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Leadership Development in Public Service Mutuals:
A Practical Guide

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Toolkit Overview

This toolkit is designed for senior managers and leaders of organisations who are considering becoming, or who have recently emerged as Public Service Mutuals. Informed by the authors' recent funded research on building capacity in mutuals, it will help you create engaging and impactful leadership development activities in your evolving organisation

We hope you will find it a helpful resource for thinking about how to create leaders in all levels of your organisation, who understand and are prepared for the unique challenges of supporting a sustainable and innovative Public Service Mutual. The toolkit has two main sections.

Contents

A.1 Introduction: the public service mutual 'mindset shift'

Public Sector Innovation

Governments are faced with the challenge of increasing demands for public services, in a context of ageing populations, increasing debt burdens and slow economic growth. It has been proposed that public sector innovations might generate savings through the achievement of greater efficiency (Daglio, 2014). However, innovation in the public sector can be difficult (Axelson, Netz, & Sandström, 2017). This is partly because as a zero contribution environment, all actors will benefit from a proposed change, but no single actor benefits sufficiently to undertake the required action (Ostrom, 2000a).

In this context some public service leaders are seeking a new delivery model which supports innovative and efficient service provision. However, as we explain in this section, 'spinning out' of the public sector and becoming a Public Service Mutual necessitates a shift in logic – blending the assumptions from within the public, private and third sectors. A key challenge for leaders of Public Service Mutuals is to understand, and to help staff understand, the implications of this shift for the organisation and how it functions.

Public Sector Logic

Before the New Public Management culture of the mid 1990s, the public sector was broadly conceived as involved in 'service delivery', as though a standardised product was being manufactured for public consumption. The value generated by these services was quantified by measuring the amount of services produced and consumed. These services are exclusively funded by the state and produced by state organisations operating under what might be called a public sector logic (Osborne, 2018), which emphasises the importance of providing this service for the benefit of society as a whole. However, rigid accountability structures, professional boundaries and hierarchical cultures, as well as tightened financial constraints, mean that complex social problems are often difficult to address through the public sector alone. In addition, public sector-delivered services do not face market competition, a key factor influencing efficiency and innovation.

Public Service Mutual Logic

Public Service Mutuals are social enterprises that have typically 'spun out' of existing service providers in the public sector. They are hybrid organisations, which means that they contain the characteristics of the public, private and civil society sectors. By including multiple stakeholders in their constitution and governance structures, public service spin-outs blend the rationalities or 'logics' of the public and private sectors with those held within civil society.

Sepulveda, Lyon and Vickers (2018: 12) argue that Public Service Mutual 'spin-outs' embody three different institutional 'logics' or sets of assumptions. The first is the public ethos – the importance of delivering a 'public good' or service which benefits society as a whole. The second is private sector logic which, by creating a 'market' in which public service mutuals 'compete' to deliver services, ensures that these services are innovative, agile and drives down costs whilst embedding an 'entrepreneurial mindset' into public service delivery.

Finally, the logic of the 'third sector' emphasises the importance of multi-stakeholder partnership working and brings an awareness of long-term nature of social issues and the complexity involved in delivering 'social value', that is, service outcomes with long-term social benefits.

It has been found that if we replace hierarchical systems with more complex, polycentric systems, stakeholders and citizens may collaborate to make changes that benefit the wider public (Ostrom, 2000b). For this reason it has been suggested that 'social value' can be generated more effectively by social enterprises that bring a wide range of public service organisations together with citizens and service users (Mutuals-Taskforce, 2011).

Social value is intangible and created through collaboration and participation with service users. The term co-creation is used to indicate that at same moment that public services are being produced they are also being consumed. In the context of a public library, for example, the fact that it contains a database is not valuable in and of itself. Value is created when a library user accesses the database and finds it valuable relative to their circumstances. Co-creating value with stakeholders is discussed at greater length in Section A7.

Therefore, social value is measured by paying attention to the outcomes and impacts of the service that are experienced by service users, rather than the quantities of a service being produced and consumed. In the public library, for example, the outcome of accessing a database may be that a library user develops a new skill and the impact is measured in terms of what that new skill then enables the user to positively experience as a result. This co-creation of value with a wider range of stakeholders has been described as taking place within a public service logic (Osborne, 2018).

Public Service Culture

The different rationalities blended within the Public Service Mutual are expressed within their statement of social purpose and values. The purposes and values of the organisation are an important guide in the co-creation of public value with their stakeholders and public service users. A specific challenge for managers of Public Sector Mutuals is to find ways to help their professional staff to understand the public service logic and to adapt their professional practice to this new way of conceiving 'value'. One of the key mechanisms is to create an organisational culture that is aligned with the social purpose and values of the Public Service Mutual.

Engaging Professionals in Cultural Change

Developing a public service culture that embraces an entrepreneurial mindset is challenging for Public Service Mutuals, because staff are used to the (relatively speaking) 'fixed' budgets and agendas common to the public sector. If these organisations are to benefit from their changed legal status, it follows that a large amount of social and cultural change may be required and should be expected.

Encouraging and nurturing change is complex. Creating positive change involves:

'the process of transforming patterns of thought, behaviour, social relationships, institutions, and social structure to generate beneficial outcomes for individuals, communities, organisations, society, and/or the environment beyond the benefits for the instigators of such transformations' (Stephan, Patterson, Kelly, & Mair, 2016, p. 1252).

To move from the public sector logic to the public service logic entails changes to basic underlying assumptions that professionals have learned. The challenge for managers is finding answers to the question of how to help their staff become more self-aware and reflective about their underlying assumptions.

Public Service Mutual Logics

- **Private Sector:** Market drives Competition, Efficiency, and Entrepreneurship
- **Public Sector:** The importance of the 'public good' which benefits society
- **Third Sector:** Multi Stakeholder Environment Partnership Working Co-creation of service delivery
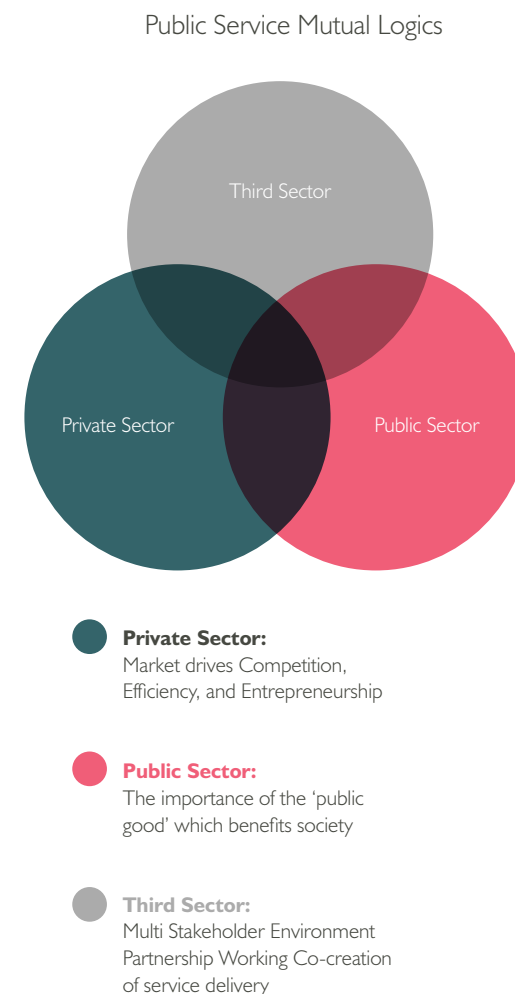
Moving forward: Ideas, Hints and Tips

Stakeholder Engagement

One critique of the social value concept is that it can be used to defend the entrenched bureaucratic power of managers in the public sector (Roberts, 1995). Public Service Mutuals operating with a public service logic of value creation must maintain balance to avoid being captured by the interests of one sector. Maintaining autonomy and the involvement of a diverse range of stakeholders to co-create value is vital to ensure that Mutuals remain responsive to social and community needs. Managers must be wary not to be co-opted by the public sector and the logic of service delivery, such that the state simply finds a more cost effective way of maintaining public services and extending bureaucratic control rather than innovating news ways of creating value (Kay, Roy, & Donaldson, 2016).

Democratic decision-making

The public service logic means that managers must embrace democratic political processes in their outward orientation to citizens and political structures, but also within their own structures and way of working. Embracing democratic decision making will help managers to make propositions about social value without being accused of acting in bad faith (Alford & O'Flynn, 2009).

What next?

Leading a Public Service Mutual through the 'spin out' process is a challenging task. In this section we have set out the three 'logics' or sets of assumptions that inform the work of a Public Service Mutual, derived from the public, private and third sectors. Helping your staff to become familiar with these logics will support the culture change process required to ensure the public service mutual is sustainable in the long-term. The activities in this toolkit are designed to help you lead and embed this cultural change in your organisation. You could especially try:

B.9. STAFF DEVELOPMENT Workshop Guide: Public Service Mutual logic: ambiguity and opportunity. For lower grade/supervisory staff.

Service Users at Libraries Unlimited have access to Internet and computing equipment

A.2 Leading in public service mutuals: three tools for long term sustainability

Introducing a three-dimensional model based on **organisational values, staff development, and data driven decision-making.**

How can leaders support change towards the entrepreneurialism and creativity embedded Public Service Mutual logic? This toolkit focuses on building the leadership capacity of the whole organisation to support the change processes required to develop and sustain a public service mutual. We have adopted a well-known definition of leadership coined by Peter Senge (1999):

> " (Senge et al 1999: 16)
>
> the capacity of a human community to shape its future and to sustain the processes of change required to do so.

This perspective requires a shift away from understanding leadership as the property of an individual, towards recognising that all stakeholders can participate in leadership activity: shaping the future of Public Service Mutual endeavours. We'll cover shared approaches to leadership practice in section A5. Here, we introduce a 3-dimensional model that will inform the structure of the toolkit and the design of suggested leadership development activities.

One of the greatest leadership challenges identified in the Mutuals sector is the need to capture and evidence 'social value'. Public Service Mutuals may be commissioned to serve the needs of one or more communities, and their long-term sustainability depends often on their ability to evidence the impact they have on these communities, in order to ensure that contracts are renewed and to access additional sources of funding. Responding to this challenge requires two key leadership skills which we call **Leadership Competencies for Public Service Mutuals.**

Leadership Competency for Public Service Mutuals 1: Making persuasive business cases for funding

Creating a convincing and coherent narrative about the 'social value' created or amplified by the organisation, is a challenging but important task for leaders of Public Service Mutuals. By setting out a persuasive case showing how key performance indicators are met, leaders can respond to the demands of local authority commissioners, charities, and other funders, who wish to see convincing evidence that justifies how their money has been spent. This is one way that 'social value' is connected to 'financial value' – the revenue generation opportunities that allow a Public Service Mutual to remain financially sustainable.

Leadership Competency for Public Service Mutuals 2: Identifying, supporting and acting on new opportunities

The second competency relates to developing an entrepreneurial mindset amongst key members of the organisation. Although they take a variety of forms, Public Service Mutuals often differ from traditional commercial business models because their primary aim is to have a positive social impact, creating 'social value' (Vickers et al 2018). The opportunities to seek alternative sources of funding and to bid to deliver additional services, whilst avoiding being 'locked into restrictive bureaucratic systems', were identified by CIPFA (2017) as key advantages of mutualisation for many organisations. Public Service Mutuals may compete for contracts and other sources of funding and may have more freedom to identify and access these sources than public sector organisations. This is another way that Public Service Mutuals can connect and amplify their 'social' and 'financial' value. Nonetheless, because they rely on being able to identify sources of funding that enable their sustainability in the medium to long term, Public Service Mutuals share certain mindsets with so-called private-sector organisations (Vickers et al 2017). This 'market orientation' necessitates certain entrepreneurial attitudes, identified through research (Ruiz et al 2016) as a more open attitude to risk-taking, and a pro-active approach to identifying new revenue generation opportunities which enable further value creation.

The tools of Public Service Mutual leadership: values, data, and staff development

At a time in a Public Service Mutual's journey where capacity is often very tight, embedding these two social value competencies into your organisation will have the advantages of
- releasing the capacity of senior leaders/managers,
- supporting a clear talent/progression pipeline, and
- empowering staff in Public Service Mutuals where according to the Department of Culture, Media and Sport's Mutuals website (DCMS 2018) 'a significant degree of control or influence in the way [the organisation] is run' is exerted by employees.

Based on our research findings, we've identified three resources or 'tools' that can help you build these two competencies amongst staff. These are set out in the 3-dimensional model of leadership for social value creation, outlined in Figure 1.

