leading**public**
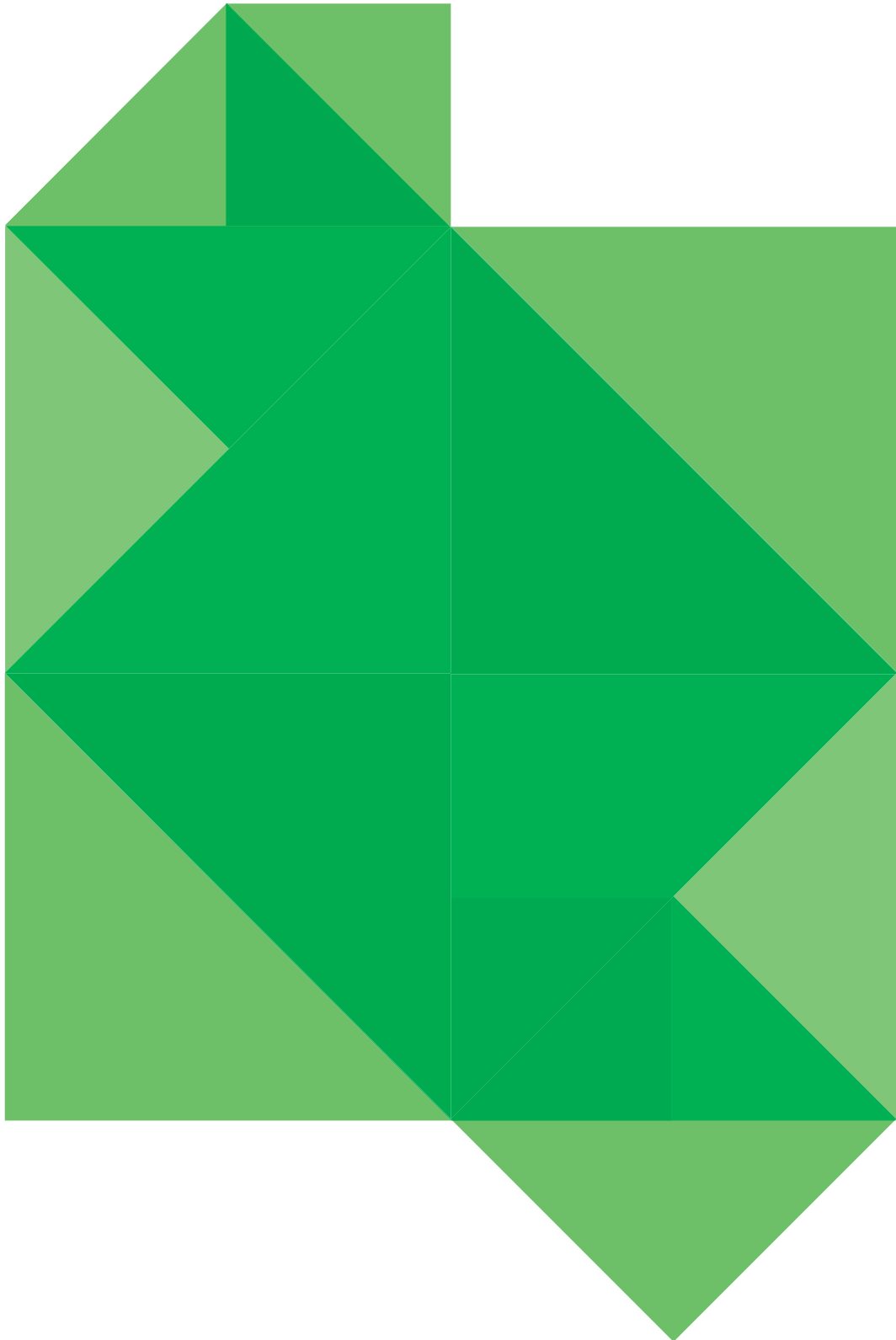ORGANISATIONS

# organisational change

state**services**authority

# organisational change

## an ideas sourcebook for the Victorian public sector

The Victorian Government has vested the State Services Authority with functions designed to foster the development of an efficient, integrated and responsive public sector which is highly ethical, accountable and professional in the ways it delivers services to the Victorian community.

The key functions of the Authority are to:

- identify opportunities to improve the delivery and integration of government services and report on service delivery outcomes and standards;

- promote high standards of integrity and conduct in the public sector;

- strengthen the professionalism and adaptability of the public sector; and

- promote high standards of governance, accountability and performance for public entities.

The Authority seeks to achieve its charter by working closely and collaboratively with public sector organisations.

## contact us
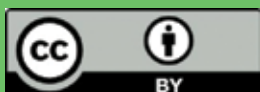
# contents

# this publication

This publication has been written for organisational leaders in the Victorian Public Sector—specifically, people working in executive and senior management roles.

The purpose of the document is to help the reader become an informed decision maker, commissioner and/or consumer of actions relating to organisational change.

