

STATES OF JERSEY

PUBLIC ACCOUNTS COMMITTEE

MONDAY, 22nd MAY 2006

MONITORING OF SICKNESS LEVELS

Interview with Mr. I. Crich, Director of Human Resources

Panel:

Deputy S.C. Ferguson of St. Brelade - Chairman

Deputy J.G. Reed of St. Ouen - Vice Chairman

Senator J.L. Perchard

Connétable D.J. Murphy of Grouville

Connétable T.J. du Feu of St. Peter

Deputy A. Breckon of St. Saviour

Advocate A. Ohlsson

Mr. C. Evans

Mr. R. Bignell

Mr. M.P. Magee

Mr. C. Swinson - Controller and Auditor General

Witness:

Mr. I. Crich, Director of Human Resources

Deputy S.C. Ferguson of St. Brelade:

Good afternoon, Ian, and welcome to the Public Accounts Committee hearing - a further hearing on sickness absence levels. You are obviously aware that this is an area that the Public Accounts Committee takes very seriously on the basis of the cost to the State of about... I am sorry, before I start, the introductions - if we can go around the table? **[Introductions]** You will have noticed that we have a mixture of people from the big wide world as well as the States Assembly hothouse. As I said before, welcome to our Public Accounts Committee hearing on sickness absence levels. We are concerned about sickness absence because the estimates last year were around about £9 million or £10 million a year. The Audit Committee and the Shadow Public Accounts Committee both made reports. We have had very bullish response to the reports' recommendations and so forth, none of which appear to have been taken up. Very little was implemented and obviously now we have considerable doubt as to the reliability of the statistics. Our last hearing discussed the sickness absence recording in the light of a particular type of software; the 2 click **[Aside]** one click. But it was never implemented so we worry about the waste of money on that. So, I suppose really the thing to say is perhaps you would like to comment on the validity of the recent report and the state of human resource reporting and sickness reporting in Jersey as you found it when you arrived, based on your previous experience; and perhaps

you could comment on how reliable is the information we have got at the moment? I am sorry, that is about 4 questions in one.

Mr. I. Crich:

That is fine. Thank you. I thought it might be helpful if, with your agreement, I could just make an opening statement to you. I will try not to read this because I think that is quite boring if I do that but I have hopefully copied enough for Members. Will you just pass that around? I will try to keep one for myself. [Aside]

Deputy S.C. Ferguson:

Now, as a comment on the system, it is not a long statement.

Mr. I. Crich:

No, it is 2 pages typed but I shall abridge it and pull out the key points because obviously none of us can take this away and read it. Firstly what I should do, I think, is to apologise for the fact that the figures on which the more recent report which went to the States were based were clearly inaccurate. On subsequent examination, they were incomplete. I think what happened there was that, as you probably know, a number of returns from managers in a certain department were not included which gave us a view to the figures; these were sent in to central HR (Human Resources) department who took the figures as read and published the report. So, I need to apologise first off for that. Secondly, I think I should acknowledge that progress against the action plan that came out of the 2004 report, while - when you look at it again - a great majority of the recommendations have been progressed quite significantly. But, it is quite right to say that we have not made as significant progress against all of the recommendations, as I would have hoped. You have just mentioned the one-click system, which has been implemented right across the States. I think that leads me to a more general point about the nature of the organisation when that was done, because it has been done. There is one system, but what there is not is one system for collecting the data in a consistent matter. So, what you have got is probably 10 different variations of how that is done. I do not think it is fair to say that overall the data is completely unreliable because of that; what you have got though are different methods of doing it. Also, I think it is fair to say that the collection of that data has perhaps been afforded a different priority in different departments over the previous years, given the very different nature of those businesses and given the different pressures and priorities that they are under. This is a feature of the old States, as it were, where corporate initiatives such as this - or corporate requirements such as this - have not necessarily been adopted and implemented as fully in each department as one might have liked. The departments were seen as very separate entities - employers in their own right - and the HR people in those departments reported to the departmental management teams. So, for me, it is not wholly surprising that you get a sort of somewhat disparate approach to it. Members will probably know that from 1st January all those HR people have now been brought together under single professional leadership and management, i.e. my good self. So, from 1st January I can now direct and manage those people and their actions in a

consistent manner which is probably likely to deliver far more success in implementing corporate plans like the one from 2004 than perhaps before. Also, another feature which is worth mentioning is the fact that obviously since the change in Ministerial Government and particularly in relation to the creation of the Corporate Management Board under Bill Ogley's leadership, that has to give a much better chance of States-wide initiatives such as this being properly and fully implemented. Again, that body now is operating much more as a collective, taking collective decisions, taking collective ownership for matters such as this, whereas before they were very much just operating as separate entities, reporting to their own President, *et cetera*. So, I think the environment in which we are trying to operate is now perhaps a little more conducive. So, I think it is worth mentioning though that the sort of an initiatives and sort of improvements I would like to see made are not quite as simple as waving a magic wand. You have to recognise the nature of our organisation which is... I have described it - probably erroneously - as probably the broadest or widest organisation in the western world. I do not think many other organisations would set out to try and deliver the range of services that the States of Jersey does. I think some of the things we are trying to do at a collective and corporate level would be difficult enough over a much smaller organisation which is less diverse. So, I do not underestimate the challenges and I do not think anybody should do that either. That said; it must be the case... you asked me what I found since I got here - it must be the case that we can have systems and practises and procedures, the core of which go right across the States as an employer. There will be differences. One size will not fit all but the core must and should be the same, and I think that is accepted by all now through the HR transformation progress. You asked briefly about the one-click. As you know, that always was intended to be replaced and will be replaced. We are right in the middle of the development phase of the new system. The key implementation date is February 2007 and that is when we expect to have an integrated, for the first time, HR and payroll system in place. The joy of it is, is that it is part of the JD Edwards suite of products so therefore there will also be synergy with the JD Edwards financial package that we have already got. That was one of the key reasons why it was chosen in the first place. So, for the first time we will get the payroll and HR linked through to the financial management system which opens-up all sorts of possibilities in terms of management information and recording. I think it is really important to say though that the system in itself is just not enough, and that is probably where the last episode has fallen down. Clearly, what is most important is that the information that feeds the system is done in a consistent and agreed manner. So, the big piece of what is going on at the moment alongside the implementation of the system is the re-engineering of all the processes that go with it to get standard processes across the whole range of people management stuff that will then be implemented into the system. A new system itself will just overlay - if we are not careful - current practice, or different practice rather than bad practice. So, the crucial element of what we are trying to do is to standardise process to get that core range of activity with a standard and from that you will get a better response, I am sure. So, just by way of concluding initial thoughts, it is clear the figures that were provided last time were inaccurate and incomplete. I do not believe for a moment that there was any attempt at all to massage figures or present a more rosy picture than was the case. I believe it was a genuine mistake and that is my analysis of what happened. I have read the Comptroller and Auditor General's report and I

