

CHAPTER 6

TRANSFORMING GLASGOW HOUSING ASSOCIATION: COMMON SYSTEM, COMMON SENSE

Graeme Hamilton, Glasgow Housing Association

This case study illustrates the following:

- The value of an objective analysis of an organisation's current performance.
- The need to explicitly determine the purpose of the organisation. Why does it exist? To find out if perceived purpose is the same as practised purpose.
- It is vital to analyse demand. A service cannot be effectively designed to meet demand unless demand is understood.
- The power of identifying waste by charting the flow of work end-to-end through the entire system.
- Experiments that allow solutions to emerge are more effective than plans without knowledge, as a way to improve an organisation.
- People only understand systems thinking when they do the analysis of demand and waste for themselves.

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Background

Glasgow Housing Association (GHA) owns and manages, through a network of local housing associations, 73,000 socially rented homes across the whole of Glasgow. GHA is the largest social housing landlord in the United Kingdom. The association is a not for profit, tenant-led organisation, regulated by the Scottish Housing Regulator. The GHA Board, which is the main decision-making body of the association, is comprised of 15 members, 6 tenants, 4 independent members, 4 Glasgow City Councillors and the GHA Chief executive. The Chair of the Board is a GHA tenant.

In September 2007, the GHA was inspected by the Scottish Housing Regulator, known at that time as Communities Scotland. The inspection was thorough and intense, focusing on all aspects of the housing association's business, including rent management, repairs and maintenance, house letting, governance, learning and development and investment. GHA was only awarded a 'C' grading. The detailed report highlighted many failings and weaknesses across the organisation, resulting in a 60 point Improvement Plan. It specifically noted that our 'performance in collecting rent is poor and worsening'.

GHA has been the focus of much political discussion in the six years of its existence. It was born from a need to give tenants more control in the management of their homes. It developed through various models, to be strongly promoted by the Scottish Executive as a transitional vehicle towards community ownership. GHA grew up amidst dissent about how best to split the large organisation up whilst adhering to all the budgetary and business plan caveats that had been put in place. It was lately retained as one organisation that will fulfil most of the wider housing and regeneration needs of Glasgow. It will work where required in solid partnership with Glasgow City Council and other organisations. One of GHA's biggest failings was in not listening to, or meeting all the needs

of our customers. This was evidenced by the Scottish Housing Regulator in September 2007.

A new role – Director of Housing and Customer Services – was formed, replacing the Director of Housing Services who left in September 2007. The new Director, Martin Armstrong, had experienced the huge change for the benefit of customers that had been derived from systems thinking in West Lothian Council. Therefore Vanguard Scotland were engaged to assist GHA in applying systems thinking to bring about the improvements identified as necessary by the recent inspection. The results from systems thinking in the first 12 months (2008-09) are that service has improved, costs have fallen, income has risen and staff morale is higher.

What is systems thinking?

Systems thinking is derived from the principles of management that were employed in Toyota car production – a manufacturing organisation from the 1950s onwards. Toyota, like many of the Japanese manufacturing companies, benefited from the philosophy expounded by W. Edwards Deming, who worked in Japan after the Second World War and supported the newly emerging economy.

Deming (1982) criticised many organisations for their belief in command and control by managers, short-term thinking, management focus on functional silo operations and the use of arbitrary targets. It was to be some 30 years before the American car industry changed their philosophy to match that of Japan.

With its roots firmly in manufacturing and production, it wasn't immediately apparent that these ideas could also be applied to the service sector. Only recently have managers realised how the principles of continuous improvement, reducing waste and costs and improving business systems could be used in the service sector.

John Seddon (2005) identified the potential to help service sector businesses achieve significant improvement in performance and quality of customer service by adopting Deming's principles. Seddon adapted and updated Deming's Plan, Do, Check, Act (PDCA) Cycle. Seddon recognised that before you plan what changes to bring about, you need to first 'Check' what is currently happening in the business. Therefore, although it remains a continuous cycle, the starting point is different from Deming's.

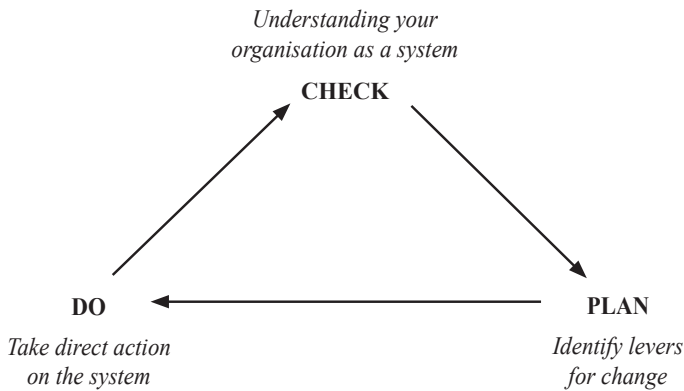


Figure 1: Method for change [Extract from 'Freedom from Command and Control' (2003) by John Seddon.]