This publication does not talk about one particular type of organisation. Neither does it promote any particular change model or practice as being 'the best'. Instead, the publication provides information, insights and advice that may be useful for organisational leaders working in any public organisation and thinking about leading any type of change. Inevitably, however, certain content will be more (or less) applicable to certain situations.

It is important to note that the publication is presented as an 'ideas sourcebook' rather than a step-by-step 'how to' guide. It is a collection of ideas designed to stimulate and inform leadership thinking, judgement and decision making in the face of the specific situations, opportunities and dilemmas.

# the key ideas of organisational change

{ Organisational change is a fundamental strategy for ensuring that a public organisation remains relevant in a changing environment.

An organisation that is able to manage change well will maintain its productivity and relevance over time.

An organisation that is not able to change will become increasingly dysfunctional, unproductive and irrelevant. An organisation in which change is not managed well will suffer greater costs—in terms of finances, opportunity, productivity and reputation—than necessary when trying to change.

## types of organisational change

Organisational change is the process of moving from established to new ways of thinking, behaving or working.

There are three main types of organisational change. Each requires different types of effort and leadership actions, and each carries different risks:

- **developmental:** improvement, refinement or enhancement of what already exists.

- **transitional change:** moving from an old to a new state with activities oriented towards creating the new and 'switching off' the old. This type of change lends itself to a planned project approach. Most change management literature focuses on this type of change.

- **transformational:** fundamental changes in strategy, identity, worldview, mindset, culture; changes in 'who we are' and 'what we do'. This is sometimes referred to as discontinuous or disruptive change. With this type of change, while the imperative for change is clear at the start, the end point and full impact of the change are less so. Clarity only emerges as a product of the change activities, which, themselves, will be non-linear.

Transformational change is often the hardest to achieve because it requires staff to change aspects of who they are. It also requires leaders to change their own identity, worldview and mindset. Many people, including organisational leaders, have little willingness (or incentive) to adopt radically different ways of making sense of, and interacting with, the world around them. And yet this is exactly what is required during transformational change.[1]

## organisational change as a project or as a 'way of life'

In many organisations, change is experienced as a disruption—something out of the ordinary that is separate from, and additional to, the 'regular' work of the organisation. In these organisations, organisational change is established, managed and experienced as a special project, with a beginning and an end.

It is likely that many people who work for, or expect things from, your organisation will think about organisational change in this way. (As a consequence, most of this publication focuses on organisational change as a project).

Organisational change does not always need to be constructed, led or experienced as a formal project. An organisation can be in a constant process of learning, improvement and evolution. Or else, the organisation can be constructed around the principles and practices that provide maximum flexibility and adaptability. In these organisations, organisational change will not exist as a special project. Rather, it will be experienced and managed simply as part of 'the way things are around here'. (If this characterises the type of organisation you work in, or would like to create, then the section on 'creating a flexible organisation' is for you).

## organisational change as a managed process

From a leadership and management perspective, an organisational change project typically moves through four main phases:

1    D Anderson & LA Anderson, 'Conscious Change Leadership: Achieving Breakthrough Results', *Leader to Leader*, Fall 2011, pp. 51–58.

1

## business case

developing and testing the need to change in terms
of benefits sought and potential costs (financial and other)

2

## project planning

identifying actions that stimulate the changes required to achieve the
benefits sought within acceptable costs (financial and other)

3

## change activities

implementing actions to help the organisation's employees
and stakeholders move from the 'old' to the 'new'

4

## benefits realisation

realising the benefits envisioned in the business case.

# three areas of focus during change

Organisational leaders and managers need to keep a focus on three interdependent but equally important areas during an organisational change project:[2]

## 1 content

*what*, specifically, is to change in the organisation. This includes processes, strategy, structure, technology, habits, ways of thinking, and/or culture (values and identity).

## 2 process

*how* change will occur in the organisation. Considerations about process include who will direct and be accountable for aspects of the change, the speed of change, communication about the change, and monitoring change success.[3]

## 3 people

the role that human dynamics will play in achieving successful outcomes (or otherwise) from the change, as well as the impact that the changes will have on human dynamics. Particular consideration needs to be given to the emotional impacts of change and the behavioural responses prompted by change.

---

2    Influenced by LA Anderson & D Anderson, *The Change Leader's Roadmap*, San Francisco: Pfeiffer, 2010.

3    Many of the process considerations will be set out in the relevant Enterprise Bargaining Agreements (EBAs). These should be considered early on in any change project.

Organisational leaders often focus on what needs to change (content). Sometimes the focus on the 'what' comes at the expense of considering how the change will happen (process) and, especially, the emotional side of change (human dynamics). The leadership bias towards content, and 'blindness' to process and human dynamics, is one of the major reasons why organisational change initiatives fail, stall, or become more difficult than they need to be.

## change leadership and change management

Change leadership is the provision of direction, guidance and support to the individuals managing change as well as those who are having to adopt, and adapt to, the new.

Change management is the creation and implementation of a series of actions to create desired change within established parameters (for example time frames, costs, acceptable impacts and outcomes).

## the best way to lead and manage organisational change

There is no one 'best' way for leading and managing change. There are no universal formulas for achieving success in the face of so many contextual variables. However, there are five factors that appear to be essential in order to achieve successful organisational change.