understand his view that it may be better to wait for the new system and new processes to come into place before we do much more work around this. I have a slightly different view on that, as you will see from the notes. I think it is really quite important that we keep the pressure up in this area, mainly because we have got managers now around the organisation recording absence. If we were to let the foot off that particular gas pedal now and wait for a new system to come back in, we would have to reintroduce them to the process again. So, I think we should do that and I think we should push on with the 4 or 5 recommendations that were not fully implemented in the original plan as well, because they are all quite important when you review them. So, I have every confidence that performance in these areas of people management will improve over time and I think the climate for that is now much more conducive. You have got HR operating as a collective under my leadership. You have a new HR information system - or will do - which is connected with payroll and finance. You have a Corporate Management Board operating, so giving permission, in a sense, for these sorts of things to be done across the whole organisation. You have the Council of Ministers and you have all the employees now being employees of the States Employment Board. So, never before has the opportunity been better to do this sort of stuff.

Deputy J.G. Reed of St. Ouen:

You speak about the one-click system and the need to change it but equally we have various comments from the Human Resources Department - I understand that you worked there at the time - that clearly state that there have been... with the provision of all absence data and that the fact that the one-click system had been rolled-out through all departments. Yet, obviously in this latest review or investigation by the Comptroller and Auditor General, it is clear that that is not the case; that a number of areas have been recorded manually. Now, what is the fact and - following on from that - what assurances can you give that changing from the one-click system to a new system will create any benefit?

Mr. I. Crich:

I think - to review what I said earlier - the one-click system has been rolled out right across the organisation. So, the method for recording on to a computer system from which then data is manipulated is the one-click system. There will always be methods - manual methods in some cases - of getting that information collected in the first place because we have got such a wide range of organisations. So, there will be at some point, some process of the original collection of the data. A person rings up and says to the manager: "I am off sick" - they will have to record it somewhere, somehow. Now, in my vision of the world in 3 or 4 years time, the manager will have easy access to a PC (Personal Computer) and would implement that directly into the new HR information system. Not every manager - as we would describe a manager or supervisor - at the moment in the States has access to a PC. There are many people in TTS (Transport and Technical Services); there are many people in Health and Social Services - so there have to be other methods of collecting that data. Now, some of those are manually collected and sent through to an HR person who does the input into the system, some of them are put on spreadsheets and collected that way; some are put in by managers directly - think of

the airport as an example, they input directly. So, I think we are at a point in time in developing an IT (Information Technology) system, to be frank. So, there will be the phase 2 of the HR information system which has something in it for manager self-service, which is a product which is a front-end product to what is quite a complicated HR information system for HR people. But it is a user-friendly front-end for managers to do exactly this sort of thing; put absence data in, pull reports off themselves for themselves, *et cetera*. I will not sit before you today and guarantee in the future that no period of absence will be missed, that no manager will forget to put it in. But, what I will guarantee will be that the systems will be standardised, the forms - where there are forms - will be standardised; the process will be well understood; the Corporate Management Board will be behind the approach. But, it would be a fool that would sit here and say that never again will there not be a piece of absence recorded.

The Deputy of St. Ouen:

To an extent though, you say, it has changed now we have Ministerial Government but is it not the fact that obviously before we had Ministerial Government we had all the Committees that were responsible for the various departments? Equally, as much as you can place reliance on various software programmes, are we not talking about simple man-management issues here rather than complicated and large - or maybe costly - solutions to basically a man-management problem?

Mr. I. Crich:

You are absolutely right. The issue at hand is about managers taking their people-management responsibilities seriously. That is in terms of absence management. That is in terms of appraisal, in terms of recruitment, discipline, *et cetera*. So, for the whole push of the HR transformation programme, as part of the State transformation stuff, is to actually get managers to be even more responsible. They are responsible now - let us not paint too black a picture here - but even more responsible for their people-management responsibilities. So, you are right. At the end of the day it rests with managers. It rests with managers seeing this as important and, to repeat what I said earlier, I just think there is a much better opportunity to do that now when you have got the collective way to the Corporate Management Board saying things like this are important. I think that will make a difference. The other thing I think makes a difference is making some connection for your busy manager, your busy supervisor at Bellozanne or your busy nurse manager, or whoever, in terms of the act of collecting the data and the benefit that it might have for them in their managerial role. Often these things at the centre imposed on managers are just things they have to do. So, you know, you have to fill in the absence form; it goes off. Now, that might suit those of us who sit in the centre wanting to receive this stuff but it must be meaningful to the person who is collecting it and using it. So, we must get a lot better and that is what the HR information system should do and we are specking it at the minute in terms of reporting. We must make that more useful to the manager at the front-line managing his or her people. So, there has to be some trade-off, I think, in terms of just these expectations that people will do stuff just because the oiks like me sit at the centre demanding it. I think it is important that goes back to managers and they can get a pretty hands-on easy access to information so that it is useful to them in terms of managing. I

am not just speaking now about attendance information, it has to be a whole range of stuff and that is what we have got to do. That is the trick of the new system, so that people willingly want to put data into it because they know the reports they are going to get back are quite useful to them.