Our model draws on insights from our own research and those of others (e.g. Molecke and Pinkse 2017) which indicates that there is no single way to calculate or evidence the social impact an organisation has on its stakeholders. In fact, evidence suggests that many organisations with social missions incorporate measures like Social Return on Investment (SROI), into a bricolage approach in which quantifiable metrics are incorporated alongside other tools and resources available to the organisation and its members. The 'bricolage' of capturing and evidencing social value is derived from the French word for 'Do-It-Yourself' – and like every D-I-Y task, it requires learning how to harness the appropriate tools effectively. We propose the following three tools will be valuable for and accessible to any Public Service Mutual: **Organisational Data, Staff Development, and Organisational values.**

Figure 1. A 3-dimensional model of social value

Figure 1. A 3-dimensional model of social value

Organisational Data: Develop Performance

Staff Development: Develop Practice

Organisational Values: Develop Purpose
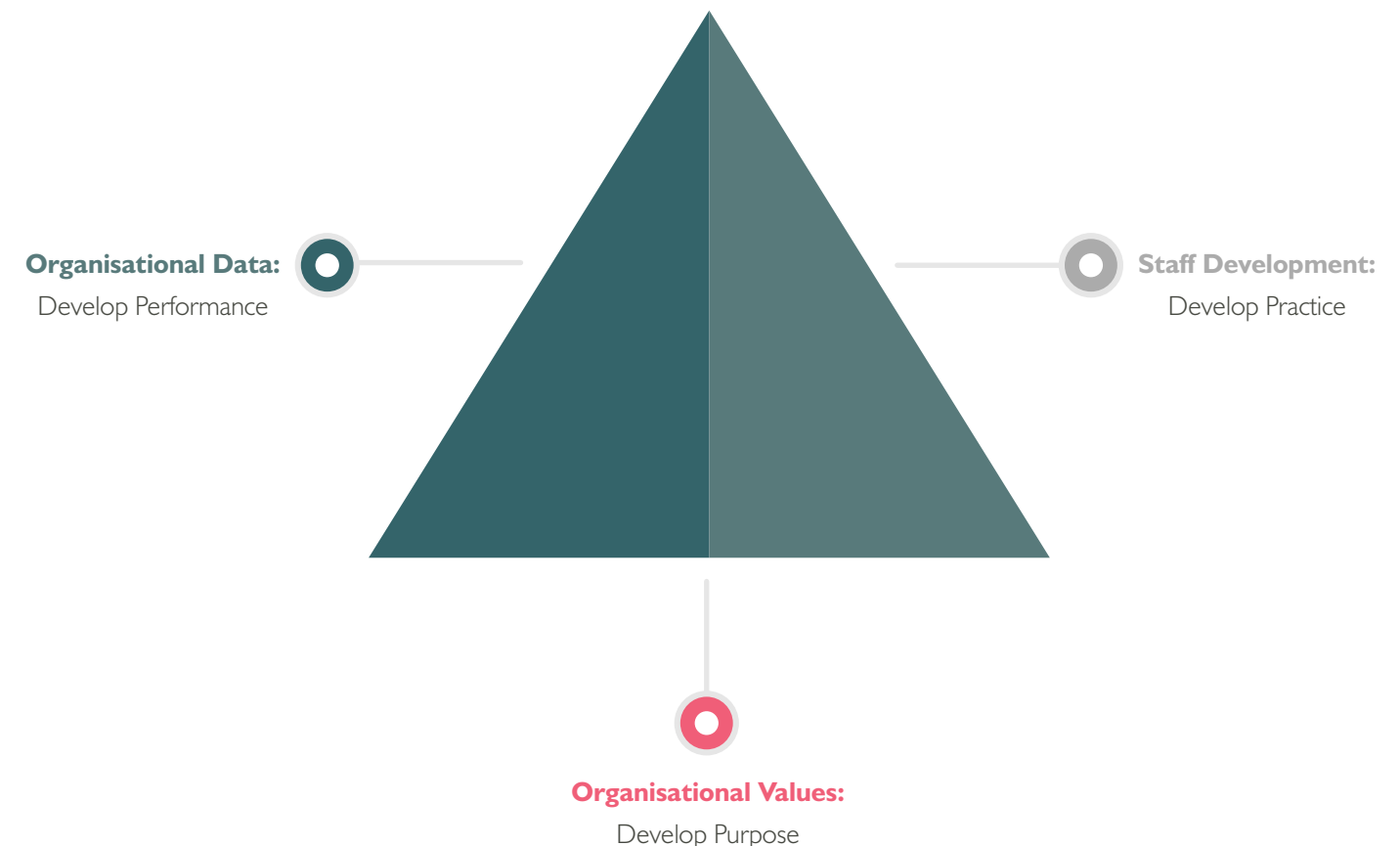
Each of these tools is a way of accessing the social value your organisation creates. By harnessing one these dimensions, you are looking through a 'lens' which sheds light on a specific aspect of social value. Like any lens, looking at social value through one of these dimensions will bring certain elements into focus. For example, looking at social value through the staff development lens indicates that by harnessing the tacit knowledge of frontline staff, we might develop convincing stories about how stakeholders' lives are changed by the organisation's activities. Building awareness of social value in everyday practice might empower staff to capture and measure these impacts so that they can be part of a wider narrative on the organisation's social mission.

However, continuing with this example, focusing only on the lens of staff capacity and experience can cause other approaches to social value to fall out of focus. This is where the other two lenses come in: organisational values, and data. Each of these brings new understandings of social value to light, and a Public Service Mutual can use all of them, together and separately, to enrich the scale and scope of understanding on how it is delivering on its agenda. Leading a Public Service Mutual requires us to harness each of these tools – staff development, data and organisational values – to ensure the organisation can sustain itself in the long term. This is particularly relevant given that Public Service Mutuals operate in multi-stakeholder environments, where 'social value' can be interpreted differently in different communities.

What next?

In the following sections, we will explore these three dimensions in turn, showing some simple steps towards harnessing each dimension as a resource to inform and empower 'social value leaders' across your organisation. By following some of the activities and ideas listed here, you can help your staff build their leadership capacity and develop their potential for acting as champions of social value in a new governance context.

A.3 VALUES: Linking purpose to practice

Building understanding about how everyday work supports your organisation's vision, mission and purposes.

Your organisation's stated purpose, vision and/or values are important resources in enabling you to build leaders who are able to champion your organisation's social impact. One way you can encourage staff to better understand how their work is connected both to 'social value creation' and to the organisation's values, is through hosting a 'logic pathways' workshop.

Theory of Change is a methodology commonly used in the 'third' or non-profit sector to help organisations capture and evidence how their activities are achieving desired goals. In many social impact measurement models, core purposes are connected to stated actions that can be evidenced and measured. This is achieved through a series of linked 'if-then' statements, in which the final outcomes are the achievement of the organisation's stated purposes. For example: 'If xxxxx happens, then we know that yyyyyy has been achieved'.

> Logic models can be powerful tools because they allow you to identify the necessary conditions to create the changes you hope to see. As you identify all the steps on a logic model's pathway to impact, you not only gain the ability to see the connections between your work and your impact, you gain the ability to break down your work into specific steps that can be measured and improved.
>
> Dr Greg Molecke, a researcher of social impact capture

By creating detailed maps of these 'logic pathways', a Public Service Mutual can learn to move back along the pathway from end to beginning, to explain how the work it accomplishes connects back to its stated purposes. This enables organisations to identify and measure indicators that a change is taking place, and to explain how this connects back to their mission. In this way, Mutuals can demonstrate clearly to commissioning and funding bodies how they are creating social value by explaining how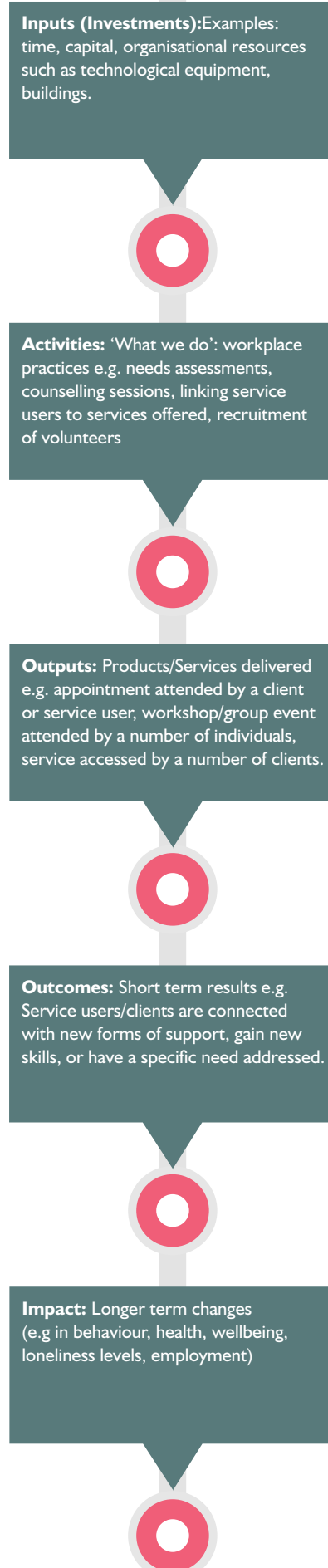 social outcomes – such as changes in behaviour, or changes in health and wellbeing, are directly linked to the organisation's activities and mission.

Logic pathways can be identified easily and collaboratively in workshops. A logic pathways workshop (covered in Section B1) will help participants develop their 'Leadership Competency 1' by enabling:

- A better understanding of how the organisation is achieving its stated purpose
- A better awareness of how this purpose links to the activities they undertake every day.
- The opportunity to share and discuss ideas with colleagues and other stakeholders such as board members, trustees, commissioners and so on, resulting in a closer understanding of the organisation's new governance model.
- An ability to make a persuasive case for the important work the organisation is doing and the 'value' that this creates.

A social value chain of if-then statements emerges like a flow-chart, similar to the one to the left:

Inputs (Investments): Examples: time, capital, organisational resources such as technological equipment, buildings.

Activities: 'What we do': workplace practices e.g. needs assessments, counselling sessions, linking service users to services offered, recruitment of volunteers

Outputs: Products/Services delivered e.g. appointment attended by a client or service user, workshop/group event attended by a number of individuals, service accessed by a number of clients.

Outcomes: Short term results e.g. Service users/clients are connected with new forms of support, gain new skills, or have a specific need addressed.

Impact: Longer term changes (e.g in behaviour, health, wellbeing, loneliness levels, employment)

Case Study: Implementing logic pathways for evidencing social value at Libraries Unlimited

Libraries Unlimited hosted a 'logic pathways' workshop in February 2018, almost two years after spinning out from Devon County Council. Taking part in the workshop were a number of frontline staff, alongside key stakeholders, service users, senior managers and leaders.

Dr Greg Molecke, a researcher in social enterprise, explained the method and then helped the participants work together to develop some logic models associated with one of Libraries Unlimited's core purposes, namely: Guiding and supporting people to explore and connect to the wider world.

In groups, working with flip charts and marker pens, the participants identified groups of individuals that Libraries Unlimited served in this way. Each time a group was identified (for example, parents of babies and toddlers), the participants created a link to the outputs that engaged these individuals (for example: story time or 'bounce and rhyme' sessions).

Moving Forward: Ideas, Hints and Tips

If used inflexibly, relying on logic models can result in a very linear and 'fixed' approach to understanding social value. Where Public Service Mutuals are overly committed to following existing pathways, it may make them slow to respond to new opportunities or shifts in social needs.

To avoid this, it can help to:

1) Treat your logic pathways as 'living documents' – update them over time, incorporating new ideas and opportunities, de-prioritising less useful causal relationships, and noting changes in resource implications.

2) Adopt a multi-stakeholder approach to generating causal pathways, so that the views of service users, trustees or others in the governance framework are included. This can be a useful bonding exercise for people in different spheres of influence in the organisation. In Part B of this workshop, we present a template for a stakeholder workshop which can be adapted for use in your organisation.

WHO Parents of babies and toddlers

WHAT Attend bounce and Rhyme Session

RESULT Development of friendships Social inclusion Socialization for young children

Participants then linked this output to an assumed impact, through which the original stated purpose was achieved (for example: developing friendships amongst mothers with young children, supporting social inclusion).

This can then be reversed to help Libraries Unlimited understand one way in which they are achieving this purpose:

Impacts on social inclusion, Development of friendships and Social development of young children....

occurred because....

[quantifiable number of] bounce and rhyme sessions...
.... attended by [quantifiable number of] parents with babies and toddlers.

Using causal sequences, leaders of Public Service Mutuals can identify the conditions (in terms of resources/investment) needed to ensure the final longer-term outputs/impacts by in terms of what it takes to run the noted activities over time. In the case study above, this might include room/venue running costs, staff time, and event promotion costs – all of which help to build a persuasive case regarding the Public Service Mutual's running cost and expenditure. In this way, it helps to connect the 'social value' achieved by a Public Service Mutual to the 'financial value', in terms of funding required to sustain it.

Capturing all the ways a Mutual enacts its core values in this way, over time, can be a time-consuming process. But it is recognised by funders such as the National Lottery Fund as a robust and rigorous approach to evidencing impact and justifying expenditure.

What next?

Try the following workshop to help your staff and stakeholders understand the link between the organisation's purpose and its everyday activities.

B.1 VALUES Workshop Guide: Making Values Meaningful: Connecting values to everyday practice. A Logic pathways workshop for all staff and stakeholders.

You might also like to explore these free resources:

The 'Theory of Change' website is a useful resource for any organisation looking to enhance its understanding of this technique: http://www.theoryofchange.org

Brouwers, J. and Van Vugt, S. (2013) ToC Notes 2: How to facilitate a ToC process and help to develop ToC capacities? A reflection note coming from the Hivos-ToC Action Learning Group. http://www.theoryofchange.nl/sites/default/files/resource/toc_notes_2_how_to_facilitate_a_toc_process_and_help_to_develop_toc_capacities.pdf

Kail, A and Lunley T (2012) Theory of Change: The Beginning of Making a Difference.

Available at: https://www.thinknpc.org/publications/theory-of-change/

Rogers, P. (2014). Theory of Change, Methodological Briefs: Impact Evaluation 2, UNICEF Office of Research, Florence. Available at: https://www.betterevaluation.org/en/resources/guide/theory_of_change

Starr, L., 2017. Theory of Change: Facilitator's Guide. Washington, DC: TANGO International and The Technical and Operational Performance Support (TOPS) Program. http://www.fsnnetwork.org/sites/default/files/theory_of_change_facilitators_guide_revision_.7.17.pdf

Taplin D and Clark, H. (2012) Theory of Change: The Basics. Actknowledge Inc. http://www.theoryofchange.org/wp-content/uploads/toco_library/pdf/ToCBasics.pdf

A.4 VALUES: Building your organisation's reputation in line with its stated values

Your organisation's reputation refers to how your organisation is perceived internally and externally by stakeholders. Crafting and refining the reputation of your Public Service Mutual requires deep thinking about:

What does your organisation stand for?
What does your organisation represent, what is important to it?

How is your organisation is understood – and by whom?
What communities recognise you, and with which groups do you need to build recognition?

How does your organisation project its core values?
Reputations are often made and broken by people's actions. Therefore, aligning their organisation's actions with its promises is a critical test for managers. But how can leaders ensure that there is no gap between what the organisation is saying in the outside world, and what people believe inside the organisation? Managers of Public Service Mutuals face an additional challenge: the uncertainty that comes with a new organisational form.

This section of the toolkit provides insights, based on academic research and managerial experience, on the management actions that build an organisation's reputation, based on aligning organisational values with employee behaviours. Staff can assist in the differentiation of an organisation from its rivals, since the public increasingly expect to know about the organisation that stand behind the services provided to them. Employees, particularly in service-facing organisations like Public Service Mutuals, are increasingly recognised as an organisation's most important asset for building a favourable reputation.

Studies show that successful organisations place great emphasis on their values where they underpin their vision (McDonald & Gandz, 1992; Sørensen, 2002). In this vein, organisational values potentially impact on an organisation's reputation, however the power of values lies in how they are applied and espoused (Dalton, 2006). Research also shows that values-based organisational behaviour is no longer a philosophical choice but a requisite for survival (Blanchard and O'Conner, 1997). This suggests that a Public Service Mutual must know what it stands for and on what principles it will operate in order to be successful in achieving desired outcomes and to present these convincingly to stakeholders. The capacity of organisational values to create desired organisational outcomes depends on the degree to which such beliefs are shared by employees, clearly articulated, effectively communicated, and integrated into the organisation's daily practice (Kitchen et al., 2013).

Professor Will Harvey, a leading scholar in the field of organisational reputation at the University of Exeter Business School says, '

> **By helping your employees to recognise and enact the values associated with your organisation's vision, you can align your organisation's multifaced reputation with its stated purpose.**

In this section, we identify two important tools used for building your reputation through staff engagement practices.