These are:[4]

1.  active, visible and accessible leaders;

2.  a credible case for change and frequent two-way communication about this case for change;

3.  a structured change management approach. Ideally, this should be developed in collaboration with, or at least be informed by contributions from, people who will be involved in, and impacted by, the change activities and outcomes. The structured change management approach should also allow for regular revision in response to new opportunities and challenges;

4.  dedicated resources and funding for change management activities. (Skills development and support for middle managers in both managing change and in the new ways for working required to achieve the benefits sought is especially important); and

5.  employee engagement and participation.

---

4    Influenced by Prosci, *Best Practices in Change Management*, Loveland CO, USA, 2009.

A Guide for
Public Sector CEOs

# Serving Victoria
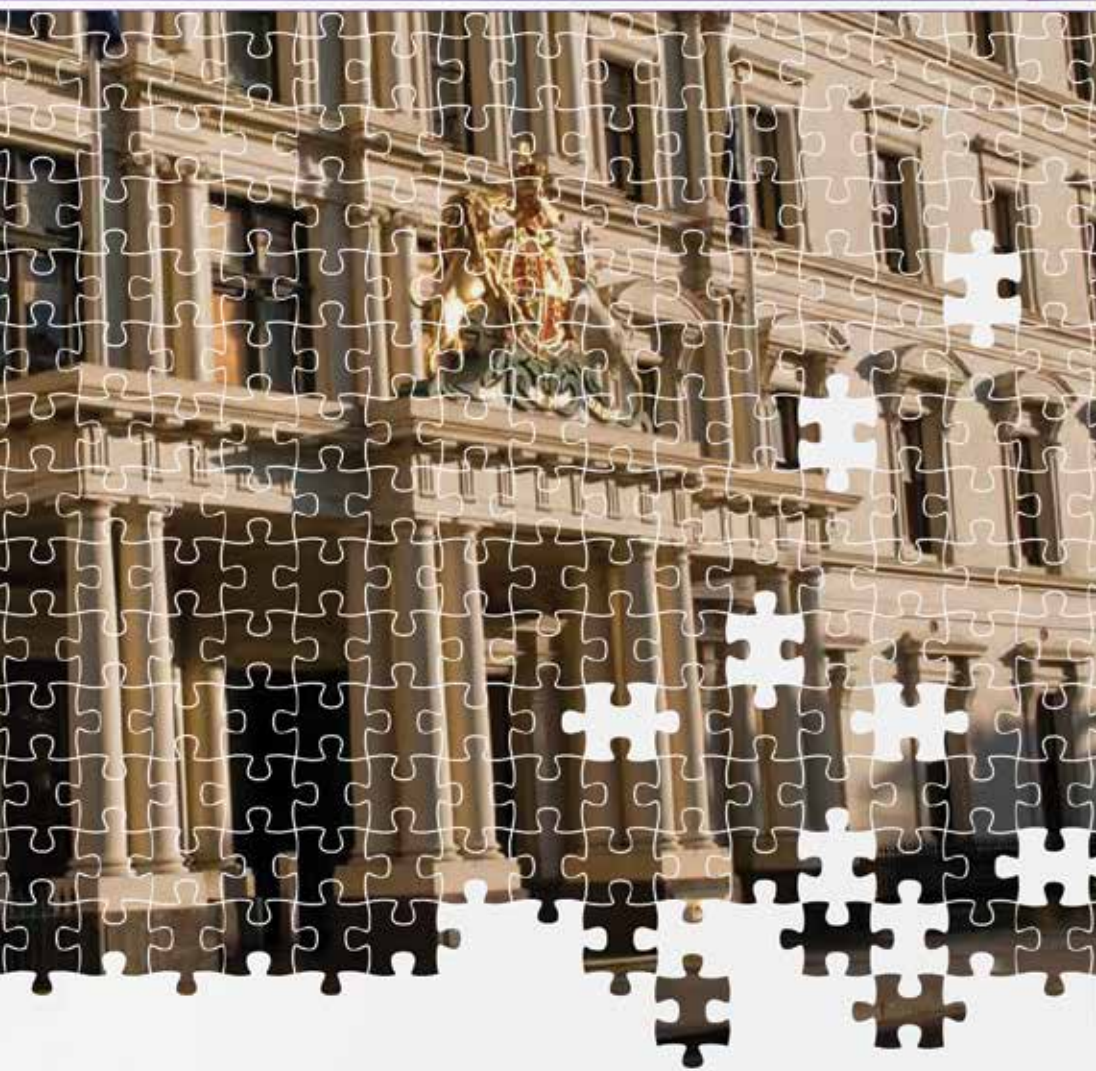
Victoria

state**services**authority

**Serving Victoria: a guide for public sector CEOs** provides assistance for incoming chief executive officers on the unique aspects of the public sector operating environment.

Download your copy at www.ssa.vic.gov.au

# is major organisational change always necessary?

{ Major organisational change can deliver significant benefits. However, major organisational change does not necessarily always deliver major improvements.