The Deputy of St. Ouen:

Is it not true - and just to remain on this subject for one final question - that in fact the Audit Commission in 2000, the Public Accounts Committee and others have highlighted the fact of these management issues for quite a considerable period of time. Over that same period there have been assurances given that these issues are, and have been, addressed. Yet, here we are today asking the same sort of questions and raising the same sort of issues. Could you perhaps cover in more detail what confidence and assurances you can give to us that indeed this issue is now being properly addressed? Where do we gain the assurance from to know that it is being addressed?

Mr. I. Crich:

Part of the answer to that, I think, is to look backwards over the last 5 years because however quite rightly concerned you are at the moment about the latest report, *et cetera*, it has to be said that the work that has been done around this issue over the past 5 years has seen a dramatic improvement in work in this area. Back in 2001 we had no idea of what the sickness levels were. Absolutely no idea at all. It certainly would be wrong of me to sit here today and say that the whole thing is out of control and not being managed. Many of my colleagues in many of the departments, particularly HR colleagues and some in senior management, would say: "We take this matter very seriously. Our statistics I will stand by." So, what we have found through this review was one big error, which I have apologised for. There is a tendency to suggest from that that it is all a mess. Frankly, it is not. The work that this Committee, the Shadow Committee and the previous Commission has done has raised the game of this no end. Just speaking as a newcomer to the organisation and drawing on my experience from previous organisations, there is a long way to go here but in terms of the approach to attendance management, this is as good as I have seen. So, I do not underestimate the need to do the things. I can only repeat myself; I think the assurance that you are looking for lies in the new way the organisation is being managed at a collective level. The mood has changed significantly around the Corporate Management Board even since I have been here since August with a real change in terms of managers agreeing to do things right across the States on all sorts of issues. People tell me (a) that body did not previously meet so it would be difficult to get those most senior managers to agree to anything. When they did agree to meet, they agreed to do things around the table and then toddled off back to their departments and did entirely the opposite. So, that is not the case now. It is certainly not as strong a case as it previously was before. So, that is where I think your assurance lies. You have also now got a director of Human Resources who is personally accountable for this area of activity so you will have me in front of you on a regular basis and ask me how it is going, I guess. So, I take personal responsibility for it, as do the Corporate Management Board.

Deputy S.C. Ferguson:

Yes, if we can move on to the information that the system should produce regarding sickness, I think.

Deputy A. Breckon of St. Saviour:

Yes, following on from that can I ask you how you would ensure that processes are being followed and reports are indeed reliable?

Mr. I. Crich:

We are right at that design stage at the minute, which sounds a bit evasive and it is not meant to. We are really at a critical stage in the development of the new system. There is an enormous amount of effort going in into the design of the reporting, as much as there is in terms of the collection of the data. I will give you an example. Basically what we are trying to do with this new system - because this may be another question later on so I might pre-empt it - but the cost of the new system is minimal in that we have got the HR module free on the back of the upgrade to the finance system which was already planned and needs to be done anyway. Now, that said, it comes out of the box in a certain form and I said earlier we have, in our organisation, a very complex organisation which has all sorts of competing demands from within it. What we are trying to do is to keep any modification to the system to a small amount. That said, so far in terms of what we need to do to change this system to make it work for us in Jersey, we are looking at 100 days development work. That is people who already work in the JD Edwards' team; 100 of their days. A third of which, just to give you a flavour, are expected to be taken up on dealing with absence management. So, it is the area - the most critical area in the new system - that we are looking at. A third of the time that we are going to need to do to develop the system is around absence management. That is because of the complexities. Just one last point on that, Sir, I appreciate I do give too long answers on occasions. The differences we have got here are, as you know, loads and loads of different pay groups with many, many different conditions of service associated with it. This is very, very complex and therefore even just trying to get something through like "what is a day?", you would think that would be quite straightforward, would you not? Well, "it depends who you are talking to" is the answer. So, all sorts of machinations are going on about making sure that the system can deliver a response, which is applicable across the whole of the organisation. In my last organisation, one set of conditions of service, one job evaluation system, one definition of what a day was. Here, 30. So, that is what we are trying to do.

Deputy A. Breckon:

So, from your experience you will be able to make sense of all this when all this is collated?

Mr. I. Crich:

That is the work that is going on now. But, the points I made earlier about making sense back to individual managers; the reports back out have got to make as much sense to me at the centre as to the nurse manager, as to the supervisor in TTS and what have you. So, that is the big prize and that is where

the investment is going in now. That is the bit we have got to get right otherwise, God forbid, we will end up with a product that does half a job and we will be back where we started again which would be a disaster.

Deputy A. Breckon:

Following on from that, what analysis would be most useful? Do we just shrug our shoulders again, or where do the facts and figures go to?