The next section describes how the Glasgow Housing Association has used this model. It details the method used to bring about continuous improvement in the delivery of a quality housing service to our customers over the past 12 months.

What we used to do in the Glasgow Housing Association

GHA, like most Registered Social Landlords (RSLs) in Scotland, was a traditional target-driven, top-down management organisation, heavily regulated with monthly reports provided both internally and to our funders, Board and Regulator. Regardless of the level of shouting, and the high number of exception reports that were demanded and laboriously produced, performance improvements were limited. Generally, where teams improved and sustained that improvement against target, there was no incentive to strive further as the target had been beaten and everyone could then 'coast' along until they once more fell below target. Target setting took up many hours for all managers. They were then obliged to divide their office target amongst staff, even when it was absolutely apparent that many of the targets would never be achieved.

Key data on our core business areas at the start of 2008-09 financial year:

- Rent arrears stood at £10.1m.
- End-to-end relet times for all empty properties were averaging 56 days.

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- We were only letting 49% of our houses within four weeks.

In summary our performance was not good and, by and large, was not improving. Benchmarking against other RSLs showed that we were well short of the mark in Scotland, and this was also demonstrated in the findings from the Regulatory inspection. Further evidence of our poor performance over the preceding two years is shown below:

- During financial years 2006-07 and 2007-08 there were over 20,000 refusals on our properties, each representing wasted time, effort, visits and phone calls from our staff and potential customers.
- Nearly 1 in 5 of our new tenancies to customers who were on the waiting list or who were homeless failed within 12 months.
- After analysis, we found we were generating 80% failure demand from our customers.

Senior managers decided to review three core processes using two consultants. Teams of front line housing staff with the required business area knowledge and experience were brought in to review these processes – collecting rents, letting houses, carrying out repairs and maintenance, and implementing investment programmes. This was a fast and furious experience for these teams, as their roles were not back-filled and were therefore being covered by colleagues.

Purpose

The first stage was to determine exactly what the purpose of the organisation was. Many within the teams decided that the purpose of GHA was to collect rent. As the teams then worked through the evidence, it became apparent that we did very little to do that – we told the tenant at sign-up stage what the rent would be and we issued them with a rent card. Our efforts were almost exclusively then focused on chasing up rent arrears.

- We monitored non-payment of rents every 4 weeks.
- We wrote thousands of letters advising tenants that they had not paid their rent and asking them to come and see us.

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- We instigated court proceedings after 28 days, on an IT system that generated automatic arrears letters if no payment had been made in that time.
- We made and re-made many arrangements to clear former tenant debt; we took no, or little, cognisance of the delays in the housing benefit system (which often meant that that financial transfer didn't happen within the 28 days); we didn't counsel the tenants on whether they could afford the rent on the house they had been selected for.
- We didn't discuss how, where or when the tenant would pay nor what to do if they experienced difficulty.
- We certainly didn't seek any payment in advance or upfront at the start of a tenancy.

Our perceived purpose (collecting rent) was completely at odds with our practised purpose (chasing arrears).

Another example: our repairs contractor regularly presented a monthly report which showed that 99% of all jobs were completed within the target timescale. As the team worked through the data it became apparent that to meet the target, jobs that were not completed but nearly at their time limit were being signed off as finished. A common reason for the 'sign off' would be: 'No Access to property possible', and then paperwork for a 'new' job was raised, so resetting the clock for the target. Each job created attracted a cost to the GHA and each one represented an increased waiting time for the tenant to get the job completed to satisfaction. However, the reports used showed that the contractor was meeting the targets set, i.e. the job was signed off within the target number of days. In summary, GHA had spent tens of thousands of pounds unnecessarily because of the focus on the wrong targets and our customers were not receiving the best possible service from our contractor.

Customer experience

The front line teams then considered the experience of the service from a customer's point of view. Taking again an example from Repairs: the group members set up a demand analysis in their own offices of the telephone calls and counter enquiries on repair issues. The group also monitored demand at one of the contractor's service centres and at the call centre run by the contractor.

Demand analysis is one of the elements used in systems thinking to gather data upon which to make informed decisions about improving service. There are two types of demand: value – which is desirable as it demonstrates you are providing the type of service that your customers positively wish to ‘pull’ from you – and failure – which you need to know about in order to develop actions to remove it. Examples of failure demand would be tenants chasing up the completion of a repair, asking when the work is to be done or complaining that the work has not been completed to an acceptable standard.