Sometimes, major organisational change, or the processes used to achieve the change, can cause significant and lasting damage.

On the other hand, major improvements can sometimes be achieved by making relatively minor changes.

Therefore two critical questions you need to ask at the start of any organisational change project are:

1 Do we really need to change?

2 If so, how much change do we really need?

## nothing good ever comes from making changes for no good reason

Major organisational change needs to be undertaken for the purpose of delivering genuine and tangible improvements for the organisation. Decisions about specific change actions need to be made in light of the tangible improvements sought.

Making significant changes to an organisation 'just because', or for a leader to 'make a mark', or to make the organisation look like another organisation, are seldom, if ever, good reasons for change. Changes made for these reasons will seldom result in a positive outcome.[5]

Asking the recipients, beneficiaries and overseers of your work, and the partners with which you work, about their expectations of your organisation will provide a framework for defining your organisation's unique contributions and for identifying any changes that may (or may not) be required. If these external stakeholders are generally satisfied with what you do and how you do it, there may not be a good reason to change.

## what really needs to change?

In some people's minds, organisational change is taken to mean structural change. For them the two ideas are synonymous. This does not have to be the case. Organisational change does not always need to mean structural change.

Effective organisational change can be achieved by improvements to decision-making processes; performance management; accountability and control; program design; administrative and financial processes; resource allocation and leadership practices.[6]

When starting to think about the extent to which the organisation needs to change, it is helpful to start small.

Consider, in order, the feasibility of the following strategies:

- **enhancement:** It may be possible to deliver tangible improvements simply by strengthening existing systems, processes or practices through simple modification or refinement.[7]

- **minimalism:** What is the least we need to change to achieve tangible improvements? Relatively small changes can often deliver significant impacts for the organisation.[8]

- **containment:** Roll out change activities across the organisation in a measured and orderly fashion, providing sufficient space between each change activity to allow the organisation to recover.

---

5   Research by the Economist Intelligence Unit suggests that the single most important factor for change failure is 'lack of clearly defined and/or achievable milestones and objectives to measure progress'. The other two top reasons for change failure are a 'lack of commitment by senior management' and 'poor communication'. Economist Intelligence Unit, 'Leaders of change: companies prepare for a stronger future', January 2011, p. 13.

6   Organisation for Economic Co-operation and Development (OECD), policy brief, 'Public sector modernisation: changing organisational structures', September 2004, p. 7.

7   M Goold, & A Campbell, 'Do you have a well-designed organization?', *Harvard Business Review*, March 2002, p.124.

8   In writing about the root causes of change failure, the Boston Consulting Group observes that too often organisations 'fail to emphasize the "minimum sufficient to win"', that is, decisions and actions that will have the biggest, quickest impact'. Moreover, without any clear prioritisation, 'the organisation chokes on the profusion of change efforts, each of which is deemed important'. The Boston Consulting Group, 'Changing change management', December 2012, p. 8.

## what if you have no choice but to embark on major change?

In the public sector, changes in government policy priorities, in funding, and in legislation can sometimes require a public organisation to transform into a completely different type of organisation in a relatively short time frame. In some cases, the government may define the change goals and also prescribe key features of the process to achieve these goals.

As an organisational leader, you may see merit in the changes and processes required by the government. At other times, you may not be able to see how the changes will make improvements to your organisation. (An obvious but important point to make here is that the public organisation in which you work is not, in fact, 'your' organisation).

When faced with this situation, you might consider the following:

- **establish your own position on the changes:** Ideally you need to come to a position where you are able to talk to staff, and act upon the changes, in a positive and supportive way. In other words, you need to be able to believe that the changes make sense. If you are unable to do this, you should consider working elsewhere.

- **negotiate to gain control:** Seek to negotiate with government to bring as much into your control as possible, especially the way in which the change outcomes are achieved.

- **make the best of it:** Look for, or create, opportunities to achieve some benefit for the organisation, even if the primary purpose and focus of the change lies elsewhere. In most cases, externally imposed change can provide a useful catalyst for making other changes to other aspects of the organisation that will deliver benefit. In some cases, the externally imposed changes can be absorbed within existing, internally-driven change management projects.

- **control what you can** and make strategic decisions within the parameters provided. That is, take advantage of the opportunities for decision making that you do have. Do not simply follow a process that you assume has to be followed or is what others are doing. In other words, use the opportunities available to you to make the right decisions, not just rushed decisions.

- **buy more time:** Undertake the easy to achieve, minimal impact change activities first, thereby giving you more time to plan for the change activities that will be more difficult to achieve.

- c**reate more space:** Identify existing or proposed projects that can be modified or stopped to free up resources to lead, manage and achieve the imposed changes. For projects that can be modified, consider altering start or due dates, changing their performance measures, redefining scope, or outsourcing the work.