Mr. I. Crich:

The thing is, the data that comes out has a number of uses. Clearly, it has a use right across the organisation for bodies like ourselves so we can benchmark ourselves against other organisations, individual departments or down from that. Individual teams within departments should be able to benchmark themselves against the organisational norm here. So why is it that that particular part of our organisation is doing better in terms of absence management than another part? But, also at a case level; individual case levels for each manager to be able to access that information and just look at trends and look at data, look at things like the Bradford factor which - please do not ask me to explain it but I know it is very important - for individual cases like that that information should be available to managers on their desktop. That is where the real win is. The real win on absence management is dealing with individual cases as they happen early enough and overall the picture gets better. So, that is what I would expect. It is a range of uses.

Deputy A. Breckon:

Then for estimating costs, is it going up or is it manageable or...?

Mr. I. Crich:

Again, that is one of the areas in the 2004 report that I think has not been looked at at all, really. I think that is a critical area and I think there is a whole bag of debate around so I will have to calculate the cost of that then. I am hoping - and again a piece of work to be done - that the integration of the payroll system, with the HR system, and with the finance system gives us a much better chance of driving out data around costs which we have not got at the minute. We are making it up.

Deputy A. Breckon:

In your experience it would be reasonable to expect that?

Mr. I. Crich:

I must stop putting new systems in places. The system that I left in my last organisation was a complete ERP system which did the whole lot; procurement, finance, HR, customer service, payroll, *et cetera*. Yes, once you have got all those things linked together properly, you very much can get at that data and it is quite helpful because it gives you the real cost of things like absence and other stuff as well.

Senator J.L. Perchard:

Can I just ask a supplementary? Did I understand you correctly, that we probably would have dozens if not hundreds of people inputting information in the new system?

Mr. I. Crich:

Yes.

Senator J.L. Perchard:

Is that the best way to be doing this?

Mr. I. Crich:

The debate that centres around that is whether you capture information at the point where it happens - straight into the system - or whether you find another method of getting that information to somebody who puts it in. The thinking around that is if you choose the latter, then you get opportunities for bits to be missed out, pieces of paper to go missing, emails. So, you are relying on some transfer for somebody else to do it. The other way, of course, is you need more than a small handful of people capable of accessing the system and putting it in. So, in the 2 to 3 years hence picture I would expect to have trained line managers who receive the phone call and the first thing they think of doing is when they receive the phone call is going straight to their system and putting in the fact that Ian Crich is off sick today. It is as simple as that and user friendly; it is like emails, like doing stuff that you would expect any manager to be able to do. But we are not there yet and will not be there in phase one. So there will be a process whereby the more traditional method will probably happen, which will be things like in the school, school secretaries are classically the person who gets the information and then will input it into the system. In smaller departments there will be an administrator or an HR person who will probably be putting it in. But I think there is something really strong about capturing stuff at the point of where it happens.

Senator J.L. Perchard:

Just a supplementary, if I may, Chairman. Would it not be sensible for all public sector employees to have one telephone number to call if they are off ill and then that would trigger a second call from the person who receives that call to the line manager to inform them that Ian Crich is off ill. Would that not make more sense? You could actually find somebody that is responsible.

Mr. I. Crich:

It is an interesting idea. It is an interesting approach. Some of the theories around absence management are not in terms of actually doing stuff on computers. But the actual bit about people having to ring in is that one of the things that prevents people having time off in the first place is the fact they have to ring in and tell their manager that they are off. So, you give away that sort of importance of the lever really

because people, if they just thought: "Well, it does not matter, I can just ring anybody or some faceless person, some bureaucrat in HR and ring up and say: "Well, I am not coming in today"" then hey presto the figures will go up. **[Interruption]** So, having to ring your manager and say: "Sorry, I am off sick today, I am not coming in" is quite an important lever in the whole absence management thing.

Advocate A. Ohlsson:

Is that policy applied across the States? Does every sick employee ring their line manager?

Mr. I. Crich:

That is the policy. Now, if you ask me to sit here and say that is what happens in every case, I actually do not know the answer to that question. I apologise for not knowing. But that is what we require people to do, as far as I know. Unless somebody is about to tell me different, that is what happens. That is our expectation.

Advocate A. Ohlsson:

But it is in checking that a policy like that is applied that you are going to be able to manage sickness absence.

Mr. I. Crich:

Yes.

Advocate A. Ohlsson:

So, presumably, that is something that your department will be responsible for checking?

Mr. I. Crich:

Yes. If I may, Chairman, we will have a brief moment on the sort of HR transformation. I have reshaped the HR function into 2 or 3 main bits. There is a very small central core around me and then the rest of it is 2 major groups. One is like a shared service centre model - a bit like the finance model we have here - and the rest are sort of business partners. They are the ones who are out actively working with departments on exactly this sort of issue. Now, their role will change over time from being... basically we will collect all the admin stuff together and do that more efficiently in one place, freeing-up your HR professionals to do much more interesting stuff on policies like this. So, they should have more capacity in the future to get alongside managers, to do that auditing, to do that checking, to do that coaching and what have you. Again, you know, this is difficult? Managing attendance is one of the more difficult people management things and managers do not come against it very often; do not know necessarily how to do it. So, the HR person's job, I would say, is much more about getting alongside them enabling them to learn how to do it so they can do it next time, no matter what the people management issue is, rather than sit there and collect just bits and do the sort of admin stuff. The real improvements are driven out of coaching managers to do stuff better for me. That is me again in, you

know, the end of 2007 which is our timeframe. Just how that is going in terms of changing that whole HR behaviour here... There is a very effective HR admin machine I have found in Jersey. You will be aware, probably, from the work that you do that I have taken £700,000 out of the HR budget by way of savings. That saving will have to be driven, or is being driven, out of the efficiency for bringing that admin stuff together which releases the professionals to do some of the stuff that you have just indicated which is far more added value than the stuff that they have been doing in the past. They are all up for doing that too as a community; it is really good.