The analysis of the demand showed that there was a huge amount of failure in the system. Staff were not looking at previous repairs and had no understanding of warranty periods – they simply created a new job as quickly as possible to get the customer off the phone. The findings of this particular review shaped the tone, content and emphasis of the tender document for the new Repairs contract which was to start in April 2009.

Refusal of offers of a house

An analysis of the reasons why prospective tenants in 2006-08 refused the offer of a house showed that 44% were caused by the tenant failing to attend or cancelling a viewing. Most of the remainder were because of the location or concerns about the property. Most of these issues could have been avoided with more detailed and informed discussion when the applicant first expressed interest in securing a tenancy. Staff would then have been better able to ensure that offers of properties more closely matched those that the tenants would be interested in seeing. We also needed to review our communication methods to ensure that prospective tenants were being given the right information in good time in an effective way, to ensure they turned up at the property.

Following this, in the first quarter of 2009-10, after the interventions in all our Local Housing Organisations (LHO), the numbers in the ‘Failed to attend a house viewing’ category fell from 44% to 27% of the total reasons for rejecting an offered property. We are steadily moving in the right direction but we recognise it will take time for many experiments to be started and for change in all areas to be implemented. To further reduce waste in the system we will focus on improving the quality of early discussions with customers who wish to take on a tenancy.

System Pictures

Having gathered and analysed demand, the groups then set about building a systems picture, i.e. a visual depiction of the stages of each process. For example, the Letting Group looked at what happened from the moment someone arrived at a local office, advising they were giving up their tenancy, all the way through to the next new tenant moving in. At each stage waste and impact on individuals and the organisation were captured. This involved the group members 'walking the journey' of that particular process to identify what really happened.

An example of the waste found was the process that was typically followed when a tenant wished to leave their property. The tenant was greeted by a receptionist in the office and their name taken and recorded. The tenant took a seat and waited for a Housing Assistant to become free. They were then interviewed and asked to fill in a form. The tenant left after being informed they had to hand in their keys no more than 28 days later.

A Housing Assistant then took the form and left it in a basket on a Housing Officer's desk. Two days later the Housing Officer input the 'give-up' details into the IT system. Because the question wasn't asked by the Housing Assistant, the Housing Officer then had to contact the tenant to check if they would be agreeable to having other people view the house before they moved out. Also, because no financial check was made, the Finance Officer then contacted the tenant to discuss arrangements to clear any outstanding debts. And so on.

Systems thinking encourages managers to look at these pictures in order to identify the waste, the impact on staff and other resources and the customer service provided. So, in our example above, if the Housing Assistant had a checklist she would know to check the rent accounts, make arrangements to clear any debt, agree that early accompanied views may be carried out and arrange a suitable date and time for the Housing Officer to complete the end of tenancy inspection.

Figure 2 below provides one example of a current system picture for one Local Housing Organisation (LHO), in this case from a prospective tenant submitting an application for housing to receiving confirmation of that application being set up. *Figure 2* shows the processes and steps required for this part of the letting process to be completed, and it lists the waste found.

Managers are often astounded when they produce these pictures after mapping the flow and gathering the evidence. The waste generated is more than they could have imagined. Feedback to the team on the whole range of their findings is often put across in a passionate but balanced way. Managers quickly recognise that our business systems have been causing staff to do things in a certain way. The meetings are often very fruitful and start to embed the wider buy-in from staff to bringing about change to their working practices, based on what a perfect system would look like from a customer’s perspective.

GHA ~ Housing Applications				
APPLICATION RECEIVED AT COUNTER	APPLICATION RECEIVED IN MAIL	PASSED TO FINANCE TEAM FOR DEBT CHECK	PASSED BACK TO ALLOCATIONS TEAM	LETTER SENT ADVISING OF POINTS/PRIORITY
If no proof for main applicant, form given back No proof requested for others on application No check done at reception for duplicate applications Nothing done one stop No discussions re affordability	If no proof, write out (twice) to applicant Unloaded applications filed in main files (so no record of what is loaded or not)	Access to IFS?	Assistants load waiting list and pass back to housing officer for checking (points totals etc.) For transfers, housing officer checks effective date and loads application	Letter does not say anything about existing debts

Figure 2: System picture – showing waste

Having now identified exactly what is happening in each process, the groups set about determining what a perfect process from the customer’s point of view would look like. The outcome was a ‘perfect’ system picture (Figure 3). We recognised that some steps may not yet have been removed because of legislation, or because our IT systems needed to be

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changed. The process of continuous improvement (Check, Plan, Do) and occasional further demand analyses would allow us to regularly re-focus and make necessary changes in the stages.