Reputation Tool 1: Aligning human resource management practices with organisational values

Staff are an important asset in managing any organisation's reputation. By incorporating the human resource management department in the reputation management process, leaders can embed their organisational values across the range of practices which shape and develop the employee experience. This provides staff with opportunities to familiarise themselves with, and enact values in ways that will impact on how the organisation is perceived internally and externally (reputation).

Recruitment and Selection plays a major role in the reputation management process: it conveys important messages to would-be employees about your organisation's priorities and ways of working and for this reason, we incorporate 'recruitment' into our Values Diagnostic in part B2.

For Public Service Mutuals, values-based recruitment and selection might incorporate a focus on individuals who are familiar with, or to some extent comfortable with the 'hybrid logic' embedded in public service mutual activity and explored in section A.1. This requires:

- Clarity about the image that is projected to prospective employees
- Care in selecting people who fit the values their organisation aspires to stand for.

Training and appraisal schemes can also be aligned with organisational values in ways that enhance reputation. Objectives, appraisals and working schedules can encourage behaviours that fit the reputation of the organisation. In this sense, organisations should avoid a sole focus on hard financial measures evaluating an individual's performance. Instead, values-based performance review measures might incorporate team-based, cross- organisational performance, and human characteristics that reflect organisational values over the long-term, rather than merely focusing on short-term financial requirements.

In order to ensure that the organisation is internally projecting values that are consistent with its desired reputation, organisations need to align both internal communication activities and human resource management practices with its values.

Reputation Tool 2: aligning internal communication with organisational values

A second area of focus for reputation-building is through internal communications. This is an important tool to ensure consistency across internal and external perceptions of the organisation. Clearly defining and communicating the organisation's values internally can encourage employee identification with the organisation's identity (how it sees itself) and enhance commitment, enthusiasm and consistent staff behaviour in delivering the core values and organisational objectives (De Chernatony, 1999).

Internal communications mechanisms are vital leadership tools, particularly during times of intense organisational change. However, although staff are an important asset in managing organisational reputation both internally and externally, the consistency of internal communications is not always given careful consideration. In this section, we offer some guidance for crafting and maintaining your reputation through internal communications, during a potentially challenging phase for staff and stakeholders.

1. Treat staff like any other audience – thinking carefully about the consistency and timing of internal messages as you would for other stakeholders. As multi-stakeholder environments, it makes sense to consider staff as a key stakeholder in the success of your mutual, and to engage with them as such.

2. Engage Staff in the creation and amendment of organisational values. Staff are more likely to believe that they can live up to the projected organisational values if they are involved in the creation and amendment of organisational values. You can achieve a lot by talking and listening to staff, designing specific activities and processes through which their views are incorporated back into the values and vision. This is an important part of employee-ownership models, yet research indicates that feedback opportunities for staff in Mutuals are sometimes limited to 'open door' policies and response via email (CIPFA 2017, Social Enterprise UK 2018).

3. Harness the power of story. Stories and examples are a valuable way to help employees recognise how organisational values can be enacted through employee behaviours. They can be especially useful in multi-stakeholder environments and in instances where a 'shift' in values or expectations might occur, such as the process of mutualisation. Using stories broadens awareness and understanding of the organisation's values and the types of behaviour that embodies them.

4. Make it two-way. Values tend not to be best communicated through a static and one-way communication channel like posters on the wall or newsletters. The focus should be on 'sharing' through involvement, encouragement, face-to-face communication with senior people of the organisation who 'walk the talk', and embody organisational values to set an example. In this toolkit we provide templates and guides to workshop events that can make a positive impact on staff and stakeholders, and build their passion for a different way of working within the organisation.

5: When addressing a change, such as the mutualisation process, or a shift in organisational values, answer two important questions:

- What is the problem with the status quo?
- What difference does this make to the way we work?

6: Remember that organisational culture is not homogenous. You might need to communicate differently with different groups in your organisation. The more involvement these different groups have in the design and revision of organisational values, the easier it will be for them to understand how they can be valued and support the organisation's goals - and reputation - through their behaviours.

A.5 STAFF DEVELOPMENT:
Shared leadership – harnessing networks to build leadership capacity

In this programme, we're defining leadership as

"

the capacity of a human community to shape its future and to sustain the processes of change required to do so.

(Senge et al 1999: 16)

The key premise of this definition is that leading and sustaining change are collaborative processes, and not enacted by a single 'hero-leader'. Senge's definition s supported by current scholarship on the role of social networks in leading and facilitating transitions in organisations. Increasingly, research articulates leadership as a relational endeavour that emerges through social interaction, as opposed to the sole property of individuals with certain leadership traits (Bolden et al 2011).

Relational approaches to leadership note that leadership must be both 'claimed' - individuals must identify themselves as leaders, and 'granted' – the capacity to lead must be granted or legitimised by others (De La Rue and Ashford 2010). In this sense, the capacities or skills of certain individuals are only one factor in establishing who emerges as a leader in any organisation – the ability of other members of the organisation to

recognise these individuals as capable of participating in acts of leadership is equally important. There is a growing recognition that developing individual, senior leaders should not be the sole approach in complex organisations where outcomes are dependent on 'social-relational' processes (Cullen-Lester, Maupin and Carter 2017: 130-131, Hawkins et al 2017). We need approaches to managing change which empower people to collaborate and relate to one another.

The challenge for Public Service Mutuals and other organisations is to build leadership capacity at a collective level, helping people throughout the organisation to recognise themselves and others as contributors to leadership activity. Baxendale (2018) identify a lack of capacity as one of the three key issues inhibiting partnership working in the sector. Mutuals can address this by building a community of practice of across the organisation, so that the ability of the organisation as a whole to influence and move activities forward is improved.

How social networks shape the capacity to lead

Here, 'social networks' refers to the inter-personal affiliations that every individual has at work, rather than technological networking sites like Facebook or formal 'organisational chart' style chains of command (Cross and Parker 2004). Research on the impact of social

networks emerges from the study of health and behaviour patterns: scholars identified that individuals' tendency to smoke, or to eat unhealthily, were strongly predicted by the behaviours of members of their social circle. In organisations, this stream of research, known as 'social network analysis' has shown that the nature of our relationships and ties with colleagues inform our experiences of work and our ability to be productive (Cross and Parker 2004).

The social network research indicates that an employee's attitude towards the transition to becoming a Public Service Mutual is likely to be informed by the attitudes and experiences of others in their social network. So too perhaps, is their sense of whether or not they see themselves as a leader, and their perception of how easily innovative ideas can be enacted.

How to harness leadership capacity through social networks

Existing research (Social Enterprise UK, 2018: 10) suggests that 85% of Public Service Mutuals report a 'more engaged and happier' workforce as a result of easier decision-making, and reduced bureaucracy'. An engaged workforce can be one of a Public Service Mutual's greatest strengths, yet the most common approaches to engagement are feedback via email, and 'open door' policies between employers and leaders (ibid). These

are valuable mechanisms, but they do not necessarily make the best use of the social networks through which innovation and productivity can spread.

By understanding how perceptions and behaviours evolve over time across social networks, organisations can apply more precise, targeted leadership development activities, which Cullen-Lester, Maupin and Carter (2107:133) suggest can take three forms. These are outlined below, together with quotes from our own research participants, who articulate how a collaborative approach to developing leadership capacity has impacted them:

1. Developing individual social competences (like the two leadership competencies identified in A2).

"I definitely feel much more confident to contribute… and I definitely feel…that I have a voice and it use it probably 80% more than I did." #UnlimitedValue Research Participant

2. Helping individuals harness and develop their own effective network connections, and those of others

'[The programme] brought together quite a diverse group…and we formed very strong bonds.'

3. Build the capacity of groups and collectives, to harness their network power and create links to other external networks.

'I find I open things up to my team a lot more… I'll invite them to have an input, feed back, say what they think we could do to move things forward'

This capacity building activities are perhaps especially commensurate with the multi-stakeholder environment common to many Public Service Mutuals. Nonetheless, embedding a shared leadership culture can take time. The following suggestions can also help you embed leadership development in your organisation, in a way that focuses on building relationships, rather than building individual skills and competencies in isolation.

Moving Forward: Ideas, Hints and Tips:

• **Build Opportunities for Trust:** Trust is a key factor in helping members of staff feel comfortable around, and take ownership of, change (Van den Heuvel, Schalk and Van Assen 2015). Encouraging colleagues to learn more about one another can help people to feel more comfortable with change and enable them to work through conflict more easily. The 'Origins and Influences' technique set out in part B.4 is great for this.

• **Identify and develop key influencers:** these individuals will have the strongest ability to can champion your organisations' values amongst their social network and are likely to have the capacity to develop strong social value leadership competencies. We provide some further suggestions on how to develop 'Social Value Champions' (you could also call them Social Value Leaders) in sections A6 and B6-8.

• **Develop opportunities for staff members to have meaningful face-to-face contact** with key influencers wherever possible. You might give these individuals speaking roles at staff conferences where they reflect on their experiences as champions of organisational values, or invite them to help run 'taster' sessions where they introduce other staff members to social value leadership competencies.

• Signal influence opportunities through a staff forum or employee council, building both the opportunity to collaborate, and the perception that collaborative input from employees is valued by senior managers.

• Develop a 'leading together' newsletter, sharing individual successes, development opportunities, and responses to staff ideas and feedback. This could be an employee-led initiative, run in partnership with a Staff Forum or other representative group.

What next?

Explore how to create a network of 'Social Value Champions' in your organisation. What characteristics would you like them to have? What activities would you like them to undertake? Consider setting up a programme of activities for this network as set out in:

B.6. STAFF DEVELOPMENT Tool: Creating Social Value Champions. For senior managers.

To encourage understandings of shared approaches to leadership, try:

B.3 STAFF DEVELOPMENT Workshop Guide: Am I a leader? Identifying everyday leadership practice. For middle managers/lower grade staff.

Research Note: Social Networks and Innovation

Social networks are key 'idea drivers' - if the networks are set up and primed to support innovative thinking and practice. Perry, Smith and Manucci (2017) identified social network criteria that shape the four-stage journey from idea to innovation. These are:

Stage 1: Idea generation – requires 'cognitive flexibility', or the ability to conceive of things differently.
Stage 2: Idea elaboration – requires 'support' in the form of input from team members
Stage 3: Idea championing– requires 'legitimacy' and the capacity to 'sell' the change
Stage 4: Ideal implementation – requires shared vision and underpinning values

Different kinds of networks can be activated to support different stages of the 'idea journey'. For example, the authors discovered that for the first stage, idea generation, 'weak ties' (relationships with acquaintances) are more important than 'strong ties', or close relationships between colleagues. This is because weaker ties are more likely to offer a member of staff access to new information, in comparison to the stronger, closer relationships in which people are more likely to share the same worldview (Granovetter 1977).

A.6 STAFF DEVELOPMENT:
Action learning approaches to leadership development

Action learning is a collaborative leadership development method, designed to support learning through discussion of 'real-time' work challenges. It was developed in the 1940s by scientist Reg Revans, who believed that as 'people of action', managers themselves are best placed to help one another learn.

Action learning participants meet regularly in small groups of peers called 'sets.' Each member has the opportunity to share their current challenges and ideas with the group. Through a process of constructive questioning, the participants identify courses of action that help one another lead change in their organisation. This enables members to learn by reflecting on their own experiences, creating new understandings and testing these new assumptions in their own context, over time.

Action learning's record of delivering results is well-established. Many public and private sector organisations have embedded action learning in their training and development activities, including the NHS, Devon and Cornwall Police, Heineken, the Body Shop and the Eden Project. Their practicality and solution-focus is one of the most appealing aspects for participants:

> The action learning sets were extremely positive and extremely practical... I can use [the skills] all the time now.

(#UnlimitedValue Participant)

By meeting together regularly, participants in an action learning set build trusting relationships which are important sources of peer support. In this sense, it can be a useful network-activating approach, strengthening existing organisational ties or helping to develop new connections in support of innovation. Participants become familiar with the collaborative, 'shared' approach to leadership. In particular, this may enable participants to feel more comfortable with the transition towards becoming a Public Service Mutual. As this participant explains:

'[I] came into [the Action Learning Programme] feeling in some ways a bit negative about the big period of change we have been through... and I now feel a lot more positive about our organisation.' (#UnlimitedValue Participant)

Leadership Development through Action Learning

Every action learning set is different. However, it is a consistently popular leadership development method because it enables people to develop useful peer support networks, as well as to build their own leadership skills. Specifically, it helps groups develop solution-focused thinking and gives them techniques to advance the 'next steps' (Raelin 2006).

#UnlimitedValue participants explained: '[Action learning set techniques] really helped me with breaking down what I needed to do [for a major piece of recent work] putting it into a plan and working out who I needed to talk to.'

In our recent action learning sets with Libraries Unlimited, participants acknowledged the following benefits:
- A chance to resolve important issues that staff often don't have the time or space to explore with their colleagues
- The value of clarifying and open questions for everyday workplace interactions.
- An improved sense of connectedness to their organisation and their peers
- The value of a 'safe space' where difficult issues can be raised without judgement.

Increasingly, organisations are recognizing that leadership is a shared, collaborative endeavour. Action learning focuses on improving leadership interaction and practice over time, rather than on developing a set of isolated skills. Nonetheless our action learning participants recognised that their ability to
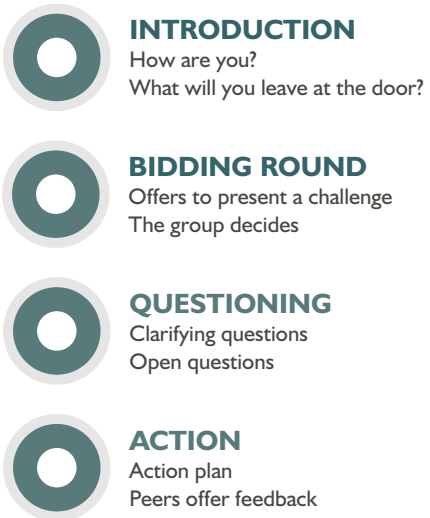
make change happen was improving in their workplace in the following ways:
- An ability to see an issue from multiple perspectives.
- An awareness of how to break down a complex task into actionable 'bite size' sections.
- A sense of their ability to act as agents of change.
- An improved ability to tackle 'un-speakable' issues, or those which are saved for 'a rainy day'.
- Improved strategic thinking
- Improved confidence in the self as a leader.

How does an Action Learning Set Work?

Action Learning Sets meet every 4-6 weeks, for between 2-4 hours. Each meeting runs according to the same structure, set out here:

INTRODUCTION
How are you?
What will you leave at the door?