Deputy S.C. Ferguson:

So, how are you going to ensure that your managers - not your HR managers, your ordinary managers - are doing what you want them to do rather than saying to their local HR professional: "Well, you are here, do you think you could just deal with the sickness absence returns for me?"

Mr. I. Crich:

I keep describing this as a steep hill and a large boulder. You are talking about changing cultures of organisations. You are talking about changing behaviours that have been, in some places, entrenched for some time. So, you know, I mentioned, no magic wand. That said, in many parts of our organisation, exactly that is already happening. So, in many parts of the organisation, managers are totally fulfilling their people management abilities. What I have just described as the HR role has actually been done by HR people. The worst thing I can do is send HR people in there because as soon as you do that they go: "Oh, the HR people are here. We can let them deal with that then now." So, I do not want to paint this picture of needing to make the significant improvements everywhere because in lots of places across the States people are already there. So, it will be a steady process of coaching, training, allowing people to grow into those roles. But, bear in mind these are very busy people. These are people who say: "I have not got time to do all this HR stuff - people management - you know. I am busy. I am responsible for all the..." and fill in the gap, whatever it is. It is about educating, it is about explaining to supervisors and managers that a key part of their job is managing people just as it is managing finance, just as it is managing property, resources and IT. So, you may be aware that starting in September we are commencing on something called a modern manager programme and this will be a programme that all supervisors and first line middle managers will go through over a period of time. That is about raising that whole managerial game across all these sorts of areas. So, all the learning input will be there for managers. It is about coming up with what I describe as a lion's stamp on -- I do not know if you remember lion stamp on eggs and things. But, you know, "competent States of Jersey manager." Not to say that States of Jersey's managers are not competent now; the vast majority are. I want some assurance around that so that all these simple, straightforward things like people management, basic financial management; you can be assured that the management will be held accountable for delivering that and then you build on that. But there is some letting go; yes, you know? There will be some letting go, yes. People have gone and said: "Well, this really difficult. Can you talk to them about why they are off sick?" So I am coaching my managers and HR people to say: "Well,

okay, but I will do this with you and the next time you do it yourself." So, it is all that stuff.

Mr. R. Bignell:

You mentioned in your introduction you were personally responsible now for this function which is in a period where the new system will not be in place until 2007. What steps are you taking to make sure that the 2006 sickness returns are accurate and the data that we get for this year will be accurate?

Mr. I. Crich:

That was the hidden message in my paragraph around: "I think we should keep the pressure up" really. This issue has, quite rightly now, got quite a bit of profile again by your interest in it. All my Corporate Management Board colleagues know that I have sat here before you today and it will be an important matter on our agenda at the Corporate Board when I feed back to them exactly what happened here and what your expectations are. Yes, there was an error but there is a lot of good stuff going on in terms of collection of the data and it is only a matter, I think, of just refining that and keeping the pressure up. It would be really useful to do that anyway as we move towards the new system. Another thing, I think is it is important to pursue the 4 or 5 remaining items in the action plan that have not been done either. So I will give it some prominence, I will give it a bit of a push through the Corporate Management Board. I cannot hope, nor would I ever pretend, to influence all the managers throughout the States of Jersey. It is not my job; that is Mike Pollard's job, that is Tom McKeon's job, *et cetera*, and through their management teams to improve performance down there. But I sit on that management board who can hopefully make that happen.

Senator J. Perchard:

I was going to ask a very similar question; well, the same question. I will expand on it, if I may, because I do not know, Ian, if you answered that terribly well. You did mention, as I just said, February 2007: the new system will hopefully be up and running. What are you planning to do with regards recording sickness and absence levels accurately for the next 12 months?

Mr. I. Crich:

Well, carry on as we are, is the short answer. Carry on as we are. The great majority of my colleagues would say, yes, that they are doing that now, that they are diligent in this respect. Certainly some key departments I know would be horrified if I were suggesting that their attention to this particular aspect was lacking. Now, there might be some issues with one or 2 departments and I have to put some extra input behind the work that goes on in those departments. The people responsible for the actual inputting and collection now work for me - belong to me - and they report through some of my managers. We can put some input in that way. But, I will take you back to what I said much earlier, I cannot hope - nor could anybody else - to be sat on every manager's shoulder every time that phone rings or does not ring, interestingly, when somebody declares they are off sick and make sure that they fill in the form. In the particular department where the error occurred there was not a standard way of recording the data. So,

when the phone call or word came in, there was no single way of capturing that data. So that went in to somebody in HR who brought that together from all over the place, recorded it into the system and then off to the central place for manipulation for the report since September 2005. There is now an agreed standard spreadsheet which is being used within that department from last September. So already there has been an improvement brought about.

Senator J.L. Perchard:

Of different types of data? Do you have a copy available?

Mr. I. Crich:

I have not but I can certainly show you how that is done. I could circulate that, Chairman, if that would help. An improvement has been made already and I am told that is going to make those figures from that particular department much more reliable. So, I think it is just a matter of keeping up the pressure. Chairman, I know that is not a perfect answer but that is as good as it gets for that.

Connétable T.J. du Feu of St. Peter:

Have you every confidence that your reporting facility is going to be up to speed and going to produce and have the desired effect?