In parallel with this work inside GHA, some of the teams also carried out a two-week intervention in Glasgow City Council. Many of our processes overlap with their processes (letting houses to homeless applicants or collecting housing benefit to pay rent being two key examples). It was essential therefore to engage with partners in Council departments so that the end-to-end experience for the customer was seamless as processes passed across and between the two organisations.

Having finally designed system perfect, it was time to present to the Director and secure an agreement to embark on an implementation of the required change programme across the whole organisation (and where necessary in Glasgow City Council too, with their Directors' agreement) at the earliest possible opportunity.

The picture below provides a flavour of the diagrams that managers shared with their staff in developing an appreciation of the issues identified through an end-to-end review of the processes. This example is a perfect picture of what GHA aspires to achieve through the review of the letting process. Having gone through the pain of an intervention for themselves, managers and staff are more attuned to bringing about change. The overarching work that was done at the start of the whole review aided in the development of a consistent perfect process that would, and should, apply in each and every business location.

In developing their experiments, LHO staff are able to consider what actions are needed to move from where they are to where the organisation believes all LHOs should consistently be.

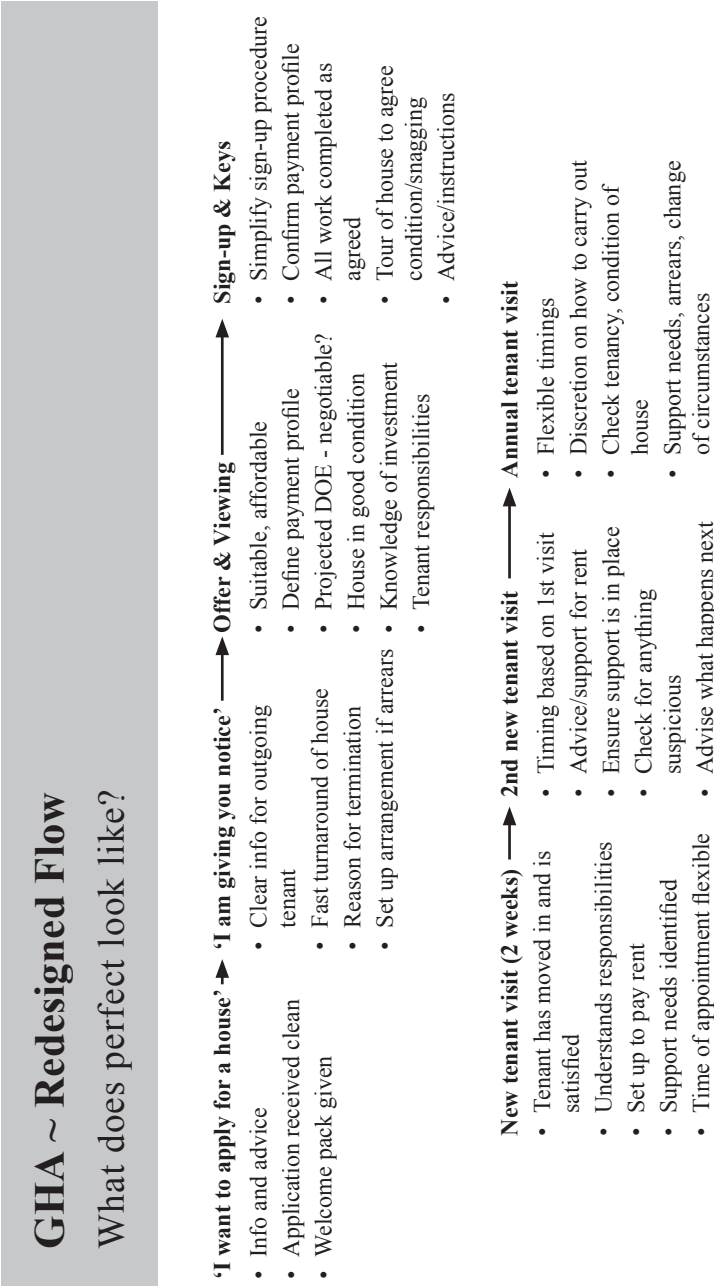


Figure 3: Perfect Solution

How the changes were carried out

We now knew how imperfect many of our core business systems were. We also were aware of the negative impact of repeat and chase up calls on our customers. These also were causing our staff to be frustrated, annoyed and reduced their capacity to focus on value work.