BIDDING ROUND
Offers to present a challenge
The group decides

QUESTIONING
Clarifying questions
Open questions

ACTION
Action plan
Peers offer feedback

The structure of an Action Learning Set.

1) At the start of a meeting, members update the group on how their own work is progressing. They are offered the chance to signal to the rest of the group if there are any issues they would like to leave 'at the door' (and therefore would not like to be questioned about).
2) Then, members decide who will share or 'present' a challenge to their peers. Once a member has been selected, this individual will share their issue with the group. This usually takes 5-8 minutes.
3) Their peers will first ask clarifying questions to gather specific detail on the challenge.
4) They will then begin asking open questions to help the member identify the next steps for taking action.
5) This often results in an action plan with S.M.A.R.T. (specific measurable, action-oriented, realistic and time-specific) goals. At the start of the next set, each member will share the actions they have undertaken since the last meeting.

What kind of challenges make 'good' topics for an Action Learning Discussion?
In the #Unlimited Value project, we found that participants began by discussing ideas that were specific to their own sphere of influence. However, after 6 months of working and meeting together, they were comfortable tackling more systemic organisational challenges together, such as identifying new ways to facilitate event planning and evaluation across the organisation.

Questioning Approaches
"I have found the open question technique invaluable; absolutely fantastic. It allows me to have challenging conversations in a really collaborative way, it's enabled me to open up conversations with people that I have previously found difficult."

Clarifying Questions
Clarifying questions are asked first. These questions can result in a yes/no answer. They help the presenting group member explain their challenge in more detail. They enable the peer members to understand specifics about the challenge and its context, and how the presenting individual feels about it. Usually about 10-15 minutes is given over to clarifying questions.

Open Questions
Open questions are asked after clarifying questions. These questions are open-ended. They help the presenting group member to decide on their next steps, to identify useful allies and to understand the obstacles and opportunities available to them. It's important not to ask leading questions at this stage. For example, instead of asking 'Do you think you should follow up with Anne about this?', you could ask 'Who else could you discuss this issue with?' This helps the presenting member take action and develop learning for themselves. This section usually takes much longer.

Helpful Clarifying Questions:
What is your deadline?
What conversations have you had so far about this?
How long has this been on your agenda?

Helpful Open Questions
Who can support your work on this?
What do you need to get done first?
Why do you consider to be the biggest obstacle?

Ground Rules: Commitment, Confidentiality, Trust

Action Learning's success depends on the relationships that develop between group members through regular meetings. The method requires a commitment by set members and facilitators to treat participants with respect, and to listening and engaging with one another's ideas. Members may use the AL set to discuss important and meaningful challenges that impact their life and work., so it's important to set ground rules around commitment, confidentiality and data protection that provide a foundation for trust amongst the group. Here are some suggested ground rules for participation in action learning meetings:

1. Commitment: Participation and Attendance
The biggest resource needed to run action learning meetings is usually time. Meetings where more than one challenge is discussed can last 3 or more hours. In the past, we have found it useful to set expectations at the start, for example: 'Please agree with the rest of the group that everyone will attend at least 5 out of 6 meetings.'

Moving Forward: Hints, Tips and Ideas

1. Consider focusing on tough challenges which are hard to progress. Often, these are viewed differently by different communities, and are defined as 'boundary objects' by Hawkins, Pye and Correia (2016). For example, the concept of 'social value' – what it represents, and how it can be enacted and measured by Public Service Mutuals – might be a boundary because it is understood, measured and acted on by different stakeholders in different ways.

2. Consider carefully the group that you bring together. For example:
- Do the group members have any conflicts of interest? If so, how will these be managed and mitigated?
- Are any group members directly responsible for line managing other group members? If so, how will you ensure that both parties feel comfortable in an 'open sharing' environment where potentially tricky subjects are discussed?

The same people should attend the meetings over time. This will allow relationships and shared leadership competencies to build over time. It will also ensure that action plans can be followed up, resulting in more progress over the course of meetings.

2. Confidentiality
It is common for action learning participants to share experiences, plans or challenges that are of personal significance to them. Members should be discouraged from sharing or discussing meeting content at other times, unless they have the express and informed consent of the participants involved.

3. Trust: Empathy and Listening
Action learning meetings focus on addressing and working through challenges experienced by participants. These challenges often have a huge impact on their work and life. This can make action learning meetings quite intense – people are sharing views on things that matter greatly to them. Remind participants to treat these confidences carefully – being good at action learning is more often about listening than about talking.

3. What is the purpose of your set? Do you want to use it to support members who might otherwise not meet one another? Or would you prefer to use it to develop collaborative practice in an existing team? This might help you identify not just the members of the set, but how they meet (virtually, travelling to different locations, or in the same place each time).

What next?
Consider how you will encourage people to participate in action learning sets using the following resources:

B.6. STAFF DEVELOPMENT Tool: Creating Social Value Champions. For senior managers.

B.7 STAFF DEVELOPMENT Checklist: Setting Up Action Learning Sets. A guide for Facilitators/ Managers.

The following is a useful resource for to help people follow the Action Learning process.

B.8. STAFF DEVELOPMENT Tool: Action Learning Prompts. For all staff, including Social Value Champions.

A.7 STAFF DEVELOPMENT:
Managing stakeholder relationships / governance

Non-profit and public service organisations operate in complex environments and face various types of accountability, including legal, professional, and an obligation to preserve and serve the public good. Consequently, they are subject to the expectations of multiple stakeholders, such as formal authorities, as well as the media, general public, peer agencies, donors, funders, referral agencies, government officials, volunteers, clients and participants. For executive directors and staff, the board of directors is an additional stakeholder.

This section of the toolkit explores who 'counts' as a stakeholder. It also provides guidelines on how Mutuals can manage and govern stakeholder relations in order to promote perceptions of organisational effectiveness, and guide managers on how to create and distribute value amongst organisational stakeholders over time to ensure organisational sustainability.

What – or who – 'counts' as a stakeholder?

According to Freeman, a stakeholder is "any group or individual who can affect or is affected by the achievement of an organisation's objectives" (1984: 46). Here, we follow a broad definition so that no stakeholders, potential or actual, are excluded from analysis.

Narrower views of stakeholders are based on the practical reality of limited resources, limited time and attention, and limited patience of managers for dealing with external constraints. In general, narrow views of stakeholders attempt to define relevant groups in terms of their direct relevance to the organisation's core economic interests. Narrow definitions of stakeholders are often based on the need to seek a "normative core" of legitimacy, so that managers can be advised to focus on the claims of a few legitimate stakeholders.

For example, stakeholders could be defined in terms of:
• their necessity for the organisation's survival, Clarkson (1995)
• the 'moral claim' that they have on the organisation's activities (Wicks, Gilbert, & Freeman, 1994)
• how they are impacted by the harms and benefits of the organisation's actions (Donaldson & Preston, 1995).

In contrast, a broader view of stakeholders acknowledges that organisations can be affected by almost anyone. This is bewilderingly complex for managers to apply. According to this view, the ultimate aim of stakeholder management practices, is organisation-centred or system-centred. In other words, managers might wish to know about all of their stakeholders for organisation-centred purposes of survival, economic well-being, damage control, taking advantage of opportunities, "doing in" the competition, winning friends and influencing public policy, coalition building, and so forth. Or, in contrast, managers may wish for an exhaustive list of all stakeholders to ensure a fair balancing of various claims and interests within the organisation's social system. Both approaches require a broad knowledge of actual and potential actors and claimants in the organisation's environment.

Another crucial point leading to the comprehensibility of the term "stake" is whether an entity can be a stakeholder without being in actual relationship with the firm. We suggest that the potential relationship can be as relevant as the existing relationship. This can be particularly important in the context of an organisational crisis. For example, a potential relationship could be non-existent before a crisis but salient during a crisis.

Managing stakeholder relationships to promote perceptions of organisational effectiveness

Strategic management of stakeholders entails not merely responding to stakeholders but guiding stakeholders' expectations and their evaluations of organisations. By aligning stakeholder expectations with the organisation's values, missions, and capabilities, organisations enhance the likelihood of being perceived as responsive to stakeholder needs and the public interest, and therefore as effective organisations. Therefore, stakeholder management and governance are tied into an organisation's reputation.

It makes sense for Public Service Mutuals to adopt a consistent approach in dealing with stakeholders. Consistency increases predictability and decreases stakeholder

uncertainty about the organisation. When the organisation subsequently acts in a way that stakeholders expect, it will more likely be perceived as accountable and responsive and therefore will be evaluated as more effective.

Whilst consistency matters, organisations that are consistent in their rationale but act in ways that violate expectations of serving the public trust and the public interest may still be regarded as ineffective. In short, stakeholder groups are not isolated from one another; they are embedded in communities in which stakeholders communicate directly or indirectly with each other, without the organisation itself acting as gatekeeper of that communication. These ties facilitate communication about perceptions of organisations across the various stakeholder groups.

This is important because stakeholders of Public Service Mutuals exist in an interconnected network. By maintaining consistency in their relationships across stakeholder groups, the information exchanged among stakeholders about the organisation may appear more congruent.

### Research Note: Managing your organisation's perception by stakeholders

Opinion differs over whether overt image management is a useful tool for non-profit organisations. Tassie, Murray, and Cutt (1998) suggest that since stakeholders use different criteria for assessing effectiveness, non-profit organisations may find it useful to learn about the criteria each evaluator uses and then present the image of the organisation that is appropriate for the situation. In contrast Deborah and John (2005) suggest that the effectiveness of overt image management varies depending on context. It may be more effective in a setting where there is little interaction among stakeholders. However, in an mutual environment where stakeholders come into contact with each other in a variety of contexts (such as a public service mutual context), acting as an 'image juggler' may foster the exact opposite result of what was intended: instead of being perceived as meeting criteria for effectiveness, the organisation could be seen as duplicitous, with little accountability.

A 'value' based approach for managing stakeholder relationships

Stakeholders of Public Service Mutuals may have different and often conflicting definitions of a successful outcome of a service, or what counts as 'social value'. To add another level of complexity, users might also be receiving services from a number of different organisations. In this case, the relationship is not a simple dyadic one but is rather dependent upon relationships between the user, a network of organisations, and possibly also their family and friends. Some users inhabit the dual role of being both the users of public services and citizens with a broader, societal interest, in the outcomes of public services.

Accordingly, it is essential for Mutuals to move beyond the transactional approach and take a relational and informed by 'public service dominant logic' (see section A1) approach that focuses on external value creation rather than internal efficiency alone (Osborne et al., 2013). This means that the traditional short-termism and product-dominant basis of the non-profit sector is counter-productive to their survival of a public service deliverer.

The following framework on Public Service Organisations by Osborne et al. (2015) can inform public service mutual managers about how an organisational entity creates and distributes value amongst its stakeholders over time, and how it ensures its own sustainability into the future. The framework is based on seven elements/propositions. These overlapping elements are not constant for all Public Service Organisations – the balance will be different for different organisations, systems and service scenarios.
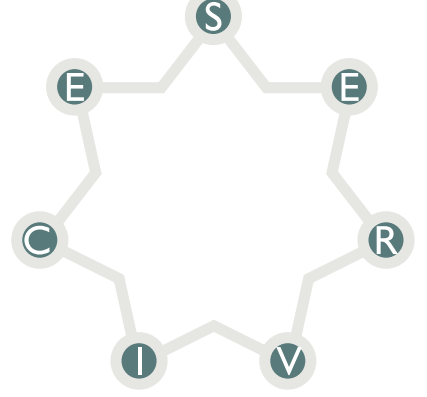
The seven-pointed SERVICE star of a sustainable business model for public service organisations. (Osborne et al 2015: 434).

Proposition 1: SYSTEM. Public services are systems, not just organisations and need to be governed accordingly. Aside from the organisations delivering public services, the system includes service users themselves, their families and significant others, local communities, for-profit and third-sector organisations, and hard and soft technologies. Any part of the system must learn how to interact with their other elements, in order both to be sustainable within these systems and to contribute to sustainable service systems.

Proposition 2: EMBED. Embedding organisational sustainability into practice in the short term

necessary, but not sufficient on its own for long-term sustainability. The sustainability of individual public service organisations is a precursor (albeit an essential one) to service system sustainability – which must be the ultimate goal. A key contribution of a public-service-dominant logic is to consider that organisational and service system sustainability are inextricably linked together. Together, Propositions 1 and 2 together indicate that the sustainability of a Public Service Mutual is only possible when it is embedded within a wider sustainable public service system.

Proposition 3: RELATIONSHIPS. Sustainable public service organisations focus on building long-term relationships across service systems, rather than seeking short-term transactional value. A systemic approach means that relationships are often the most valuable resource of an organisation, public or private, and that relationship management should focus on collaborative activity rather than rivalrous competition. This entails proactively creating, developing, and maintaining committed, interactive, and profitable exchanges with selected stakeholders over time. The emphasis is on producing 'relational capital' – the mutual trust, respect and friendship that arises out of close interaction at the individual level between alliance partners (Kale, Singh and Perlmutter, 2000; p. 218). This means that Mutuals should encourage individual staff to interact with policy makers, the staff of other public service organisations and service users.

Tip: Section B of this toolkit offers some workshop templates/guides that can encourage empathy and trust between individual stakeholders, and help them explore their shared and differing agendas.

Proposition 4: VALUE. Internal efficiency is necessary but not sufficient for sustainable PSOs – they also need to have an outward-facing not an inward-facing focus on (public) value. Following again from propositions 1 and 2, the organisation's efficiency only produces long-term sustainability of the system, when generating outward-facing 'value' to the external end-users of public services.

Proposition 5: INNOVATION. Sustainability depends on innovation to achieve service efficiency and effectiveness. Innovation can take many forms, including
• Incremental Innovation: through continuous development and improvement
• Evolutionary Innovation: the development of new services which complement the existing offer
• Expansionary Innovation: the geographical or industry expansion of existing services to new groups of service users
• Total Innovation: the creation of genuinely new forms of public services that address newly identified needs in novel ways (Osborne and Brown, 2011).

The for-profit sector increasingly employs open, collaborative, innovation to achieve commercial sustainability – particularly in the service sector where multiple service firms can interact within a service system. This is a useful insight for Public Service Mutuals. Not only does collaboration share the costs and risks of innovation, it also

combines the resources and knowledge of different firms to enhance innovative potential. There are three conditions for innovation to contribute to sustainable public service organisations and public service systems:
• Collaborative innovation should be externally focused to add value to the lives of service users rather than focused on internal efficiency alone.
• The service user and 'co-production' should be central to the innovation process (Skalen et al., 2014).
• Governance rather than management is the essence of innovation in intricate interactive service systems.