Mr. I. Crich:

The honest answer to that is from what I have seen so far, yes, in terms of the particular product that we have got which is this JD Edwards HR system. I have seen it demonstrated in its standard format and what I would say about the JD Edwards HR system is that it is not a top drawer Bespoke HR information system. So, it is not the one - if you were just setting up an HR system on its own - you would probably choose. That said, the trade-off that you get by linking it to the payroll system and the finance system is worth what you might save. It might not have every bell and whistle that you might want from the HR information system but what I have seen it is more than adequate in terms of reporting. The honest bit is that the actual work going on now to tailor that product so that it meets our needs in Jersey is actually where we are. So, that is the piece of work that is going on over the next 2 months. So, I will know a lot more then. As the lead practitioner on this, I am not going to accept something which will not do it. So, we have had quite a lot of input in terms of... from users and managers in terms of: "Okay, what do we need to do in terms of reporting, not just on absence but on all sorts of other ...". This whole workshop has been run-around reporting. So, as confident as I can be, again, is my honest appraisal of where we are at.

Mr. M.P. Magee:

Similar vein again, Ian. I guess it is more to the point than targets. What, in fact, we have talked about, it is quite difficult to know in a year's time or 2 years' time when we are sitting at this table whether you have succeeded or failed. Okay, so you can see the processes working in this complete data but is it

good, bad or indifferent versus other organisations, I wonder? I guess, you know, are people setting the targets here? You have got quarterly meetings now. We are aware of sort of review meetings with the Corporate Board. Is that one of the KPIs that is now there?

Mr. I. Crich:

Yes.

Mr. M.P. Magee:

So, therefore you are saying: "Well, hey, we are looking for extra in that department." So, you know whether you have got there or not or if there are reasons why you...

Mr. I. Crich:

One of the features which the Corporate Board put in together into more of a collective is the whole... not there by any stretch of the imagination yet, but a better approach to the whole performance management across the States. So, we are using a tool you will be familiar with now: balanced score cards. In that there are a number of people management - I like to call them - measures and 2 or 3 of those are exactly around this area. So, every management team now is performance-managing its department around a whole range of KPIs. A group of those people management measures and a section of those are around this particular issue. Now, 2 points about that. The introduction of that will enable regular review across the Corporate Management Board in terms of comparison. So, why is that your sickness absence level in TTS is running at a higher level than it is in the Law Officers? Well, because then you have got answers to that because TTS people dig roads up and stuff and put their backs out and what have you, and Law Officers do not necessarily do that. So, it gives you that sort of comparison. But, then you have got the overall benchmarks in terms of other organisations, of other public sector organisations perhaps in the UK, the civil service, private organisations and what have you. I think we have got to get a bit smarter about getting that. So another one of these recommendations in here that probably hasn't gone as far as we would like it to. So, I do not think there has been too much of a history of a real focus on performance management within the organisation. Clearly, the whole organisation has got to get back to that. This is just one little part of that and also, more importantly, benchmarking performance against each other within the organisation and outside. I read the report that my colleague did in February or January and he is right in that sometimes the comparisons are odious and you have to be careful to make sure you are counting the same things in the same place to make the comparison. Also, again, from another place, I would guess that in many public sector organisations, and probably private sector organisations as well for the record, the quality of this capture of the data in those places is probably not much different to that here. So, if there is under-reporting here, there is probably under-reporting in another place. I do not think we are clear in that respect at all. All we can do is strive to do the best we can with the tools that we have got, and we will do that.

Mr. M.P. Magee:

Yes, but the point of it, if say for instance Chris or the internal audit team wanted, in a year's time, to go and say the targets are X, you could have to revisit that and see whether they are achieved or not?

Mr. I. Crich:

Yes, except given the constraints we have got around the current system and the conversation we have already had in terms of the reporting, I think this is all about - your point - the managerial behaviours as it is much about some systems of recording. I just think things like new HR information systems, new procedures, standardised procedures, give you a focus for it; give you a bit of energy behind it, brings it to the forefront of the managers so that you get increased performance by doing that. But the answer should be, yes.

The Deputy of St. Ouen:

Can I ask just on this main matter how are you going to practically demonstrate to us and to the general public that you are achieving your goals? Because I am not picking on you but we have heard this all before. It has been claimed... and it was spoken about in the 2000 Audit Commission report, we have heard speak about responsibility of the chief officers and where their management responsibilities lie. There were talks about new policies - management accountancy policies and so on - being introduced, training to be introduced; all of that. So, if you like, we spent all the money, we have done the work and yet we seem to have advanced very little. Now, if we are looking - and the general public - for assurances that this is being tackled how can you practically demonstrate it? You have talked about quality of the reports you do. How can you prove it?

Mr. I. Crich:

Can I just first counter the view slightly that we have not made progress because, as I said earlier, I am absolutely confident that looking back over the past 4 or 5 years significant progress has been made. Policies have been introduced. Attendance management policies have been introduced. Ten of those 16 recommendations - I think when you look through them - have been fully implemented. So, we are not looking at a picture here of this Committee or its predecessor coming up with a range of recommendations and being ignored. What we are looking at here is, I think, it not being fully implemented, and I think that is different. We do need to do some further work. I think also what we have got here is an example where an error is taking place. I think we should acknowledge that, I think we should acknowledge that that can happen. I do not think we should take that and presume from that that therefore that is happening across the piece because I do not believe it is. In fact, my colleagues would shoot me if I did suggest that it was. I think we can be more diligent. I think we can do more auditing. I think we can do more monitoring. We can give it high priority. I think we can put it into people's performance objectives - if it is that important - alongside all the other stuff that we are asking people to do, and need to take a collective view about whether that is the case. We have put it in balance score cards. We are going to put a new information system in. I am going to standardise the processes and you can hold me personally accountable for it. Other than that, I am not quite sure what else you

would want me to do. I am happy to receive suggestions but I do think that a big piece of work has been done on this. I think we are talking about - and again drawing comparison with, you know, recent experience elsewhere - that extra bit that is going to make it completely water-tight and different to other places. That is what I am striving for. When I first got here I wanted to say that I want this organisation to be world class in terms of public service; I strongly believe that. There is no reason why the people of Jersey should not expect that because we have got the people here who can deliver it. What is lacking is building on the history of difference and acknowledging the difference but standardising that and going forward wherever possible. The new system will help that and the new way of HR people supporting managers will help that. You will have to test me out on it but this is not an overnight job; this is a couple of years.