In June 2008 we ran a series of 6 workshops (one per shared service geographical grouping) to alert front-line staff to the key findings of these recent reviews and to prepare them for the roll out of system perfect solutions. This was also a chance to validate our findings amongst all front-line service staff.

At this time a further four managers were seconded to form a core team of seven to work up and deliver the solutions identified for a redesign of the whole business system. The roll out of the solutions became a project in its own right. The team also would be required to facilitate the change programme in each of 45 Local Housing Organisations (LHOs).

Each secondee was responsible for different business areas within the broad heading of 'Rents and Letting'. Improvements in Repairs and Capital Works were implemented elsewhere. The team built many new solutions, a number of which had been previous good practice which had withered away over the years.

For example, our whole emphasis was now on ensuring that a prospective tenant had all the information, knowledge and support up front in order to be able to sustain a tenancy and to know how much rent to pay, when and where to pay it, and that it was affordable. Our guidance and procedure notes for staff changed and a training/briefing programme developed, called simply 'The Rents and Letting Guide'.

We reviewed all our standard letters, deleting about 90% of them immediately and replacing them with templates that required staff to populate them with appropriate customer specific information. We ensured that staff would discuss rent and affordability at every interaction with a customer or prospective customer – at application stage, at accompanied viewing, at sign-up, at move in, at new tenant visit stage and at every other contact during their tenancy.

Together with staff from Glasgow City Council Revenue and Benefits and from the Homeless Partnership, we developed improved practices. For example, we set up a pilot scheme called the 'Verification Framework'

where GHA staff verify the identification documents produced by the tenant, scan them and send them to the Benefit Centre. We are still re-designing our sign-up pack to make it more streamlined and beneficial to our new tenants. We are currently looking at targeted variation of the packs for transferring tenants who may not need the whole package that new tenants to GHA would require.

The effect of GHA's Court criteria 2007-08

Recognising that chasing arrears was not the purpose of the business and that the process generated huge amounts of waste for very little return, we reviewed our court criteria.

Tenants in arrears	=	23,000
1st Reminders	=	12,816
Final Reminders	=	6258
Average times at court	=	3.5
[Maximum times at court	=	7]
Decrees granted	=	962 (15% of total)
Evictions	=	502
Total debt	=	£1m
Debt collected	=	£50k

Figure 4: Waste in pursuing tenants to court

The table above (*Figure 4*) shows the waste in our processes of pursuing tenants to court with the goal of evicting them and re-securing the property and the outstanding debt. In getting decrees for 962 tenancies that caused former tenant debt of £1m, we have recovered only £50,000. Actual figures are not available but there is enough evidence to show that a significant number of the families involved eventually re-presented as homeless and entered the system once again. Many others remained in the same house but started a new tenancy (a technical eviction). The end result was the waste of a huge amount of effort, energy and money by the GHA, and cost, frustration and anxiety for the tenants.

Of the 23,000 tenants who were in debt at the start of the year and who triggered the processes for court action, only 962 decrees were granted (15% of the total). To get to that stage involved at least 47,000 activities not counting case conferences, letters and interviews in the local offices. Having secured these decrees, we then only carried out 502 evictions and of the total debt due from these tenants (£1m) we only recovered £50,000 through the court process (*Figure 4*). At least £50,000 would have been expended on the process once staff time and other expenses are taken into account.

So, in short, the exercise of taking tenants to court adds no financial value at all to our business. The wider social costs are also not taken into account. Many of these evicted families re-appear, some presenting as homeless and others emerging again at a later date having stayed with friends and family. We have a spiralling social problem with a huge price tag attached.

Changes to the court criteria

At this stage, we had recognised all the waste that is inherent in the court system, and the detrimental impact this was having on our customers. They saw us doing nothing more than sending out letters, legal notices by the dozen and requiring their engagement in a worthless process that did little to help them with their financial problems. We set about revising our approach to pursuing cases through court.

First, we ensured that our Purpose of collecting rent was uppermost in the minds of staff. All activity was front-loaded to ensure that tenants could financially sustain a tenancy and that we were engaged with them in supporting their actions to keep clear rent accounts. Where it did become necessary to pursue court action, this would only be with the direct and active involvement of the local Housing Manager.

If the seriousness of the situation was demonstrated and a Notice of Proceedings for Recovery of Possession (NPRP) had to be raised, it could only be done with the active involvement and consent of the manager following a series of rigorous reviews. Prior to this we were producing over 600 NPRPs per 4-week period (*Figure 5*).

After implementing the changes, we are now averaging 70 NPRPs per 4-week period (a 90% reduction). The validity of such legal action is showing returns – amongst tenants and certainly amongst the Sheriffs.