- **re-conceptualise the organisation:** Help staff to think about the organisation in terms of being a component of a bigger system and that this system, not individual organisations working in isolation, provides outcomes for the community. In other words, redefine the boundaries, identity and goals of the organisation so that they sit beyond parochial interests. This can even involve partnering with other organisations in the same system to undertake some of the change planning and activities collaboratively.
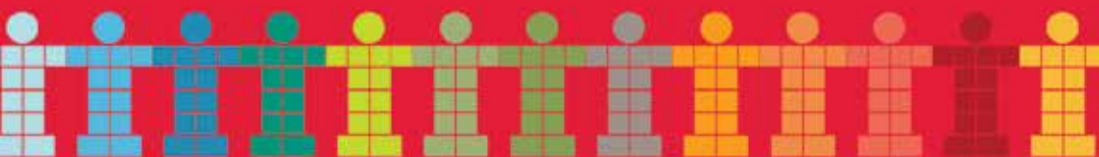
# Great manager, great results

## Development guides
(Second edition)

state**services**authority

State Government Victoria

**The great manager, great results** suite of resources includes materials for those working in the Victorian public sector and individuals and organisations that design and deliver development activities for Victorian public sector managers.

**Download your copy at www.ssa.vic.gov.au**

# do you have what it takes for a major change project?

{ Major organisational change can yield great benefits, improving an organisation's capacity to deliver what is expected of it. However, major organisational change is an inherently risky activity.

A persistent theme in all the writing about organisational change management is the high probability that major organisational change projects will fail.[9] Even when a change project is managed well, it is likely that workforce productivity will experience a temporary dip, which may impact the organisation's reputation and effectiveness for external stakeholders.[10]

This does not mean that organisational change should be avoided. Neither does it mean that an organisational change project will inevitably fail. (In the writing about change, the headline grabbing idea that most change initiatives fail is usually followed by a diagnosis of the reasons for the failure and what leaders and managers can do to avoid them).

What it does mean is that major organisational change is one of the more difficult challenges that you, as a leader, will face.

---

9      According to a Harvard Business Review 2006 study, 66% of change initiatives fail. Cited in the Corporate Leadership Council, 'Change management: an end-to-end process guide', Corporate Executive Board, September 2010. This research aligns with other studies, such as that conducted by J Kotter (1996) and McKinsey (2008), that also found that only one change initiative in three is successful (30% succeed, 70% fail). Cited in C Aiken & S Keller, 'The irrational side of change management', *McKinsey Quarterly*, 2009, issue 2, p. 100.

10     According to an Accenture study, 57% of organisations experience a decline in workforce productivity during change management initiatives. Cited in the Corporate Leadership Council, loc. cit.

## change leadership capabilities

Change leadership is the provision of direction, guidance and support to the individuals managing change as well as those who are having to adopt, and adapt to, the new.

Many of the 'everyday' skills that are required to lead and manage the organisation are also useful for leading and managing change. However, effective leaders and managers of the status quo are not necessarily good at changing organisations.[11] Change often requires particular capabilities that may not be required when the organisation is operating normally.

The two most important attributes you need in order to be a successful change leader are:

- **the respect of influential people inside the organisation**, created on the basis of a commitment to fairness, transparency and empowering others, and through the practice of active listening; and

- **the ability to make and role model changes** in your own behaviour at work.

You also need:

- a good understanding of the dynamics of organisational change, especially the 'people aspects' of change;

- a good understanding of the organisation's existing culture;

- a good understanding of how the organisational changes are likely to be impeded by, or impact on, the organisation's principle stakeholders, both those inside and external to the organisation;

- highly developed risk management skills;

- highly developed communication skills; and

- resilience, self-confidence and self-discipline under pressure.

Change leadership is different from change management. The latter involves the creation and implementation of a series of actions to create desired change within established parameters (for example time frames, costs, acceptable impacts and outcomes). The activity of change management is similar to project management and requires a similar set of capabilities. (These are outlined in an appendix).

Typically, responsibility for change management is given to a senior staff member who leads a change management project team.

## organisational attributes that make major change projects more likely to succeed

In addition to having key individuals who are change leadership and management capable, organisational change is more likely to succeed if the organisation has the following attributes:

- **organisational purpose (mission), vision, strategy and priorities** that are clear and complement each other;[12]

---

11   HL Sirkin, P Keenan & A Jackson, 'The hard side of change management', *Harvard Business Review*, October 2005, p. 112.

12   M Beer. Cited in R Thompson, 'Building change-capable public organisations', in *Proceedings contemporary issues in public management: the twelfth annual conference of the International Research Society for Public Management*, KA Brown, M Mandell, CW Furneaux, & S Beach (eds.), Brisbane, 2008, pp. 11–12.

- **an effective top team** that is able to provide a unified front to the organisation and is connected with the body of the organisation in a profound way. That is, they remain 'in touch' with the way in which the staff experience the organisation and its work, and share the core values held by the staff;[13]

- **a mature approach to risk.** A mature approach to risk is one in which leaders and managers do not ignore or avoid risk, but, instead accept, talk about, identify, assess and manage risk as part of the change process;

- **good communication and collaborative practice** up and across the organisation;[14]

- **strong support for, and investment in the development of, the management skills** of the organisation's mid-level managers. In particular, managers need to be skilled in managing people and in applying cost, benefit and risk analysis to decision making; and

- **adequate investment of time and skill in change management** planning and activities.