The Deputy of St. Ouen:

I think the only point I make, I am not aiming to go back over history and drag-up a whole load of issues. I am just saying that obviously this management of sickness is a great way of demonstrating practically your main management because if you are doing this, then it should follow that other issues are being dealt with. Just to pick up on another comment that you made regarding the action plan. I am very pleased to see that you are still signed up to it because obviously it was created by your department. It has some very useful information on there which, whichever system you are going to use, it is useful. You suggest that there are only a few recommendations left to play tick the box. There are, I believe, a far greater number of issues perhaps within those recommendations that still are not being translated into the report and the information that you are currently providing. There were issues to do with BMI and a more meaningful report from them. We have touched on it before; we have talked about sickness targets. There is nothing to stop departments creating their own targets for sickness, saying: "Right, well you know, next year it is going to be 8.5 instead of 9" and so on. Those are the sort of things that we want. I did notice that you speak about medical redeployment policy and it is: "Oh, well, we considered it but sorry, it is hard to do because the unions are not that keen on it." I accept there are issues but it should not mean that is just a full stop and we will move on to something else. What comments would you have to make regarding the plan and, obviously the new system that you were speaking about.

Mr. I. Crich:

I think there is a real danger with action plans like that, and I have obviously come across many in my time; of thinking you have done it. So, I accept the criticism of taking a minimalist view sometimes of some of the recommendations - ticking the box - some of them are pretty easy, are they not? Produce a one page summary of the absence policy and give it to all members of the staff; tick, done that. But some of them are more complicated. Some of them are very much in form of where we are going with the new system and some progress will be more difficult. Medical redeployment itself is not difficult. Getting the agreement to how... and again that is an issue about 10 different pay groups or whatever it is there, because you are not just talking to one trade union about it, you are talking... and off you go. It

takes a long while. But, it is just about to be issued, interestingly, in a form which will enable managers to use it without it formally having to be adopted everywhere and what have you. So, it is more of a guide and more of an approach and that is sometimes the way around it. So, when I say a lot of them have been done, they have been done to tick the box but they are still in form. A copy of that action plan, for instance - I just thought of this, this is quite a good point - has gone into the HR information system development team so they have... in terms of the work I said they have got about a third of 100 days to do it in terms of developing the absence bit of the new system. One of the things that is important to them is that, and that has gone in there. So, they are aware of the thinking around that too. So, that is one way that that will inform, plus some stuff... the one about BMI giving a sort of better annual report? When I was at the meeting probably 10 days ago where they produced their annual report to the Committee of whatever it is - I cannot think what the body is who they report to but I was there and I chaired the thing. Again it was much better; much more comprehensive information about trends and approaches and what have you because, as I said, the real stuff around absence management is getting down and dealing with the individual cases and getting managers to do that and early intervention and then support from the medics, *et cetera*. So, it is informing and no, of course, it is not done and it is going forward into the new world too. So, I think we can build on that so it is useful in that sense.

Advocate A. Ohlsson:

Presumably you think some of the timescales given in that report were somewhat optimistic then?

Mr. I. Crich:

Yes, in short. I have this rosy view of the future but that is what gets me out of the bed in the morning, I guess. I think, given the sort of environment within which people were operating in a less than collective or corporate environment, I think those timescales were ambitious, yes. Certainly they would be now.

Deputy S.C. Ferguson:

So, is 2007 realistic?

Mr. I. Crich:

In terms of what, Chairman?

Deputy S.C. Ferguson:

Getting the human resources system up and running and adopting quite a lot of the things in the action plan.

Mr. I. Crich:

I can say - not to you obviously - consistently to anybody who will listen to me that by the end of 2007

that the HR information system phase one - and I will explain what I mean by that in a minute - will be in and operating properly. That the HR shared service centre will be fully up and running so all that admin stuff will have been brought together and they will be the ones feeding that system. The business partners will be adopting their role and the management development programme for managers to become more proficient in people management will be underway. I strongly believe that will be the case. Phase one is getting the HR system and the payroll system integrated and that being pretty seamless and everybody knowing what they are doing and systems being in place and standard processes and forms and approaches to stuff will be in place. The base system will be producing reports which are meaningful. Phase 2 is developing the next 2 products which are there, which are decided - I took the decision not to go with now; I think it complicates matters - which are MSS (Manager Self-Service) it is called, and ESS (Employee Self-Service). This is where managers and employees, subject to having PC access again, can actually do stuff directly into the system. An easy one for employees, things like: "I have moved house, I need to change my address" so you can get in there and do it yourself. You know: "I need to up my salary to £150,000 a day"; but they cannot do that. I jest. The managers certainly can do a lot more stuff through that particular easy sort of Windows friendly interface so it is a very easy access and they know what they are doing. But that has got to be developed next. So, concentration in 2006-07 is getting the base system in, doing what it is supposed to be doing, getting reports out of it and off that absence management, which I have said 2 or 3 times now, will be quite an important.

Deputy S.C. Ferguson:

So, getting on to the cost of absence management, what are you proposing to do for that? Bearing in mind that some absence management... for instance up at the hospital, if they have a nurse off they have got to replace her, so how are we going to cost all that in to the system so that we get a realistic report on what it has actually cost us? I have seen estimates where they reckon for large organisations it is 4 times the direct wage costs.