We are no longer viewed as an organisation which dishes out legal notices in the expectation that the Sheriffs will do our work for us and no longer do we need two sittings per week for Sheriffs to hear all our cases. In fact we can demonstrate financial savings across the board as a result of the reviews.

Whilst much of our emphasis has been on new tenants, we are also working with existing tenants in arrears and supporting them to pay their rent whilst clearing backlogged debt. By the end of the financial year 2008/09 our total arrears debt had decreased from £10.1m to £7.99m reflecting a greater number of tenants maintaining a more stable payment pattern.

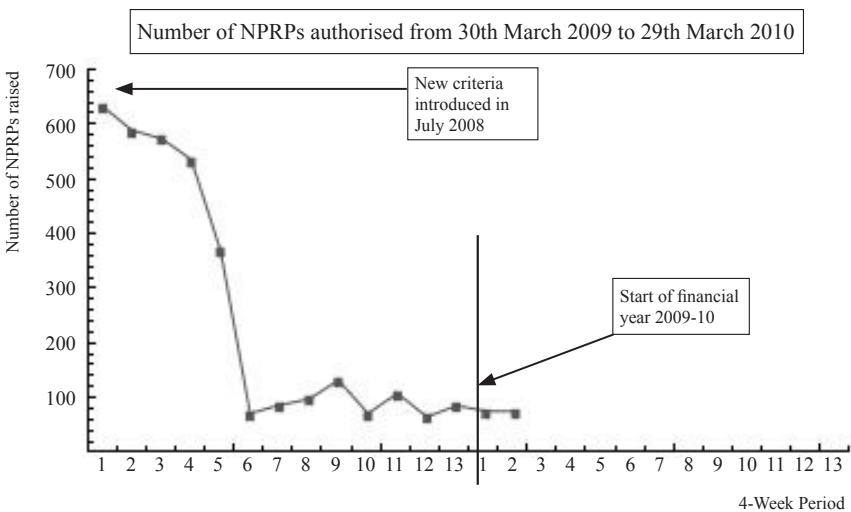


Figure 5: Notice of Proceedings for Recovery of Possession (NPRP) decline

Having designed and tested the solutions and having rolled some out directly (e.g. the new court criteria via a briefing to the Managers’ Assembly supported by information packs, a dedicated website and one-to-one support), the Business Improvement Leaders (BIL) group then re-formed.

In September 2008 the BIL group was expanded to ten. They took an intensive three week programme to become fully accredited Vanguard Consultants. They then worked their way around Glasgow introducing systems thinking firstly to local managers and then to their teams. They

shared with them the pain of checking Purpose, gathering demand data and analysing the results. They helped staff build systems pictures and discover how wide of perfect their office was. Then they trained and supported staff to ensure that they all understood 'Perfect', and knew why our processes had to change. Staff and managers started looking at the business through a fresh pair of customer's eyes.

Systems thinking produces results when managers change their thinking about the business. Managers only truly understand their customers' demands when they 'walk the walk', following the process from end to end. This then guides them in how to change the process to better meet those demands. To engage staff fully in the process we have introduced a highly visual tool, the Visual Measures Board (VMB). The board is usually mobile, double sided and rotating. It allows managers to display pictorially the results of the demand analysis, the top three failure demands, some key measures, and critical hassles for staff.

With the team, the manager is then able to discuss and agree a possible solution, or experiment, that should result in improved performance or reduction in failure. Period on period monitoring will hopefully demonstrate the success of the experiment. If it doesn't, the team can reconsider and design another experiment and again watch for improvement. Each period the measures charts are refreshed. An example of this would be the end-to-end time from a new tenant moving in to a house, to first payment being made (*Figure 6*). We've refined the charts so that we can also distinguish between those tenants who pay direct and those who receive housing benefit to pay their rent.

Our goal with these charts is to identify the causes of variation and to develop a solution that will not only improve the performance, but will reduce variation. This is to ensure a consistency of high quality approaches in all our offices.