## READINESS FOR CHANGE

Often, leaders think about change capacity—whether or not people will have sufficient time, resources, skills and support to stay on top of both the demands of their everyday work as well as the demands of major change. This is an important consideration, but only half the story.

The other half of the story is change readiness. This is about the emotional and psychological characteristics, and energy levels, of the staff. When people are emotionally ready for change, they are able to take on more work, and are able to deal more effectively with other demands created by organisational change.

Both the capacity and the readiness to change are important. As a leader, you need to be attentive to both.

13   M Beer. Cited in R Thompson, 'Building change-capable public organisations', in *Proceedings contemporary issues in public management: the twelfth annual conference of the International Research Society for Public Management*, KA Brown, M Mandell, CW Furneaux, & S Beach (eds.), Brisbane, 2008, pp. 11–12.

14   ibid.

A Guide for
Public Service Leaders

# Serving as Secretary

Victoria
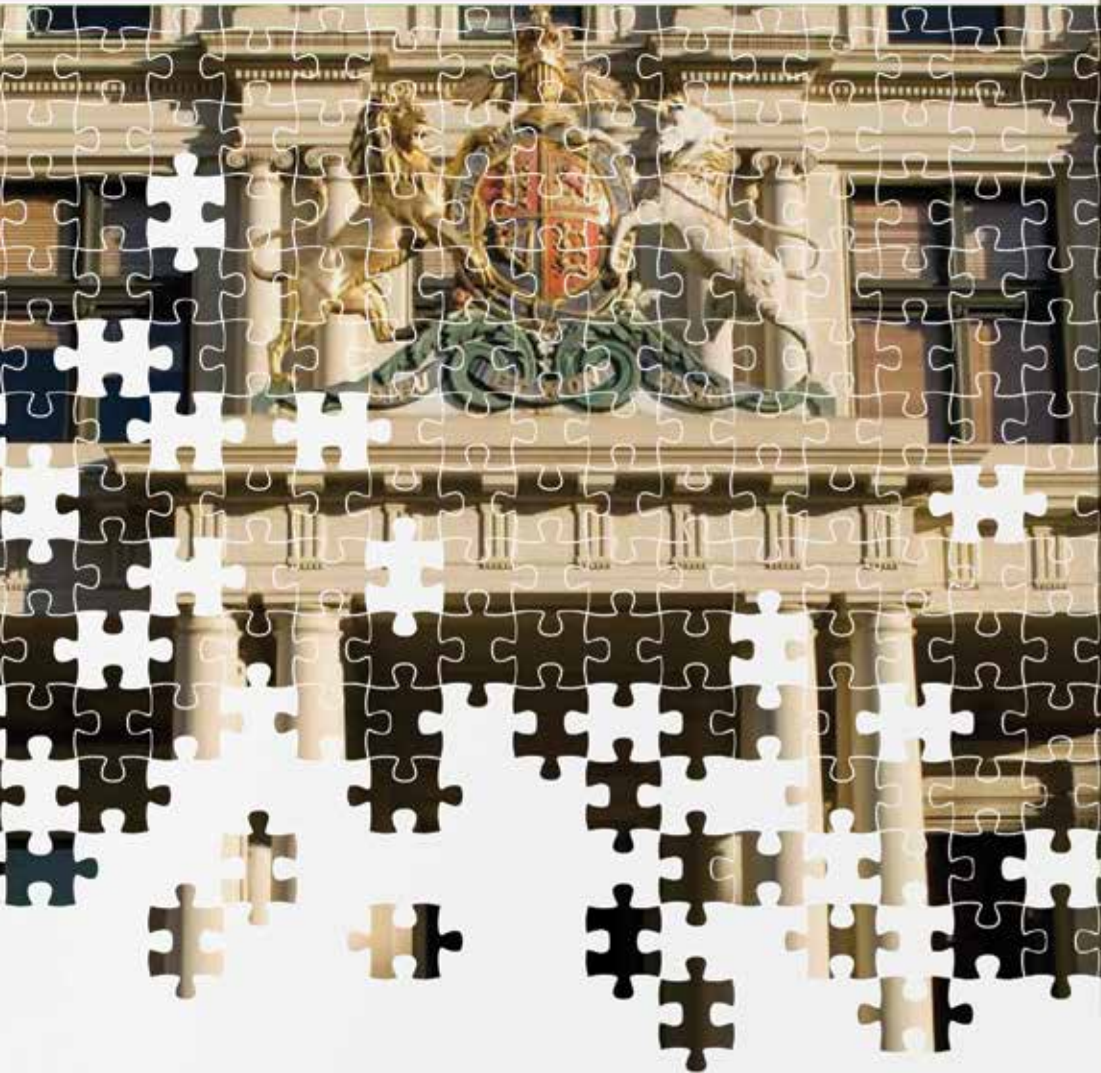
state**services**authority

**Serving as a secretary: a guide for public service leaders** provides an overview of key priorities for incoming senior leaders and an ongoing source of assistance for potential issues they may face. The guide was prepared in consultation with current and former senior public service leaders.