Proposition 6: CO-PRODUCTION. Co-production is the source both of effective performance and of innovation in public services A classic example of co-production, relevant to the Public Service Mutual sector, would be the experience of residential care in a residential home for the elderly. The managers of this home may have a vision of what care they want to provide, but the actuality of it is enacted in the iterative interactions between service staff and service users.

'Co-production' is therefore defined as the voluntary or involuntary involvement of public service users in any of the design, management, delivery and/or evaluation of public services. Service users do not 'choose' to co-produce or otherwise – it occurs whether they choose to or not, whether they are aware of it or not, and whether the public service encounter is coerced or not. However, co-production is likely to be more intensive in instances where 'consumption' and 'production' of the service take place at the same point in time, and with direct face-to-face contact between the service user and the service provider (such as a care home or a classroom).

This is an unavoidable element of public service delivery but it is not an automatically successful one. Service organisations can only 'promise' a certain process or experience – the actuality is dependent upon such co-production. If mishandled it can lead negative effects for external public value and public service effectiveness. Helping stakeholders understand one another and their perspectives in the 'service system' is important for ensuring effective co-production happens effectively.

The question is thus not how to 'add-in' co-production to public services, but how to enact it in a way that fits the mutual model and its stakeholders. We explain more about how stakeholder co-production relates to value generation in the following sections.

Proposition 7: EXPERIENCE A defining feature of service delivery is the transformation of 'knowledge' into a service experience. For public services, there are three sources of such knowledge:
• the technical knowledge of public service professionals,
• the 'sticky knowledge' of service users and
• the contextual knowledge of other key stakeholders in the public service delivery system such as carers, family members, trustees and members of the local community.

A framework for co-producing 'value' in public service delivery

Co-production is currently one of cornerstones of public policy reform across the globe (Commission on the Future Delivery of Public Services 2011; OECD 2011). It is articulated as a valuable route to public service reform and to the planning and delivery of effective public services, as a route to active citizenship (Department of Health 2010) and active communities (SCDC 2011), and as a means by which to lever in additional resources to public service delivery (Birmingham City Council 2014).

Osborne et al. (2016) indicate four ideal types of value that are co-created in public service delivery through iterative interactions of service users and service professionals. The framework clarifies how different types of co-production add value to public service delivery.

The vertical dimension of the framework incorporates the voluntary and involuntary elements of the public service delivery process. The horizontal dimension incorporates public services, both as entities in their own right (such as a residential home, a youth service or a library) and as part of holistic service delivery systems (such as community care facilities and activities or a local education system) (Radnor et al., 2014). This produces a four-quadrant typology of co-production which can 'unpack' the nested concepts of co-production.

Types of co-production in stakeholder environments. (Osborne et al 2016: 645)

		Locus of co-production		
		Individual service	Service system	Towards the co-creation (or co-destruction) of value
Nature of co-production	Involuntary	I: Co-production	III: Co-construction	
	Voluntary	II: Co-design	IV: Co-innovation	

How does your organisation engage in co-production?

Quadrant I: This is 'pure' co-production, where the user co-produces the actual service experience and outcomes (public value) with public service staff. An example of co-production in this quadrant would be patients undergoing a surgical procedure, elderly residents living within a residential home or students engaging in a learning environment. In this instance, value is created because the need of an individual or group is met through co-production.

This process is not voluntary – it may even be unconscious on the part of the service user. But it is intrinsic to the nature of a public service as a 'service' and actively engaging with the inalienable co-productive roles of service users can enhance the process and impact of public service delivery.

Quadrant II: This element, termed as 'co-design' and is about improving the performance of existing public services by actively involving the service user in their design, evaluation and improvement. Examples here would be
• Participating in a community regeneration scheme
• Designing packages of care for an elderly person living at home, where the elder user and their carer(s) are actively involved in the design of their own care process.
• Using service user feedback to improve overall service delivery, for example, in a day support unit for adults with mental health problems.

Co-design is a conscious and voluntary act, concerned with how to create capacity within public service delivery systems and to improve the design and delivery of a public service. Value is co-produced by designing a process that benefits society as a whole as well as meeting individual needs of service users.

Quadrant III: Here, the focus shifts to the service system rather than the service in isolation, to explore how the service experience integrates with the service user's overall 'lived experience'. This form of co-production results partly in their personal experience and satisfaction with the service, but also more fundamentally in how the service experience informs and is informed by their own life at an emotional and personal level. This is part of the service user's co-construction of the service system.

As an example, a young person receiving support from youth services will involuntarily bring their life experience to the process of service delivery. Simultaneously, the process of being within the 'social support' system will also co-construct their own life experience. The actual 'service encounters' might involve meeting youth workers at regular intervals– yet the individual's lived experience of the service would comprise the wider series of interactions between the individual and the care system and its broader impact upon their life. Key here are the 'emotional touch-points' between the service system and the service users.

Quadrant IV: Here, service users are involved actively and voluntarily not just in the improvement of existing service interactions (Quadrant II), but rather in the co-innovation of new forms of public service delivery within service systems. The focus here is not upon the service alone but upon how it is produced within the holistic service system and upon novel means to improve such service delivery. This builds the capacity of systems to resolve problems in the future.

An example might be a group of adults with physical disabilities working with commissioners and deliverers of services to generate innovative delivery models for future service provision that meet their needs. Another example specific to the United Kingdom could refer to the establishment and implementation of 'free schools', where parents join together to form a 'school' for their children, setting up a management structure and having oversight of the teaching.

Co-production therefore matters not only because it contributes to the impact and effectiveness of public services in real-time (Types I and II value co-creation) but also from the sense of well-being that results from this real-time activity (Type III co-creation) and from its potential to facilitate the evolution of individual and community capacity to respond independently to social needs in the future (Type IV value co-creation).

What next?

The co-creation of social value – by service users and other stakeholders - is fundamental to developing public services that are capable of not only addressing individual social, health and economic needs in the present, but also producing a broader, viable and effective contribution to society and in the future. This lies at the heart of the development of sustainable public services in the twenty-first century (Osborne et al. 2015). Therefore, it's vital to help members of staff and stakeholders in your Public Service Mutual understand how their role supports co-production in these different ways.

Section B of this toolkit provides several tools to help your Public Service Mutual explore and develop its stakeholder relationships. These include:

B.1 VALUES Workshop Guide: Making Values Meaningful: Connecting values to everyday practice. Logic pathways workshop. For all staff and stakeholders.

B.4. STAFF DEVELOPMENT Workshop Guide: Supporting multi-stakeholder facilitation: Origins and influences. For all staff and stakeholders.

B.5 STAFF DEVELOPMENT Workshop Guide: Supporting multi-stakeholder leadership: My world, your world. For all staff and stakeholders.

B.11 DATA Workshop Guide: Data Discovery Workshop. For all staff and stakeholders.

B13. STAFF DEVELOPMENT Diagnostic: Understanding Stakeholder Roles in Service Co-Creation. For staff and managers.

A.8 Starting the data conversation: a staff- and stakeholder-led approach.

Data transformation is the term given to the process of using data on an 'industrial' scale, to drive innovation and change across your organisation. Data analytics has had an especially transformative impact in the private sector, with organisations using data to inform decision making not just in relation to sales and marketing, but R&D, and supply chain management (Chen, Preston and Swink 2015). Whilst some of the most recognised 'data driven' organisations are found in the private sector, leaders in any sphere of activity can harness the power of data, to generate new insights and inform future practice.

The value of large-scale organisational data comes from not just using that data to interpret past events, but to put it to use in ways that shape the future. In this sense, returning to our leadership definition:

'the capacity of a human community to shape its future, and to sustain the momentum required to do so'...

...data emerges as a valuable tool for leaders of Public Service Mutuals for three purposes:

Advocacy: Data can be used to support a narrative about the impact your Public Service Mutual has on its audience. For example, by incorporating figures about the 'meals on wheels' service it provides to its audience, a Public Service Mutual can illustrate how it response to a known community and social care need. Here, data is doing 'supportive' work, reinforcing the power of emotion-led story-telling.

"

Data can provide new insight and evidence to inform your toughest decisions. But numbers alone won't convince others. Good stories – with a few key facts thrown in – are what attach emotion to your argument, and... move people to action".

(Nick Morgan, Communications Consultant, 2014)

Performance: Data can identify potentially causal relationships, which can be used to determine future investments, identify new opportunities and refine operations, all of which can feed back into the social and

financial value of your mutual. For example, a Public Service Mutual can link its 'meals on wheels' data to existing data sets about social care, nutrition poverty, loneliness and so on to identify additional communities in need of support, streamline delivery services, and evidence a social impact.

Service Improvement: Data can support meaningful interactions between the service user and organisations delivering public services. Professor Navonil Mustafee, one of the creators of the 'NHSquicker' app in Case Study 1 (below), says

"For organisations engaged in the delivery of public services, it is important to consider how existing data can be transformed in novel ways for public consumption. One of the objectives could be to generate actionable insights which help users make decision choices that have an overall effect on the system."

Professor Mustafee's work is an example of how data driven public service delivery can transform organisational operations and the user experience. In particular, by 'nudging' service users to change their behaviour patterns, sharing data can lead to operational efficiencies as well as generate new and important understandings for organisations.

In this section, we set out three different levels for integrating data analytics into organisational processes, and two ways to begin the 'data journey'. We follow this by noting some of the challenges, and finish with some research-informed recommendations for how any Public Service Mutual might start 'the data conversation'.

Approaches to Embedding Data Analytics In Your Organisation
One of the most well-known, global studies into implementing data analytics was published by LaValle, Lesser, Shockley, Hopkins and Kruschwitz (2011). They found that top performing organisations were almost 5 times more likely to engage in large-scale data analytics than their competitors. These researchers identified three levels of capability, each of which brought different opportunities and challenges.

Level 1: Aspirational Organisations
Aspirational Organisations use data in a non-systematic and retrospective manner to justify their actions (LaValle et al 2011). Revenue growth takes second place to cost reduction as a motivating factor. Organisations at this

level of capability find that cultural issues are the biggest hindrance to implementing more rigorous and systematic approaches.

Your Public Service Mutual is an aspirational organisation if you:
✓ Look back at service user data to evaluate performance
✓ Adopt an ad-hoc approach to using data
✓ Aren't sure how to leverage your data to generate social or financial value.

Level 2: Experienced Organisations
Experienced Organisations adopt a more robust approach to analysing data (LaValle et al 2011). They are beginning to use data in ways that inform decision making on product or service development – to guide their actions. In experienced organisations, the opportunity for revenue growth take over from cost reduction as the key motivating factor. Some cultural issues to more widespread implementation remain: insights from the data may not be shared widely in the organisation, and there may be a lack of clarity over data ownership or governance.

Your Public Service Mutual is an experienced organisation if you:
✓ Incorporate data into business development decisions
✓ Have some individuals with 'data expertise' in certain parts of your business.
✓ Aren't sure how to share or regulate the use of your organisation's data

Level 3: Transformed Organisations
Transformed Organisations lead the way in embedding data insights (LaValle et al 2011). These organisations use data to determine future practice – to prescribe actions. Revenue growth remains a key incentive, but a further incentive is the use of data analytics to target specific market segments and build better relationships with new and existing customers.

Your Public Service Mutual is a transformed organisation if you:
✓ Use data to justify and guide actions as per aspirational and experienced organisations.
✓ Also use data systematically to determine future strategies and differentiate your organisation from competitors
✓ Are able to aggregate and synthesise insights from different sources of organisational data.
✓ Regularly share your insights with service users, stakeholders and others.

Case Study 1: NHSquicker – a data analytics solution for urgent care

The University of Exeter Business School have led the development of the NHSquicker data analytics platform for urgent care in Devon and Cornwall. The platform consists of a business intelligence dashboard, an underlying data standard, a content management system for web-services, app analytics and, its most visible element, the NHSquicker app. The solution has been co-developed with six NHS Trusts in the South West of England as part of The Health and Care IMPACT Network founded in 2016.

The NHSquicker app is designed for use by patients in need of urgent care. The app uses the underlying data analytics platform to provide users with near real-time data on waiting times from over 20 centres of urgent care, including A&E departments and Minor Injury Units. The app is integrated with the NHS Directory of Services (DOS) and this helps provide up-to-date information on alternative healthcare services (e.g., pharmacies, dentists, sexual health clinics) that are in close proximity to the users. The objective of the app is to shape demand for urgent care by nudging patients that do not need to be treated in A&E departments to alternative centres of care.

Screenshots from the NHSquicker app.

The 'digital nudge' is provided by combining current wait time with travel time, and listing the services based on the total time. A&E departments tend to be very busy, and by suggesting alternative centres of care that may be further away but with a lower wait time, the app tries to influences A&E attendance behaviour. This helps patients with non-life threating injuries to be seen quicker at an appropriate health facility. Further, this diversion of demand may contribute towards reducing overcrowding in A&E departments and help balance demand for urgent care network in a catchment (this usually consists of one A&E department with multiple minor injury units).

This project brings together many of the facets of a well-designed implementation of a data analytics platform:
✓ It focuses on specific audiences:
• NHSquicker app is targeted at urgent/primary care NHS users.

• NHSquicker dashboard is for use in A&E/MIUs and helps the Trusts get the overall picture of the urgent care network (this can be used for redirection of patients).
✓ For each category of audience, it has well-defined goals:
• For users, the need to be treated at an appropriate facility (based on their condition) and as soon as possible.
• It addresses a very specific organisational need (to reduce waiting times at A&E departments and urgent care units and meet the 4-hour target).
✓ It integrates data from healthcare organisations (e.g., NHS Directory of Services and wait time data), data from other providers (Google real-time traffic information), and user-specific data (user location and preferred mode of transport) to offer personalised suggestions (nudges) on the appropriate places of treat.

You can download the app and find out more here: https://www.nhsquicker.co.uk

How to begin the data journey? Two approaches

1. 'Quick wins' – opportunities which do not require a systematic overhaul of data capture, storage or analysis.
• Focused on a small part of the organisation's activity, or a specific project with a fixed deadline. NHSquicker app in Case Study 1, above, is a good example of this (its main focus is on urgent care).
• For public service mutuals, such 'low hanging fruit' might incorporate an analysis of social media engagement, or to recording the impact of a project on a particular audience.
• Rapid digitization of easily manageable projects can quickly boost performance and resulting in a 'proof of concept' (Gourévitch, Faeste, Baltassis and Marx 2017: 3) convincing more reluctant members of staff that engaging with data can pay off. NHSquicker from Case Study 1 is an example of this. The work started with the university working with one NHS Trust; this could be seen as proof of concept. NHSquicker now receives data feeds from all five acute Trusts in Devon and Cornwall.
• Enables managers to build of capacity and expertise in support of a more systematic approach to using data. The 'data discovery day' discussed in our second Case Study, Libraries Unlimited, is a good example of this.