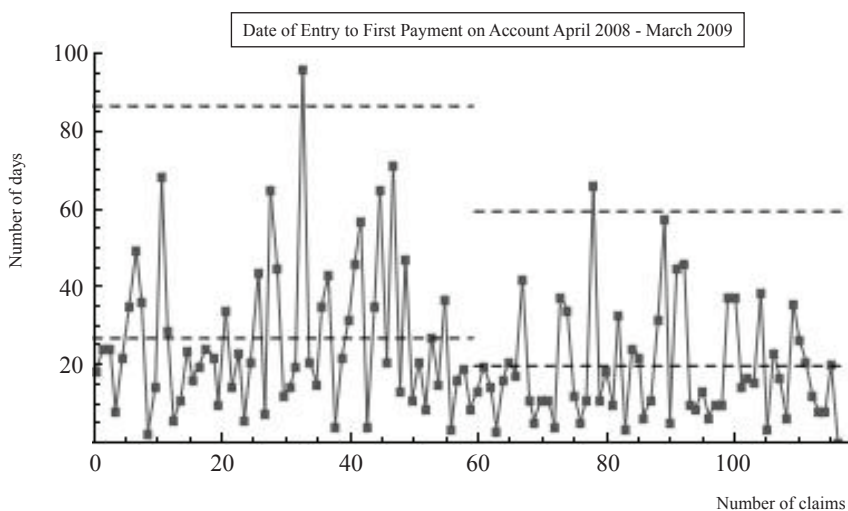


Figure 6: Time for tenants' first rent payment (dropped from 24 to 17 days in 3 months)

Our team of internal consultants were in turn able to accredit front line managers to practitioner level – a process that continues even now.

Another example of changing process

Another example we identified was in relation to the payment of home loss and/or disturbance when tenants are re-housed in a clearance (i.e. their buildings are to be demolished and we are obliged to give them a new tenancy with statutory compensation). We identified a 17-step process that is still in operation, including the same piece of paper travelling at least 4 times in a GHA mail van between offices in order that different employees can each do one thing with it. The end result is a cheque posted to the host office and a requirement for the tenant to return to that office and sign for it with a further three days wait for the money to clear in their account.

A proposed streamlined solution does away with cheques and more than halves the number of steps required, resulting in a faster and more effective system with secure payment to the tenant.

Common System, Common Sense – the people perspective

Managers within Glasgow Housing Association received a very strong wake up call from the systems thinking intervention in their offices. These three examples show how their thinking has changed:

i). Carolyn Lennon, Community Housing Manager

‘Looking at the way we conduct our business from an end-to-end process and creating a systems picture really opened my eyes up to the waste we make for ourselves. It was also amazing how easy it was to identify the waste and put practices into place to eliminate it. That was my light-bulb moment, i.e. why did it take this intervention to realise what waste we had in our systems!’

‘Since the intervention I have a “systems picture” head on all the time and I look at all things in an end-to-end way and try to eliminate waste as a natural way of working now. We have always been driven by targets and although we still have contractual targets (homeless, temporary furnished flats (TFFs) etc.) in place, I try to get the message across that it’s how we do things and how we can do things better that is more meaningful to me. Working this way should see a natural improvement in performance rather than the usual “targets drive behaviour” way of working.’

‘The role of my front line workers has changed also. Through the fortnightly Visual Methods Board (VMB) meetings which have been in place since November 08, they have a clear picture of how I want them to think about things and do things differently. This has helped in several parts of our business such as completing a Housing Application Form (HAF) through to the new tenant visit. We eliminated a lot of waste from this end-to-end process and as a result we have seen the number of days from Notice of Termination of the Tenancy (NTT) to Date of Entry (DOE) reducing. Obviously we still have cases which show spikes in our charts but we look at these, find out what’s happened and learn from them. The same goes for getting the first payment into the account. We again have improved in this area and learnt from cases where it took longer than others.’

‘It really is just about adopting common sense!!’

ii). Michael Ratcliffe, Manager, Glasgow South West was highly sceptical:

‘During the intervention I was initially a bit suspicious and more than a bit annoyed that my management methods and performance were being challenged! I remained in this frame of mind up to the point when I personally conducted an experiment.

‘My light bulb moments were around thinking that some things had not changed for 20 years! And what about the duplication! It taught me that I need to look at processes more and examine how to use resources to our best advantage.

‘I am more involved in the operational/process side of the business than I was before. I used to think of myself as the Orchestra Conductor. Now I know that as well as this I need to regularly pick up an instrument and check that it works!

‘Everyone is involved in the Visual Methods Board (VMB) fortnightly meetings. Experiments are discussed and issues raised. We try to conduct an experiment every couple of periods and describe to the team the results. We are pleased with the reduction in “Selection to Reselection” times and believe that this has arisen simply by checking if a customer is interested in an offer rather than going through the whole select/offer/viewing process only to have the house refused two days after the viewing. I now cannot believe we ever followed such a habit-driven process in the past.

