, getting your hands dirty and getting out there. I’ll give you an example of what we did with our commuter housing managers when we went into the local offices, some of them do sit on the shop floor with their staff, some of them have their own little office where you can close the door but what we actually did, was we took them round, we opened up filing cabinets we had them sitting on the front reception desk listening to the customers because you think you know what’s going on out in your office and you’ve probably got a strong feel for it but actually to sit and experience what your clinical officer or your front reception desk or your housing officer experiences, to then check and I suppose if you use the part of the Systems Thinking with the check plan do, to actually check what has been going on in house letting or tenancy visits or rent arrears discussions, you suddenly realise that maybe what you thought was happening isn’t actually what should be happening.

Stuart Corrigan: Do any of them thank you on that and say, we don’t have time to be going out, did any of them then change their view once they’d been out and seen some of the things that really were going on?

Graeme: Yeah. I think two things happened, one is managers perhaps trusted their staff and thought they understood what was going on and of course when they exposed themselves
some of the fault lines and some of the light bulb moments of I can’t believe that my customers have been going through some of these example of the rent payments being passed from one officer to another and sitting for half an hour in a waiting area. I think when they realise that and they were putting themselves in that customer’s shoes and they realised the light bulb was going on for them too and they had to cause change and it’s about holding them back because it’s so easy to blame the staff and to blame the individual employees and it’s not the employees, they've been trying to do the best they can working with the system that this organisation or its predecessor organisation or just through osmosis over the years will cause to happen and it’s about recognising that it’s our system that has to change, the people are good people, they get up in the morning and they come in determined to do a good job but we put some different scriptures and processes in place and they were just following them and that’s what they did and that’s what the managers had to say it wasn’t the individuals who were at fault it was the individuals needed a system changed or a barrier to be broken through or a policy to be changed so they could then actually better serve that customer. And that is why it needs to come from the top so you can get policy papers through the board or change a process as well because not all front line staff would be able to make that change happen. If I can go on, Stuart, we created things called Best groups and that’s when we’re able to get the best ideas of what’s going on, business excellence is what we’re trying to achieve from other areas of work and that’s because staff have ideas, staff have great knowledge and experience that actually they can shape some of the changes, letting policies, ideas or some of the stuff that we’ll do neighbouring environmental teams so that you don’t get the cleansing and the close cleaning and the back court maintenance all happening at the same time but actually the grass cutting that happened last, after the close cleaners been in and you get grass again before the next visit.

Stuart Corrigan: So the key lesson being we want front line staff to drive the change but it needs to be supported by leaders because some of the big changes actually it’s only leaders that can make those decisions. For me, I’m working with a client at the moment down in Lincoln city and one of the things that we’ve been talking about is how the training account can really destroy the repairs service and how the training account really causes this divide of relationships. It’s really only the director and the chief exec can say right we’re going to have a go at running this service without this training account. The idea and the data came from the front line people but it was the senior execs that actually needed to say and were the only ones that could make the decision around, well, let’s try it without it and see what happens. I think for me it’s that kind of relationship between having the data but also having the seniority and the people behind you that can support those kinds of decisions.

Graeme: Definitely, definitely.

Stuart Corrigan: One final thing to pick up on then which I think is really important from a change management perspective is, I notice that you said that as business improvement leads of service, improvement service development managers, you supported the local housing managers and I think one of the big mistakes that internal and external consultants can make is that they go in and they almost do all the analysis themselves, do the redesign themselves, try to do the change themselves and then ask the question, ‘Why did I not get any buy-in?’ And I’m assuming that you’re using the word supporting because that means that in essence you facilitated it but driving the change actually had to come from the people in the local housing associations themselves?

Graeme: Yes and that was very much our philosophy... In our preparation phase we were working with Vicky from your organisation to plan how we were going to go out to the offices and
he was absolutely right because we could have gone into those offices for three weeks, we could have run the presentations and the sessions direct to the staff left the managers sitting in their offices wherever but actually by showing the managers how to use the process mapping and digging around themselves they then had the knowledge and the ability to keep doing that so we can step back as you’re right internal consultants, we can’t be in every office every minute of every day but what we can do is awaken those managers so you can keep doing it, they then also have their staff onboard because the staff then understood the whole Systems Thinking, they understood where the customer was coming from looking at that, they could understand some of the, we used these win charts, which I presume your listeners are familiar with, variance in some of the different measures, we set up visual measures boards that we’d seen up at Velux and other companies and absolutely it means that every fortnight and every week the managers are able to stand around and have the chance to recognise where the new barriers are, what needs to be broken through, that they have the power to break through and that they need to escalate up to something more senior that can break through but they could only have done that by going through the pain themselves and by going through that pain with their team and you’re right, we facilitated and then we were able to step back because we were not so deeply embedded with that team, they had the skills and the knowledge and the experience to do it continually for themselves.

Stuart Corrigan: Before we finish then, tell me about some of the results that you’ve achieved over the 18 months?

Graeme: I’ve mentioned the reduction in the cases that we’re taking to court and the fact that the rent payments are now coming in. We’ve now got our best ever level of rent arrears or therefore our best level of rent payments had forever actually since GHA started, we’ve got end to end letting times down to 40 days now and in some cases we’ve got many offices actually getting their re-lets down to 28 days, we’re now striving and driving forward and the more we can do and the more we understand the better people are able to get that, we’ve got offices starting to look at can we actually get the lets done in two weeks, that means you get the tenant in, you get the benefits, you get them sorted out, you get that whole package they always talked about, I think that sums it up, we’ve focused on rents, we’ve focused on letting, we’re now trying to help some of our other teams, we’re looking at our capital investment programme, we’ve been looking at IT and the service desk there and how it helps the internal customers, we’ve had a look at our factoring service and we’re starting to get them to look at what they do with their owner occupiers and billings and how again we can just keep driving improvement after improvement after improvement because we do strive to be that A rated organisation that I mentioned earlier.

Stuart Corrigan: Excellent. So let me finally summarise then, the main lessons are look at the business from the customers’ point of view, take a holistic view of the service, look at the whole thing end to end, make sure it’s led well by leadership and that’s senior leaders and not just the middle managers and make sure that the role of the consultant is there to support, not to actually do the intervention so you can step away. Is that right?

Graeme: I think that sums it up beautifully, Stuart.
Stuart Corrigan: What would be the one final piece of advice that you would give to anyone that was thinking about getting into change programme?

Graeme: Talk to others and use people like yourself and Vicky to do it. Anticipate what your purpose is because quite often what you think your business should be doing isn’t actually what you’re doing for your customer and finally, finally focus on everything from your customer’s point of view and see, stand out on this side of the counter and look in and see what they’re seeing everyday when they pull down a service from you and if it’s right, sound, but I think you’ll find that most times you can do it even better because those customers aren’t getting the 100% service that all of us should be providing to them and we do it better if we look at it from their point of view.

[End of Transcript]

If you’d like us to help you beat the problems your organisation is facing why not call us in for a half day Strategy Session to help you get started. Just gather your management team (about four or five senior managers works best) and get them in your board room for half a day and we will talk through the principles they should apply to maximise the potential of the organisation. It could be the most significant £795 you’ve ever invested.

Visit us at www.systemsthinkingmethod.com or call us on 0131 440 2600