2. 'Values-Led' – Whilst quick wins can help push the conversation forward, a systematic and long-term approach requires a more careful engagement with the organisation's values and sense of purpose.
• Creating an iterative relationship between 'values' and 'data' – whilst values inform where the organisation focuses its digitization efforts, the data captured can then feed back into stated aims and values, so that practice is genuinely 'data-led'. By incorporating stakeholders into the development process (see Case Study 2) leaders of public service mutuals can integrate values and data consistently.
• Provides a solid and consistent foundation for understanding data governance and usage, which can inform conversations with stakeholders and commissioners.
• Enables development of a data infrastructure across the organisation's services, and workforce planning to enable appropriate training and recruitment in data expertise. In Case Study 1, the NHSquicker platform is an example of a data infrastructure which feeds the NHSquicker app. The platform is centralised and received data feeds from live NHS patient flow systems.

Capturing the Data Conversation in a Data Discovery Workshop

Challenges to Embracing Data Analytics

1. Organisational Culture

Surprisingly, the biggest obstacles to systematic data analytics may be cultural rather than technical (LaValle, Lesser, Shockley, Hopkins and Kruschwitz 2011). Leaders often cite:

- Uncertainty about how engaging with data may improve business outcomes
- Lack of management capacity to juggle operational priorities
- Uncertainty about data ownership and governance
- Lack of conviction that using data will make a difference to organisational performance.

2. Unstructured Data

According to Gandomi and Haider (2015), 95% of 'big' organisational data is unstructured, meaning it is collected and stored in an unsystematic or heterogeneous way. This makes the data hard to analyse: it may have to be homogenised and 'cleaned up' before leaders can interpret and apply insights effectively. As a result, discussions about data-driven decision making require managers to think about how this data is captured in the first place.

Designing consistent data capture processes that can be used to understand the impact of a service or intervention is an important step in ensuring the data is 'clean' enough to be used reliably. Hauser and Lucer (2015) recommend conducting a 'data audit' which helps you identify all the organisational data you'll need to address a specific issue, and what state it's in.

3. Data Ethics

A final challenge identified through our research centred on the ethical use of data, especially in relation to service users. Concerns about data ethics took two forms:

a) Concern on the part of stakeholders that they were adequately informed over how their data was held and used.
b) Concern on the part of managers that they were compliant with regulations such as the GDPR (General Data Protection Regulations), which came into effect in May 2018.

"Not all costs associated with data collection are financial. Managers must consider and weigh the legal and ethical implications of their data collection and analysis methods." Li, Kassengaliyeva and Perkins (2017: 41-42)

It takes time to work through these ethical concerns. A good way to start doing this is by beginning a 'data conversation': creating opportunities to share and discuss working with data, and to incorporate stakeholders and members of staff into the discussion.

Starting the Data Conversation.

Cultural inexperience, concern over ethics and the lack of systematic approaches to gathering and interpreting data can make it especially hard to 'start the conversation' about how to engage with data in your organisation. In some cases, this can mean that managers are not sure what data is collected, how it is stored, and how it relates to other important sources of information, both within the organisation and outside it through publicly available resources. Open Data sources are important resources for organisations with a social mission, who must demonstrate how their service meets a recognised social need. The following two case studies (below) offer examples of how organisations can begin a conversation about data, and implement a prototype idea in support of a social need.

❝

the impact of public services is poorly understood... As public sector budgets get ever tighter... it is increasingly important to know what is making a difference in communities so spending can be better targeted... Open data holds part of the solution to this situation, because calculating impact is not helpful unless it can be done in the open.

Martin Howitt, Open Data Institute, 2017

Case Study 2: The Data Conversation: Libraries Unlimited, the University of Exeter Business School, RIO and ODI Devon

"...the impact of public services is poorly understood...As public sector budgets get ever tighter...it is increasingly important to know what is making a difference in communities so spending can be better targeted... Open data holds part of the solution to this situation, because calculating impact is not helpful unless it can be done in the open." Martin Howitt, ODI Devon, 2017.

In partnership with Libraries Unlimited, RIO and The University of Exeter Business School, the Devon Node of the Open Data Institute (ODI Devon) developed opportunities to engage commissioning bodies and other key stakeholders in conversations about library users' data.

The initial aim was to create a 'data first' culture: whilst not everyone in the organisation and wider service system (see section A.7) needs technical expertise, an ability to engage with how data might inform practice is important (Gourévitch, Faeste, Baltassis and Marx 2017). Data conversations enable people from different functional areas or stakeholder perspectives to use data to inform their positions.

A second aim was to identify potential 'data partnerships' with other organisations or open source data sets that could be integrated to generate meaningful new insights for service users and the organisation itself. Once again, stakeholder and staff involvement are important here. Therefore, Martin Howitt, Simon Gough and Lucy Knight from ODI Devon designed two workshops to kick-start stakeholder and staff engagement in the 'data conversation'.

A 'data discovery day' – understanding the data to which Libraries Unlimited already has access, the data the organisation like to access, and what it could tell staff and stakeholders.

A 'data prototyping day' – developing initial ideas about how to use data. Prototypes enable the organisation to try out first thoughts, and importantly to 'fail fast'. Usually they are developed at low cost, and applied to a single sector or area of the organisation. In organisations with entrepreneurial or creative mindsets (Read, et al 2017), prototyping enables important learning to be applied to longer-term more expensive projects.

These workshops require no technical expertise – and could be implemented in any public service mutual. You can find out more about this approach by visiting the project blog here: http://blogs.exeter.ac.uk/unlimitedvalue/

...and by reading the Discovery Workshop Report here: http://blogs.exeter.ac.uk/unlimitedvalue/files/2017/05/2017_03_28_Data_Discovery_Day_Report_small.pdf

ODI Devon's workshops are based on approaches they use as part of The Data Place. They've written about them here: https://medium.com/thedataplace/tools

You can read more about The Data Place's toolkit here: https://thedata.place/tools/

What next?

Try the following workshop to ignite the data conversation in your Public Service Mutual:

B.11 DATA Workshop Guide: Data Discovery Workshop. For all staff and stakeholders.

Investigate these useful organisations helping communities explore data:

The Open Data Institute: Founded by Sir Tim Berners-Lee and Sir Nigel Shadbolt to help organisations and governments develop and harness data in ways that benefit everyone. The ODI has different regional 'nodes' or franchises that support its purposes through training and development, developing networks of people interested in open data, and promoting best practice.

www.theodi.org

The Alan Turing Institute: National Institute for Data Science and Artificial Intelligence. Operates many industry partnerships with SMEs through to multinational organisations. The Alan Turing Institute organises regular 'data dives' or study groups which connect organisations with data experts to develop proof of concept and connect individuals with shared interests.

www.turing.ac.uk

A.9 What happens next? Leadership challenges at different stages of the Public Service Mutual Journey

'Spinning out' from a local authority, and evolving in both organisational form and in institutional logic (see section A.1) present unique leadership challenges which play out at different points over – and after – the life cycle of a commissioned contract.

Over three phases in the contract life cycle, different leadership priorities emerge within Public Service Mutuals. Every organisation is different, and perhaps for yours, these challenges will emerge at different times, especially where your commissioned contract(s) is/are of longer or shorter duration. Nonetheless we hope this section of the toolkit can act as a prompt to undertake certain leadership actions at different points of the journey, particularly in relation to staff development. Like the rest of this toolkit, they are aimed not just at building your own leadership skills, but at building leadership capacity in the organisation as a whole.

> " Constantly reviewing the skills and behaviours of the team and looking for the next people who are ready for promotion, developing them and giving the individuals identified personal development opportunities is key including just saying thank you!
>
> This is the time to look at business sustainability. If the main contract was removed, could your business model still hold up? This includes diversifying business streams and focussing on cash flow.

Tracey Bush, CEO of Spiral Health, has two key suggestions for this stage of development

Stage 1: Pre-Transition

At this stage, leaders often focus on the technical elements of a 'spin-out': what procedural hoops must be jumped through, in order to achieve 'live' status as a Public Service Mutual. These include creating a convincing business plan, identifying cost savings where possible, and defining the vision and core purposes of their future organisation. These activities are covered an 'Introduction to Alternative Delivery Models Toolkit' created by Mutual Ventures and four Public Service Mutual libraries, which you can find here: https://www.gov.uk/government/publications/libraries-alternative-delivery-models-toolkit/introduction-to-alternative-delivery-models-toolkit

Equally important however, is managing the human side of change. Leaders of Public Service Mutuals who have experienced 'spin out' emphasise the importance of creating opportunities for staff members to understand the reasons for the change.

Research on change processes such as organisational mergers indicates that the time between the announcement of a planned change, and before staff have a chance to understand the real consequences for their own work, is especially precarious for employees.

Therefore, staff engagement processes should develop understanding about the Mutual form and engage staff as co-creators of the future shape and practice of the organisation. Research indicates that a sense of ownership or employee involvement can improve employee readiness for change, making participative, workshop-type activities an important way to engage staff and gather front-line support for mutualizaton (Social Enterprise UK, 2018). In particular by providing reassurance about continuity – that is, by showing that on some level, the organisation's purpose or identity will remain the same, leaders can help individuals feel prepared for and able to cope with change (Venus, Stam and Van Knippenberg 2018).

RECOMMENDED ACTIVITIES FROM SECTION B

B.4. STAFF DEVELOPMENT Workshop: Supporting multi-stakeholder facilitation: Origins and influences. This workshop for staff and stakeholders can help participants understand the roles that difference stakeholders in the governance model can play, and to recognise the expertise that each member brings to the team. In our experience, it works to build trust and empathy at the start of new relationships.

B.1 VALUES Workshop: Making Values Meaningful: Connecting values to everyday practice (logic chains development). Aimed at all staff and stakeholders, this workshop can enhance the organisation's 'core purposes', linking them more clearly to practice and adopting a more collaborative, shared approach to values-setting.

B.9. STAFF DEVELOPMENT Workshop: Public Service Mutual logic: ambiguity and opportunity. This workshop will help members of staff understand the unique character of public service mutual activity.

These workshop activities can be designed to last an hour or two, but the difference they can make in the sense of ownership and voice is likely to last far longer. They can be implemented separately, or together in a staff 'development day'. They can also be opportunities to call staff to action on specific issues.

Stage 2: From Going 'Live' – Year 3

Even before a Public Service Mutual goes 'live', leadership capacity at the top is likely to be stretched. The challenge for leaders in the first two years is to empower staff throughout the organisation and as we explained in A.5, to create networks of committed individuals who can each shape the understanding of those in their communities of practice. A particular area of importance is on the 'social value' creation aspect of any Public Service Mutual activity.

This is therefore a good stage in which to harness the activities in this toolkit that support the creation of 'Social Value Champions'. These individuals can develop the capacity of others in their social network to shift away from a 'local authority' mindset, to a more entrepreneurial 'public service mutual' mindset. By communicating the investment in Social Value Champions, you can signal to your staff that firstly, they are recognised as capable of leadership, and secondly, that capturing and evidencing social impact is a vital part of your activity as a Public Service Mutual.

A further challenge relating to governance is to build links between commissioners, frontline staff, trustees, volunteers, funding bodies or any other stakeholder. Helping stakeholders understand their different perspectives is known to pre-empt conflict – which is much more straightforward than trying to reduce it once tensions emerge.

RECOMMENDED ACTIVITIES FROM SECTION B:

B.3 STAFF DEVELOPMENT Workshop Guide: Am I a leader? Identifying everyday leadership practice. The aim of this workshop is not to invert the leadership hierarchy, but to empower middle managers and lower grade staff to explore their spheres of influence, encouraging them to recognise their leadership potential.

B.5 STAFF DEVELOPMENT Workshop Guide: Supporting multi-stakeholder leadership: My world, your world. Similar to workshop B4, this activity helps to build insight and trust between staff and stakeholders who sometimes inhabit different 'worlds'. In this way, it can help to pre-empt conflict which can occur when people don't understand the reasons for differences of opinion.

B.6. STAFF DEVELOPMENT Tool: Creating Social Value Champions. This template helps leaders to recruit and select individual employees to participate in further leadership development activities.

B.7. + B.8. STAFF DEVELOPMENT: Challenge and Support Checklist and Action Learning Prompts Using this plan, social value champions can self-facilitate meetings informed by the action learning method described in A.6.

Stage 3: Year 3 +

At this stage, attention turns towards renewing your commissioned contract and/or even bidding to deliver additional services elsewhere. Here, we've recommended additional activities that focus on evidencing social value, embedding practices to support social value creation beyond the original network of 'Social Value Champions', and developing a sustainable succession plan will help support this process.

If organisational data is not yet part of organisational decision-making, now is also a good time to start the 'data conversation' discussed in Section A.8.

RECOMMENDED ACTIVITIES FROM SECTION B:

B.2. VALUES Checklist: Embedding values in performance and practice. This checklist will help senior managers identify how they can consistently communicate values associated with your Public Service Mutual's vision, using internal communications and HR practices.

B.8. STAFF DEVELOPMENT Action Learning Prompts These prompts will be useful in 'taster' action learning sessions, which could be delivered by Social Value Champions to other members of staff.

B.10 DATA: Data Discovery Workshop. This workshop for staff and stakeholders will help ignite the 'data conversation' in your organisation.

B.12 STAFF DEVELOPMENT: Succession planning checklist. This diagnostic will help you identify how prepared your organisation is to sustain its activities into the medium-longer term.

B.13. STAFF DEVELOPMENT Diagnostic: Understanding Stakeholder roles in Service Co-Creation. This tool will help staff and managers identify how stakeholders contribute to the provision of specific services, and to the wider network of relationships in the 'service system'.

B.1 VALUES Workshop Guide:
Making Purpose Meaningful

Connecting core organisational goals / purposes to everyday practice. A logic pathways workshop for all staff and stakeholders.

Workshop Objective: This workshop aims to begin a conversation around how everyday activities and interventions support organisational goals.

To show how constructing a series of logic models based on a 'theory of change' framework, can help organisations address their social purposes and can evidence their results.

Workshop Outcomes:
- Increased understanding amongst stakeholders of how everyday activities support the organisation's social mission
- Clarity on how to measure and evidence social impact
- Greater empathy and understanding amongst stakeholders, of how each stakeholder group 'sees' the bigger picture.

Participants: This workshop can be used with service users, trustees, commissioners and other stakeholders. Works with up to 25 participants in groups of 5.

Tools: Flipchart paper, marker pens, sticky notes list of stated, pre-defined organisational purposes, pledges goals or missions.

Facilitator Guidance
Organise the participants into small groups (roughly 4-6 with preferably a mix of stakeholders in each). Allocate a table to each group. Ensure each table has flipchart paper and pens, plus a list of the organisation's core purposes which will serve as a basis for discussion.