‘We are about to embark on a repeat of the Demand study we carried out in the early days of Common System, Common Sense to examine what has changed. Unfortunately, other than improved performance, we have not yet gathered real evidence of increased customer satisfaction apart from comments from our Committee and being granted Investors in People (IIP) accreditation on 17th April 2009.’

iii) Joe Lambie & Catherine Athmani, Managers, South Glasgow

Joe and Catherine realised they shared some common difficulties in the way rent payments were being handled in their offices, highlighted through the demand analysis and the

building of a systems picture. The two took a step back from the current work flows, and developed a spreadsheet documenting the way they would both like the rent collection activity to be carried out. This draft is now currently being reviewed by their peer managers. As Joe pointed out: 'It is more important now to manage the process rather than the staff.'

These three examples illustrate that there has been a change in the way the front line managers within GHA are thinking and managing. Interestingly they also report that staff members are acting differently. The Business Improvement Leaders (BILs) who carried out the intervention saw this change too over the three week period, as staff moved from scepticism and wariness to a position of acceptance and recognition that they once again had a voice in suggesting better ways of serving the customer.

Corporate Interventions

Having formed the front-line service teams, the BILs were by the end of May 2009 in a position to carry out interventions with corporate teams. At the time of writing, one intervention has been completed and two more are part-way through. IT was the team that completed an intervention. HR and Welfare Benefits are both progressing positively.

IT Managers followed a similar three week programme to the Local Housing Office (LHO) intervention but spent a good deal of the third week designing 'systems perfect' for some of their processes. This worked particularly well because of the willing engagement of staff from all quarters of the team. Indeed, after the intervention, the multi-functional groups have continued working through the changes and managing experiments for improvement. It is also interesting to observe the quick up-front leadership by staff on these teams, allowing managers to provide support and to remove obstacles to facilitate changes. Further corporate team interventions are being planned for the rest of this financial year.

Achievements 2007/08 v. 2008/09

These are just a few of our significant headlines comparing our position at the end of the financial year 2007/08 to the end of 2008/09:

- Rent arrears down from £10.1m to £7.99m.
- Lettable empty properties rate reduced from 1.4% to 1.27%.

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- End-to-end re-let time down 13 days from 56 to 43 days.
- Process of removing non lettables has dropped to 27 days.
- Letting performance is the best since the inception of GHA – lets within 4 weeks rose 18% from 49% to 67%.

There is a long way to go and much still to be done, but the building blocks are now in place across all front line offices. This will allow staff to process customer enquiries in a significantly different way and further improve performance as a consequence.

Conclusions and learning to date

Much of what we have been designing has been with the purpose of ensuring consistency across all business areas so that all customers get the right service in the right place at the right time: *Common System*. We have also recognised that the staff have been trying to apply sensible workable methods only to be frustrated by complicated and convoluted managerial activity. So we are returning to: *Common Sense*. GHA has therefore branded its approach to systems thinking internally as *Common System, Common Sense*.

It was apparent that we were in a circle of complacency before the Regulator's report in September 2007. We believed that our performance was about as good as it could be. We thought we understood our purpose and reasons for existing. We didn't think there was any way to make significant improvement. Our managers generally had 'left' the shop floor and no longer actively listened to their staff.

But after 12 months of systems thinking and 45 interventions in front line local offices the results speak for themselves. We're now rolling out the programme to corporate teams and helping them review the service they provide.

Managers are learning to read and anticipate trends in their own business unit based on weekly actions, experiments and customer demand. They engage directly with the staff through building new systems pictures and allowing staff to suggest and lead on business experiments. Overall, we're leading the field in a number of measures in our benchmarking clubs.

The Business Improvement Leaders have a programme of revisits to all the local offices to support the ongoing performance improvement, to ensure that new colleagues understand the method and to help managers focus on what makes the work work.

The biggest challenge in this second year (2009/2010) is to maintain the success and secure further performance improvements. We need to consolidate the implementation of systems thinking at the front line. We need to quickly help our partners and our other corporate teams to understand and apply systems thinking. This will enable us to enhance our customers' whole end-to-end experience of our service.

About the author



Graeme Hamilton is a Service Development Manager with Glasgow Housing Association. He has worked in the public housing sector in Glasgow for 24 years. He often engages directly with tenants on the issues that concern them most: applying for and sustaining a tenancy, being able to afford and pay their rent, and resolving concerns with anti-social neighbours.

Graeme has also been an internal Organisational Development adviser and consultant, supporting staff to help their customers in a better way. Graeme has an MSc in Human Resource Management from Glasgow Caledonian University. Along with colleagues, he facilitates the application of systems thinking throughout the Glasgow Housing Association.

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The full book this chapter has been extracted from can be purchased at http://www.triarchypress.com/pages/Systems_Thinking_Case_Studies.htm