Download your copy at www.ssa.vic.gov.au

# eight leadership errors during organisational change

There are several studies that highlight why major organisational change initiatives fail to deliver the desired outcomes, or create more harm than good.

These studies also highlight the leadership approaches and actions that can be taken to avoid these problems. These strategies for success provide the basis for the advice presented throughout this publication.

This section highlights some of the things that change leaders commonly get wrong. While these mistakes are unlikely to make the change fail, they are likely to make the change project more difficult, or else create unnecessary problems down the track.

# error #1: focusing on content, but not on process and people

There are three areas that warrant leadership attention during any organisational change project:

* **content:** *What,* specifically, is to change in the organisation. For example, processes, strategy, structure, technology, habits, ways of thinking, and/or culture (values and identity).

* **process:** How change will occur in the organisation. Considerations about process include who will direct and be accountable for aspects of the change, the speed of change, communication about the change, and monitoring change success.[15]

* **people:** The role that human dynamics will play in achieving successful outcomes (or otherwise) from the change, as well as the impact that the changes will have on human dynamics. Particular consideration needs to be given to the emotional impacts of change and the behavioural responses prompted by change.

Leaders often focus on what needs to change (content). Sometimes the focus on the 'what' comes at the expense of considering the 'how' (process) and, especially, the emotional side of change (human dynamics).

This may be because the 'what' (content) is invigorating and comfortable for leaders, while process requires an attention to detail (which some leaders find dull), and human dynamics can be unpredictable and confronting (which some leaders find uncomfortable).

The leadership bias towards content, and the 'blindness' to process and human dynamics, is one of the major reasons why organisational change initiatives stall or become more difficult than they need to be. This is because process and human dynamics make or break organisational change.

As a leader, you do not need to take complete control of the process or take sole responsibility for every human dynamic in the organisation. However, you do need to take as much interest in the process and human dynamics of change, as you take in its final destination.

# error #2: overlooking accountabilities

Sometimes the roles that individuals need to play in the change process are unclear; accountabilities are assumed rather than formally established, or else drift over time.

Another common mistake is that leaders give people the wrong accountabilities. For example, effective change leaders are brokers, not dictators, of change.[16] However, organisational leaders sometimes assume responsibility for *all* the decisions relating to the change, providing no opportunity for others in the organisation to participate in problem solving and decision making.

At other times, leaders outsource all of the change-related decisions to corporate services or a special change management team. The leaders then take no responsibility for, or active interest in, decisions relating to the change visions and do not participate in communication activities.[17]



---
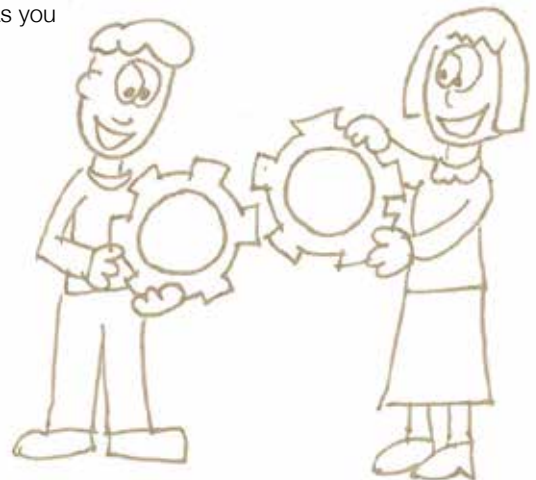
15    Many of the process considerations will be set out in the relevant Enterprise Bargaining Agreements (EBAs). These should be considered early on in any change project.

16    Corporate Leadership Council, Literature key findings: *Managing corporate cultural change*, Corporate Executive Board, June 2008, p. 4.

17    Overton, 'Why does change go wrong?', 2007, <http://www.change-management-toolbook.com>.

A better approach to roles and responsibilities relating to change is as follows:

- **senior leaders:** Establish the need, purpose and vision for the change; establish change governance (accountability framework); foster and contribute to a united senior leadership voice about the changes;[18] ask and allow others to contribute ideas about how the change goals can be achieved; commission, review and respond to change progress updates; communicate about the reason and progress of the change; provide active and visible support for those who are embracing the change.

- **managers:** Contribute ideas about how the change goals can be achieved with minimum disruption; coach employees through the transition; address employee resistance; communication; provide active and visible support for those who are embracing the change. (Many experienced leaders believe that middle managers are the most important factor in an organisation's capacity to achieve successful change. As such, they recommend investing coaching and development support for managers, with an emphasis on building skills in decision making, problem solving, collaboration and resistance).

- **employees:** Contribute to an analysis of the work and opportunities for quick win/low disruption improvements; contribute ideas about how the change goals can be achieved with minimum disruption; help colleagues understand and accept the changes; provide feedback to managers about the experience of change.