Examples of these purposes are found on the webpages of many social enterprise websites.

Libraries Unlimited has 6 core purposes including: 'Promoting and encouraging a love of reading'

Spiral Health has 6 social value pledges including: 'Support: Promote and support service users to be able to live independently in their own homes for longer'

Before you begin: Ideally, you can bookend this workshop with invited guest speakers from your own network, who have experienced or undertaken 'Theory Of Change' interventions and who can share their experiences.

Alternatively, as suggested in Part 1, you can play one or more of the YouTube videos listed in part 4 which are freely available on YouTube:

Part 1: (30-40 minutes)
1. Begin by introducing the idea of theory of change (provide some of the reading materials, or play one or two of the videos in part 4).
2. Ask participants to write out the single pledge or purpose at the top of the flip chart paper. Then, ask them to set out Table 1. on their flipchart paper.
3. Ask each group to identify a single social group of service users (e.g. children, unemployed people, people with dementia) which benefits from activities conducted by the organisation related to this purpose.
4. Ask them to list the services (in column 2) provided by the organisation, which can be taken up by this specific social group.
5. List in columns 4-6 the immediate to long-term outcomes.
6. After 30 minutes, invite the groups to share their tables and explain their reasoning.

Part 2: (20-30 minutes)
1. Ask groups to explore how they might identify and measure each outcome, starting with 'immediate outcome' and moving to 'longer term' outcomes.
2. Ask groups to write measurement details on post-its and add them to the flip chart in column 4. E.g. Books borrowed by child, nutritional meals eaten by elderly person, job applications made by unemployed person
3. Ask groups to explore the longer term 'proxies' they might require to assume longer term outcomes in column 5-6. For example, proxies include:
- Studies confirm reading attainment in primary school age children predicts achievement in secondary school
- Increasing consumption of 1 -2 servings of fruit/vegetables daily can cut cardiovascular risk by 30% (World Health Organisation)
4. Suggest useful proxies on post-its and add to column 6.
5. After 20 minutes, ask the group to share their ideas, and invite additional measures/ proxies from elsewhere.

Part 3: Follow up questions/discussion ideas (20 minutes)
1. How similar are the ideas that your groups have identified? Why might they be different?
2. Are the pathways to change linear? Or are they interlinked?
3. Are the assumptions about the causal links in this pathway appropriate? If not, why not?
4. How useful is this mechanism in helping your organisation:
- Understand the structure of its activities?
- Understand how its resources can be transformed into results?
- Keep a 'living document' about the context, activities and impacts that shape the organisation?

Part 4: Additional Resources
The following resources are freely available online and can be shared with workshop participants before, during, or after the workshop.

Video Explanations:
Theory of Change (DIY Toolkit):
https://youtu.be/6zRre_gB6A4

Introduction to Theory of Change (Courtney Tolmie, Results for Development Institute, published by Research to Action):
https://youtu.be/VtMRMKFmDm4

Theory of Change Explainer (Al Onka, Aurora Consulting).
https://youtu.be/BJDN0cpxJv4

Free e-guides to Theory of Change:
Brouwers, J. and Van Vugt, S. (2013) ToC Notes 2: How to facilitate a ToC process and help to develop ToC capacities? A reflection note coming from the Hivos-ToC Action Learning Group. http://www.theoryofchange.nl/sites/default/files/resource/toc_notes_2_how_to_facilitate_a_toc_process_and_help_to_develop_toc_capacities.pdf

Kail, A and Lunley T (2012) Theory of Change: The Beginning of Making a Difference.Available at: https://www.thinknpc.org/publications/theory-of-change/

Rogers, P. (2014). Theory of Change, Methodological Briefs: Impact Evaluation 2, UNICEF Office of Research, Florence. Available at: https://www.betterevaluation.org/en/resources/guide/theory_of_change

Starr, L., 2017. Theory of Change: Facilitator's Guide. Washington, DC: TANGO International and The Technical and Operational Performance Support (TOPS) Program. http://www.fsnnetwork.org/sites/default/files/theory_of_change_facilitators_guide_revision_.7.17.pdf

Taplin D and Clark, H. (2012) Theory of Change: The Basics. Actknowledge Inc. http://www.theoryofchange.org/wp-content/uploads/toco_library/pdf/ToCBasics.pdf

Useful Websites
Center for Theory of Change:
www.theoryofchange.org

Creating your own Theory of Change, Knowhow Nonprofit:
https://knowhownonprofit.org/how-to/how-to-build-a-theory-of-change

WHO (service user group)	WILL DO WHAT? (Output)	RESOURCES REQUIRED (Input)	INITIAL OUTCOME(S)	INTERMEDIATE OUTCOME(S)	LONGER TERM OUTCOME(S)?
E.g. Primary school age children, elderly people, unemployed people	What activity will they attend/ service will they access? E.g. Reading Group, Day care session, employment skills workshop	Staff Cost? Location/Building Costs?	Change in knowledge, attitude, skills, confidence e.g. books read by child, nutritional meals eaten by elderly person, updated CV of unemployed person.	Change in behaviour, health status,	The full benefit of the intervention e.g. a change in employment, long-term educational attainment, long-term health and wellbeing

B.2 VALUES Diagnostic: Embedding Values in Performance and Practice

1. How visible are your values and/or organisational vision?

Are your values/vision clearly articulated in:

☐ Meeting Agenda Document Templates
☐ Meeting Minutes Document Templates
☐ Organisational Reports and other documents
☐ "PowerPoint" Templates
☐ Building Signage
☐ Social Media Presence
☐ Stakeholder engagement documents

Are they incorporated into

☐ Performance Review Documents
☐ Recruitment Adverts/Person Specification
☐ Selection Criteria and Evaluation
☐ Induction Documentation
☐ Training and Development Documentation

1-3 boxes ticked: Lacks values driven approach
Your organisation could do more to communicate its values to stakeholders and staff. You could begin to address this by making some 'quick wins': for example, developing meeting agenda or minutes templates that state organisational purposes.

4-7 boxes ticked: Ad-hoc approach to embedding values
Your organisation communicates its values at certain key moments, but could do so more consistently. It's likely that the areas without clear links to organisational values could do more to illustrate how their area of function connects to the organisation's mission. Consider focusing on one area (e.g. training and development, or recruitment and selection) and reviewing this in more detail. Part 2 (below) illustrates this process for performance review.

8-12 boxes ticked: Values Driven Workplace
Your organisation has thought carefully about how to convey consistent messaging on organisational values and purposes.

1. Embedding your organisation's vision/ values into Performance Review Criteria.

To what extent do you ask your employees to reflect on how they 'live' your organisation's values and vision in their everyday practice?

☐ Performance Evaluation and Review begins with a short section on 'organisational values/purposes'.
☐ Objectives Setting: When setting performance objectives for the year, employees are asked to state for each objective how their objective meets or embodies the organisation's value(s).
☐ Performance reflection: When reviewing past performance, employees are asked to state how each activity meets or embodies the organisation's values

OR

☐ Performance reflection: When reviewing past performance, employees are asked to reflect on each of the organisation's values/purposes, offering concrete examples of how they met or embodied each one.
☐ Performance review training and development for line managers incorporates guidance on how to help employees identify where organisational values/purposes meet their own practice.
☐ Performance review training and development for employees incorporates guidance on how to create objectives and reflect on performance in ways that illustrate the connections between everyday work and organisational values/purposes.

0-1 boxes ticked: Values are not yet integrated with performance evaluation.

2-3 boxes ticked: Ad-hoc approach to values driven performance evaluation

4-6 boxes ticked: Values are integrated into and may drive performance evaluation

B.3 STAFF DEVELOPMENT Workshop: Am I a leader? Identifying everyday leadership practice.

Aims: To enable lower grade/supervisor level staff to explore different approaches to leadership, and identify how they influence others in their network.

Means: The workshop enables individuals to reflect on their assumptions about leadership, and develop awareness about their spheres of influence at work.

Duration: 60-90 minutes

Cohort size: up to 20 participants

Resources required:
• Room with cabaret style seating (or any seating which enables group discussions)
• Flip chart paper (and whiteboard if possible) – one sheet for each table, plus additional paper on stand.
• Post it notes
• Marker pens
• Sticky tack

Facilitator Guidance:
Task 1: Leadership definition:
Provide the group with a leadership definition in which collaboration and empowerment are centred. You might use the definition from this toolkit, which is: 'The capacity of a human community to shape its future, and to sustain the momentum necessary to do so'.

Ask the groups
What are the collaborative practices required for a community to be able to act in this way?

Groups can list each practice on a sticky note. These can be placed onto a flip chart or white board in the form of a 'leadership mind map'.

Sometimes it can help to offer guidance in terms of specific actions, such as
1. Educating – helping yourself or others to understand
2. Listening – maintaining an open attitude towards others' ideas
3. Acting – contributing towards an objective or a goal
4. Supporting – enabling others to develop in the above 3 ways.
5. Questioning reflecting on your assumptions, or helping others to do the same

Engage the group to explore how/whether these actions (or their equivalents) do not equate to our 'common sense' understandings of leadership which typically focus on hierarchical dominance and the 'leader v follower' binary.

Task 2: Identifying Leadership Acts
Ask the group – is anything missing from the mind map that is especially relevant to my work? Important missing components such as integrity, ethical judgement and so on can be incorporated here.

Ask pairs or threes to connect the above leadership acts to their everyday activities at work. Each individual can make a list of their own 'leadership acts'.

Task 3: Communities of Practice (optional)
Ask individuals, or groups, to map out on flip chart paper the 'human community' that makes up their sphere of influence at work.
• In the map, shorter links to individuals represent closer relationships. Longer links represent more distant relationships.
• The various 'leadership acts' noted in Task 1 can be noted using different marker pens to draw the links.

Note to participants that the aim is to draw network of relationships, rather than a hierarchy.

Ask the group to consider:
• How many of the participants have included themselves (as in, considered their ability to influence their own actions and thoughts)?
• Which members of the community do you consider you are able to influence, and in what way (referring to the 'leadership acts' identified in task 1 or 2)?
• With which members would you like to have more influence (bring closer to the centre of the diagram)?
• Which of the leadership acts in task 1 or 2 would be a good way to develop your influence with this individual or group?

Task 4: Future Orientation
Ask the participants to explore:
• Which of the above 'leadership acts' are you strongest at? How can you support others in developing this skill? Where can they use this skill where they are not already doing so?
• Which workplace relationships would you like to develop?
• Which leadership activity would you like to develop?

The workshop can be concluded with a discussion on 'next steps' for leadership development. Consider asking each participant to write a 'leadership resolution', identifying how they would like their leadership practice to develop over the next year. Members of the group can hold one another accountable for progressing, or if part of a more formal process, the 'resolution' can be noted during performance review.

B.4 STAFF DEVELOPMENT
Workshop: Origins and influences.
For all staff and stakeholders.

Aim: This workshop will help staff and stakeholders understand one another's background and perspective. By encouraging participants to share, it helps to build trust and empathy, generating a cohesive team.

Cohort Size: Max 10

Participants: Staff, stakeholders e.g. volunteers, service users, trustees, commissioners.

Duration: 30 minutes – 1 hour.

Resources: Flexible seating, marker pens and flip chart paper

Facilitator Guidance:
1. Arrange the participants in a circle. If they haven't met before, invite each participant to introduce themselves briefly.

2. If flipchart paper and pens are being used, hand these out now to each participant. Invite each participant to map out on their flipchart paper, using words or drawings, three aspects of their life:

Origins: Where are you from? What do people need to know about this to understand you?

Influences: What people or experiences have made you who you are?

Priorities: What matters most to you, what are your most treasured values?

3. Consider modelling this activity to participants by sharing your own response, before giving participants 10 minutes to map out their responses on paper, then bring everyone back to the circle to hear from one another.

4. Invite participants to share their flipchart paper and responses. This can be a fairly social exercise – invite participants to respond supportively or affirmingly. Depending on the length of time available, you might offer 3-10 minutes per person for this stage.

5. Wrap up the activity by inviting respondents to share what they have learned about one another and to identify any common goals, values or experiences that might inform collaboration.

Additional Facilitator Notes
1. Where participants might feel challenged by sharing sensitive information, you can request that they respond by focusing on a specific topic e.g. their life in this organisation, their role in this team or career history.

B.5 STAFF DEVELOPMENT
Workshop: My world, your world.

Aim: Participants will learn how to surface contextual assumptions with others from different backgrounds in ways that foster collegiality and team cohesion.

Cohort Size: Maximum 10

Participants: Staff, stakeholders e.g. volunteers, service users, trustees, commissioners.

Duration: 1-2 hours.

Resources: Flexible seating, marker pens and flip chart paper

Facilitator Guidance:
1. Explain the purpose of the workshop to participants. Point out examples of how assumptions feed into everyday practice by shaping how we work with others, and our understanding of 'how things are done around here'.

2. Ask participants to create a map of the assumptions and beliefs underpinning their working world, as understood from their perspective as a staff member, volunteer, etc. Participants can work alone or can be paired with others from the same background/department/stakeholder role.

They might include:
- *'Common sense' assumptions about how people should: think, act, look, speak, feel.*
- *Symbols or phrases that represent 'the way we do things around here'*
- *Buildings or objects of significance*
- *Rituals that demonstrate membership or belonging (e.g. team meetings)*
- *Stories that inform tacit understandings of what it means to be a member of this culture.*

3. Explore with participants the aspects of culture that they share, and where the assumptions might be differentiated or fragmented. Ask:
- Can you identify where these differences might lead to conflict?
- How can we develop ways of working that avoid conflict over these points?

4. Explore with participants how they might create a code of practice based on their shared ideas about avoiding conflict. Together, the group might come up with two or three recommendations for helping one another understand and value different perspectives and promote cohesion.

5. Discuss in closure, how the code of practice might be reviewed and/or shared in the organisation.

B.6 STAFF DEVELOPMENT
Tool: Creating Social Value Champions. (For senior managers)

Aim: This tool will help you create a network of future leaders from across the organisation, who are committed to developing the organisation as a Public Service Mutual. Setting up a network of Social Value Champions can create a more engaged workforce and develop those who might step into leadership positions later on. Here are some aspects of running the programme that you could consider:

Role tenure: 2 years as a social value champion enables a participant to mature in leadership capacity, and to share their i nsights in their team.

Aims of the network: for example, to build leadership capacity, support the goals of public service mutual enterprise, and/or champion the organisation's purpose to members of staff and other stakeholders.

Level of experience required. Ideally, this is a capacity building network and an opportunity for people who are not currently in leadership roles, rather than existing senior leaders.