Mr. I. Crich:

Again, that is the bit that is being worked on at the minute in terms of how we are going to report all that stuff. Again, it is a flavour of this organisation. If I am off for a day; the argument is it costs nothing because I just come back the next day and work twice as hard or Saturdays or Sundays or something. It is nice to see a few wry grins around the room here. If I am a nurse - patient care - I have to be replaced; it is quite straightforward. What you would have to do, arriving at that global figure of sickness costs this much, is be conscious of all those different areas of work and the different arrangements that are made in terms of replacement and what have you. So, I have not got an answer for you but it is one thing we are working on actively at the minute in terms of driving our... first the data about the absence, because we have got to be sure that is right first so, okay, how are we counting that? Is it days? Is it hours? Is it shifts? Is it work patterns? Is it what? There is all manner of stuff which is, frankly, beyond me. The technical people are really involved in it at the moment. Once you have got that then

there is a link to the finance system about costing it and other inputs into that that make the figures meaningful. There is replacement costs or what have you. I will not profess that we have sorted that out yet. It is ongoing work. But it is clearly an important measure.

Mr. C. Evans:

Do you believe that the acknowledged poor absence management you have referred to in the past has led to a culture among certain public sector employees to view the taking of sickness days as a way of additionally incrementing their holiday?

Mr. I. Crich:

My gut feeling is no. I have not been around this organisation yet long enough to be able to give you a general personal feel for that. Those sorts of suspicions did not come up in any conversations I have had with HR professionals or with senior managers within the organisation. I think it would have done; somebody would have said: "Well, there is a real culture here of people taking..." I have known other organisations in the UK where people have a sickness allowance. You are entitled to 8 days off sick a year and people take them. I might as well just bung them on to annual leave and have done with it. There is no concept of that in this organisation that I am aware of but I would have to claim the Fifth in a sense in that I might not have been around it enough. I do not get the impression and I have been around most of the States and departments and sections. What I get a sense of... and I think I promised myself I would not use this at this stage to sort of say things like this but I think this one is important. What I get a sense of is a whole range of highly committed individuals, who do their best for Jersey, for the Island. I have been struck by that. I do not know anybody who says: "Oh, you know, the people I work with they, you know, come to work to do a bad job" or what have you. I really get a genuine sense of a very highly committed workforce. I can say with some security, without naming the other organisations I have worked for, that is a stronger feeling I get here than elsewhere. So, the answer to that is - a roundabout way of answering your question - I would not have thought so because what I see is a whole bag of people who are massively committed to what they do. But out of 6,000 plus employees there will be one or 2 that do not; yes, and you need processes and practices to respond to those. But the vast majority of employees here, I believe, are massively committed.

Mr. M.P. Magee:

Basically, Ian, you said that the cost of this new software package was zero. Is that not slightly misleading?

Mr. I. Crich:

Yes, it is.

Mr. M.P. Magee:

Because we have got the development thing of 100 days and probably PCs for people's basic training. This must be hundreds of thousands of pounds if you actually bring the cost together.

Mr. I. Crich:

Yes, the software is nought; then there are licensing costs which, again, are kept within the whole licensing framework for JD Edwards, so we present those as nought. Yes, there are development costs; and yes there will be training costs. You are going to ask me in a minute what the figure is; I would want this checked carefully before it appeared anywhere else but I think, in terms of the HR component, the overall development costs are something in the region of £300,000 but I would want that checked before that... Then the payroll bit on top of that and what have you. I did it as a comparison. I was involved in a project in my last organisation. We put a payroll and HR system in and we had no change out of £5 million.

Senator J.L. Perchard:

Would you, Ian, be able to forward us at your earliest opportunity a detail of the sort of information you plan to enter into a system and thereby be able to extract it after the end of 2007? Have you got a picture? Particularly, I want to ask you specifically would you be able to identify absence levels with a doctor's note and without? Can we get down to these type of details?

Mr. I. Crich:

Very much so, yes. I mean, as you can imagine for a product of this size, there is a pretty detailed project plan. Within that there is a whole range of documents which are the specification for each area. So, you have got performance management, sickness absence, recruitment selection, so they are all broken down. Yes, I can reassure you that the recording process will differentiate between certified and non-certified absence and a lot of other stuff too. There is always a balance to strike with these things. Sorry, Chairman, a longer answer than you are probably hoping for. There is always a balance to strike with this between having how it will make you a cup of coffee type stuff, because you end up then needing an army of civil servants to put the information in in the first place, which is clearly what we do not want to do. So, you have got to get that balance between just enough to make it important, to get the over-arching picture and allow managers some information to manage with but not end up being slaves. That is where I have been before with systems like this; you are a slave to the system and you just need, as I say, an army of people to put it in.

Senator J.L. Perchard:

Because you know the information you are targeting?

Mr. I. Crich:

Absolutely right. My HR colleagues would have it make the coffee as well.

Senator J.L. Perchard:

Yes.

Mr. I. Crich:

But I just said: "No, you do not really need to collect their insides leg measurements."

Senator J.L. Perchard:

We can expect a list of the sort of information you are going to be...

Mr. I. Crich:

Very much so, yes.

Senator J.L. Perchard:

Yes, great.

Mr. I. Crich:

Yes, expect that. They are working on it now.

Deputy S.C. Ferguson:

Ian, thank you very much indeed for your time this afternoon.

Mr. I. Crich:

You are welcome.

Deputy S.C. Ferguson:

You do not look in too bad a case after... **[Interruption]** We look forward to seeing you in a year's time to see how you are getting on. **[Interruption]**

Mr. I. Crich:

Delighted to come back. **[Laughter]**