Recruiting and Selecting Participants:
It's worth preparing a 1-page brief on the opportunity, which you can share with staff via email. Consider inviting those already 'on your radar' to participate alongside volunteers. Offer them a chance to find out more via a 'Q&A meeting' or via email.

Typical activities to be undertaken by the champions. These need not cost anything except time – examples include participation in action learning meetings, presenting and running taster sessions at development workshops, or setting up knowledge exchange groups with other public service mutual organisations. Ensure that there is a staggered developmental pathway so that participants can 'grow' through the activities. You can create a planned timetable, or allow this to emerge as the champions develop.

Indicative Programme Schedule

Here is an example of a set of events that Champions could attend over 18 months – 2 years:
- Introductory session (Origins, Influences exercise see B.4, or other ice-breakers,)
- Action Learning Set 1. (see B.7)
- Public service mutual logics workshop (see B.9)
- Actoin Learning Set 2.
- Am I a leader? (Workshop B.4)
- Visit to another public service mutual premises
- Action Learning Set 3.
- Create blog post on being a social value champion for the organisation's blog.
- Action Learning Set 4.
- Facilitate developmental workshop for other staff members (for example, Champions might facilitate 'taster action learning sessions' (see B.8)
- Action Learning Set 5.
- Team Attendance/Presentation at stakeholder event or AGM.
- Action Learning Set 6
- Attendance at Data Discovery Workshop (see B.10) or other development Session

Note that in the above, the action learning meetings are spread throughout the programme to allow participants time to reflect and develop individually and as a team, and to ensure that they can use these sessions to progress their ideas over the course of the programme.

B.7 STAFF DEVELOPMENT
Checklist for Setting up an Action Learning Set. For facilitators/managers.

Action learning sessions form the backbone of the Social Value Champions' developmental pathway. We recommend you read the following supportive material on action learning before setting up and running any sessions.

A.6 provides a guide to Action Learning Principles and the structure of the meeting.

B.8 provides a meeting structure and list of clarifying / open questions as prompts for groups who self-facilitate.

When establishing/arranging the group, you should decide:

1. ☐ Whether the group should self-facilitate or whether a facilitator is required. This might depend on:
a. The participants' trust levels with one another, and experience with action learning
b. The availability of a facilitator outside the organisational hierarchy who is trusted by the group. Line managers are not recommended as facilitators.

2. ☐ Where the group will meet. Some peer support groups prefer to meet 'off-base', so that workplace priorities intrude less into designated development time. Some groups cycle through a range of locations depending on where group members are based.

3. ☐ Opportunities for the group to share and get to know one another – some of the bonding/trust-building exercises in this toolkit may help.

4. ☐ Setting expectations regarding attendance, confidentiality and so on.

5. ☐ How your will organisation support the group in its endeavours to implement new ideas. For example, consider allocating pairs a 'challenge and support mentor' who sits outside the group, but who is available for additional support and advice.

B.8 STAFF DEVELOPMENT
Action Learning Prompts – for participating Groups and Facilitators

These prompts are useful for groups who are self-facilitating, or for Social Value Champions to use if running 'taster sessions' for other members of staff.

Seating Arrangements: Arrange seating so that participants can face one another without obstruction. A circle is ideal.

Meeting Structure
1. Check-in. Participants share: a general update, including any progress on actions since the last meeting. They may also identify any issues they would like to leave out of the meeting, so that the group is aware 'what not to ask'.
2. Invitations to share a challenge. Participants volunteer to share a challenge, or rule

themselves out at this stage. A 'running order' is identified so that the group knows who will share first, and whose turn is next.
3. Participant describes the challenge (known as 'presenting').
4. Group members ask clarifying questions
5. Group moves towards open questions.
6. Facilitator or group leader notes any actions on behalf of the presenter.

Clarifying Questions: May be answered with 'yes', 'no', or provide additional descriptive information.

Examples Include:
- What is your deadline for this project?
- Have you spoken to your line manager?
- What is your budget for this work?
- Who else is working with you on this?

Open Questions: Are not answerable with 'yes' or 'no'

Do not suggest a course of action, but may prompt the presenter to identify an action or next step. Examples include:
- Why are you feeling worried about this?
- Who do you know, who has experience of this issue?
- What do you think the best outcome would be?
- What will you do to get started?
- What is your greatest obstacle?
- Who are your allies?
- What options do you have?
- By when would you like to have achieved this?
- What is stopping you from acting?

Workshop: Local Authority vs Public Service Mutual logic.

Aim: Participants will develop an understanding understand the different logics behind working in a local authority-owned organisation, versus a public service mutual. The workshop is informed by Saras Sarasvathy's 'crazy quilt principle' of entrepreneurship (Read et al 2017). In this workshop, we have replaced quilting pieces with building blocks, and drawn specifically to some of the assumptions embedded in entrepreneurship in support of a social mission.

Cohort Size: Maximum 20, in groups of 4-5

Participants: Aimed at lower grade/supervisor staff, but also other stakeholders e.g. volunteers, service users, trustees, commissioners.

Duration: 1-2 hours.

Resources:
- Seating grouped around tables
- 1 x boxed jigsaw puzzle per group (up to 300 pieces)
- Box of building blocks/bricks such as Lego (20+ pieces per individual).
- Egg Timer/Stopwatch.

Facilitator Guide:
1. Ask groups to race to complete their puzzles. Set the egg timer for 3-5 minutes.
2. When the egg timer buzzes, stop groups. Ask them to share the strategy they used to work on the project. Responses may include: working in from the edges, finding the corners, using the picture. Identify common strategies across groups.
3. Ask groups how they will know their work is successful? Answers may include: we are the first to finish, our puzzle looks like the 'picture' on the box, and so on.
4. Ask one individual to leave each puzzle group. These individuals are now 'builders'. Hand them a set of 12-15 Lego pieces and ask them to build a theme park attraction with the pieces. The rest of the groups may continue working on their jigsaws.
5. After a further 3-5 minutes, remove a further individual from each puzzle group, give these individuals a set of bricks each, and ask them to join the theme park builders according to their own preference. Continue removing members of the puzzle groups, asking one member from each puzzle group to join a brick building group every 3-5 minutes.
6. Once all members of the puzzle groups are working on the brick activity, groups may choose to join together or split off.

Ask groups to identify who their theme park will serve. How will they know the theme park is successful?
7. When the theme parks are completed, ask some reflection questions, comparing working with building blocks to completing a puzzle.
- The availability of a 'picture' to guide completion of the puzzle
- A known strategy for completing puzzles (starting at the edges, working in)
- The uncertainty of brick-building without instructions – when is the project finished? How many pieces will we need? Who will partner with us?
- Did the change in task change the way your group organised yourselves?
- Which task felt more comfortable to you, and why?

8. Ask the Groups which task is more similar to local authority ownership activity.
- Set budgets under local authority and a set 'number of pieces' in a puzzle
- Set KPIs under local authority ownership and 'a picture' to guide puzzle completion
- Limited time for completion of the puzzle: the threat of funds being clawed back at 'yearend'.

9. Encourage comparisons between public service mutual activity and the brick building activity
- The 'creativity' and uncertainty involved in using building blocks without instructions (similar to the lack of authority-led KPIs or fixed budgets)
- Joining forces with others who have similar goals and additional resources (Public Service Mutual stakeholders)
- Innovating to attract 'new investors' (funders, commissioners)
- Expanding the remit of the work: Did any participants bring in additional materials as well as building bricks? How did this impact things?
- Identifying the community served by the activity and the means for determining success of the task

12. Invite groups to complete the template B.10 (Public service mutual Logic versus Local Authority Logic)

Find out more about the 'Crazy Quilt Principle: http://www.effectuation.org/?page_id=4055&principle=crazy-quilts

WORKSHOP: Accompanying Worksheet.

	DOING A PUZZLE	WORKING WITH BUILDING BLOCKS
What rules guide your activity?		
How do you know what resources are available to you?		
How do you work together in teams?		
How do teams innovate?		
What is the role of new partnerships?		
What is the opportunity for creativity?		
What are the drawbacks of this approach?		

B.11 DATA: Data Discovery Workshop

This workshop is informed by a workshop run as part of the #UnlimitedValue research project, for Libraries Unlimited, by Martin Howitt, Lucy Knight and Simon Gough at Open Data Institute Devon / The Data Place Ltd. The workshop varies considerably depending on context and participants, so the following is a guide rather than a recipe. ODI Devon's workshops are based on approaches they use as part of The Data Place. They've written about them here:
https://medium.com/thedataplace/tools

You can read more about The Data Place's toolkit here: https://thedata.place/tools/

Aim: Participants will develop an understanding of how the organisation's data is a valuable asset. They will start identifying data sets that will help them capture and measure the impact of their activity on service users.

Cohort Size: Maximum 25, in groups of 4-5

Participants: All stakeholders e.g. members of staff, managers, volunteers, service users, trustees, commissioners. The workshop can focus on a single organisation, or a wider 'service system' as discussed in Section A.7.

Duration: Flexible (90 minutes – full day).

Workshop Resources:
- Seating grouped around tables
- Flipchart paper, Sticky notes, marker pens.

Supporting Materials (can be shared with participants before or after the workshop):
- Ted Talk Playlist: How data can save lives – available at: https://www.ted.com/playlists/495/how_data_can_save_lives
- Toolkit Section A.8: Data.

Facilitator Guide:
1. The facilitator/opening speaker should articulate why data is important tool in leading a social enterprise. Begin by sharing some of the key principles on data driven working – perhaps drawing on the three stages of data usage covered in Section A.8

2. Invite diversity of opinion and collaboration. Ensure a mix of stakeholders at each table.

3. Create a map of the organisation's 'data ecosystem'. On a central table, place four sheets of flip chart paper titled:
- Data we have: Sources of data within or collected by the organisation
- Data we want: Openly available data sets, or accessible sources of data which might provide relevant sources of information about service users, or which evidence a community need.

- People and Organisations: Partner organisations, individuals with technical expertise or who are 'data gatekeepers', possible collaborators from across the wider 'service system'.
- Technological infrastructure: technology and devices within the organisation which can collect and/or store data.

4. Ask groups at tables to list each item and idea they can imagine under each category. Each item goes onto a separate sticky note.

5. After 15-30 minutes, invite participants to come up to the central map and place their sticky notes onto each flipchart sheet. Ask them to try and group their notes together with others which have similar ideas or suggestions.

6. After 10-15 minutes, ask the group to look at the map and identify:
- 'Gaps' (important ideas or data missing from the current map)
- Relationships (for example, between a data set held by the organisation and an openly available data set).
- Questions - what ideas or queries are emerging from the 'gaps' and 'relationships'?
- Possibilities - what opportunities are emerging? What happens next?

7. Use the gaps, relationships, questions and possibilities that emerge from this mapping to inform the next stage in the discussion. Ask each table / group to focus on a different point, and ask them to sketch out or note their conversation on a new sheet of flip chart paper. Examples of discussion topics might include:
- How can we get better insights from our data?
- How do we help people to become more techno-savvy?
- How do we ensure that our data is robust and reliable?
- Who might become our important data partners?

8. Identifying next steps:
Ask tables to identify the most important themes for the future. Capture these at the front of the room, and invite suggestions for actions relating to each theme.

NB: This workshop can be run alone or form part of a wider development day with additional slots allocated to board members, guest speakers, or presentations relating to using data in organisations.

We are grateful to Martin Howitt, Lucy Knight and Simon Gough from ODI Devon / The Data Place Ltd for allowing us to incorporate this workshop into the toolkit.

B.12 STAFF DEVELOPMENT: Succession Planning Checklist

☐ **1. The strategic goals associated with [organisational role] have been identified and shared**

☐ **2. Competences and skills required for [organisational role] have been identified and documented.**

☐ **3. Competences and skills required for [organisational role] have been explained to staff.**

☐ **4. Possible successors have been identified for [organisational role]**

☐ **5. Opportunities to develop possible successors have been identified**
Techniques include mentoring, informal shadowing, development days and 'social value champion' initiatives as well as formal training programmes).

☐ **6. Successors have clearly defined career goals and a development plan.**
Techniques include: Personal development reviews, scheduled discussions with staff members and managers,

☐ **7. The organisation has a strategy for retaining tacit knowledge associated with [organisational role]**
You might include: online information management systems such as Trello or Sharepoint, exit management plans to support the transfer of tasks and goals.

☐ **8. An exit management plan is in place for when people leave the organisation.**
You might include: exit interviews, shadowing scheme for successor prior to departure, the possibility of role-sharing, or a phased succession.

☐ **9. Responsibility for managing and implement succession planning has been given to a member or team of staff**

B.13 STAFF DEVELOPMENT Diagnostic: Understanding Stakeholder Roles in Service Co-Creation. For staff and managers.

Service delivery is a process of co-creation. This is because interactions between service users / other stakeholders and service providers always shape outcomes.

Following Osbourne et al (2016), this can happen:
- Voluntarily and consciously - when stakeholders volunteer their time to support service outcomes)

- Involuntarily and unconsciously - any time service users or stakeholders engage in service-related interactions).
- At the level of the individual service: impacting the outcomes of specific interactions
- At the level of the service system – relating to how the service is delivered more broadly, and how the service impacts on the life and experience of the stakeholder.

Following these four principles, the two worksheets provided here will help you identify where and how stakeholders are engaging with your organisation to 'co-produce' social value, in 'voluntary' and 'involuntary' ways. You might like to refer to the examples provided in section A7, to understand these in more detail.

This activity can inform a wider stakeholder mapping process, or be focused on the service user.

Part 1: INVOLUNTARY Engagement

	INDIVIDUAL SERVICE INTERACTION (engagement with your organisation)	SERVICE SYSTEM (engagement with the public service system that is the context for your organisation)
INVOLUNTARY Engagement	Co-production: stakeholders and service users create the single-point service interaction.	Co-construction: Stakeholders and the service system impact one another at points outside of the service interactions
WHO:	Which stakeholders are involved?	Which stakeholders are involved?
WHAT:	What kind of interaction takes place?	What kind of interaction happens?
HOW?	How does your organisation enable this?	How does your organisation contribute to this?

Part 2: Voluntary Engagement

	INDIVIDUAL SERVICE INTERACTION (engagement with your organisation)	SERVICE SYSTEM (engagement with the public service system that is the context for your organisation)
VOLUNTARY Engagement	Co-design: stakeholders and service users develop the way the service interaction works.	Co-construction: Stakeholders work together with the organisation, and its network of other stakeholders, to innovate service delivery at a systemic level.
WHO:	Which stakeholders are involved?	Which stakeholders are involved?
WHAT:	What kind of interaction takes place?	What kind of interaction happens?
HOW?	How does your organisation enable this?	How does your organisation contribute to this?

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