- **change sponsor(s):** An individual senior leader selected to be the 'face' of the change process. They take the lead in the communication work and participate in various staff forums to provide information and answer questions. They also represent the change project in executive meetings, providing both updates about the change project and commentary on other matters discussed by the executive from the perspective of the change project. They also provide direction and support to the change manager and the change team. The change sponsor often becomes closely associated with the change in the minds of staff. This means that the change sponsor needs to be adept at separating themselves from their role, especially if the change is difficult or unpopular.

- **change champions:** Individuals who come from any part or level of the organisation. They are given the responsibility for modelling the changes by personal example and hands-on involvement; promoting the alignment between the change goals and activities and the operational-level goals and activities; ensuring that there is a consistent message about change communicated across the organisation; and collecting, conveying and brokering action in response to 'on the ground' experiences of the change activities.

- **change manager/change management team:** Develop, monitor and revise—on advice from senior leaders and managers—specific change plans; provide expert advice to managers and employees about how to deal with the change experience.[19]

---

18    As a leader, your role is to help establish this unified voice. This involves creating the opportunity for, and participating in, free and frank 'behind-the-scenes' discussions among the leadership team so that all concerns are canvassed and adequately addressed as a precondition for a united executive voice. The Boston Consulting Group, 'Changing change management', December 2012, p. 14.

19    Adapted from the Corporate Leadership Council, *Change management: an end-to-end process guide*', Corporate Executive Board, September 2010.

## error #3: mistaking communication for consultation

Communication is different from consultation. Both are important during organisational change.

Communication is all about keeping information flowing in all directions through the organisation and throughout the entire change process—for example, leaders telling staff what is happening and why, and staff telling leaders what is happening and why. (The section 'what does 'good communication' mean during organisational change?' looks at communication in more detail).

By contrast, consultation is about asking people for their ideas about how to plan and implement the change—for example, leaders may ask staff about how the organisation could be structured to achieve better client outcomes. Or leaders may ask staff about when a new ICT data system should come on line so that it has greatest chance of success.

Both communication and consultation involve asking questions. With communication, the questions are focused on checking understanding. With consultation, the questions are focused on 'what do you think we should do?'

## error #4: creating change plans that do not change

During times of change, it is comforting to have something that offers stability—a fixed point that provides certainty and confidence in decision making. Many leaders look to a change plan—something developed before the change process started—as their fixed point.

A change plan is a valuable tool, which provides a basis for sequencing actions; taking stock of progress; predicting difficulties; maintaining focus; and communication.

However, to be really effective, the change plan itself needs to be dynamic, not permanent. The plan should be reviewed and revised regularly, and the change approach re-calibrated in light of information or setbacks.[20]

Changing the change plan is not a sign of failure, but a sign of sophisticated leadership. Indeed, change theorists have suggested that the frequency with which the change plans are renewed is a more significant factor in the chances of change success than the length of the change project.

So, 'a long project that is reviewed frequently is more likely to succeed than a short project that isn't reviewed frequently. The time between reviews is more critical for success than a project's life span'.[21]

It is important to note that any changes to the plan, and the rationale for these changes, need to be communicated clearly to all who will be affected.

## error #5: not planning for a drop in organisational productivity

During times of major organisational change, the productivity of the organisation is likely to fall—sometimes in the order of 25 to 50 per cent in the case of large-scale change.[23] This drop in productivity can have a significant impact on the organisation's reputation, especially among clients and other external stakeholders who can become dissatisfied with what they can perceive as a failure to deliver.

One part of the solution is effective liaison and communication with external stakeholders who are likely to notice or be impacted by the drop in productivity. In this communication, explain the size and timing of any changes in service and the reasons for this.

> **The notion that change comes from the top is a fallacy driven by ego and the cult of heroic management…most organisations succeed because of small change efforts that begin at the middle or bottom of the company and are only belatedly recognised as successful by senior management.**[22]

Another practical strategy to contain the loss in productivity is to develop and implement a 100-day business plan during and immediately after the organisational change activities. This plan is created by looking at what the organisation needs to deliver in the foreseeable future and the tasks that are essential for delivering these expectations. These tasks—and only these tasks—are carried out during the 100-day period. (Several 100-day plans can be established in succession if the organisation is undergoing lengthy and substantial change.)

The advantage of the 100-day plan is that it provides operational clarity for essential activities without committing the organisation to a permanent way of working until the organisational disruption is complete. It also provides an opportunity to determine whether or not the 'nice to have' activities might be permanently put on hold; it might turn out that nobody missed them. (However, if they were missed, the temporary nature of the plans allows their reintroduction once the change activity has wound down).

While failing to plan for a temporary dip in productivity during change is a significant error, overloading staff, especially managers, during change is a key cause of change failure. Having individual workloads increase by more than 10 per cent, either as a consequence of the change activities or the pressure to maintain organisational productivity despite the change, is likely to cause not only the change efforts to fail, but the organisation also.[24]

20    HL Sirkin, P Keenan, & A Jackson, 'The hard side of change management', *Harvard Business Review*, October 2005, p. 111.

21    ibid.

22    The ideas of Henry Mintzberg, Professor of Management Studies. Cited in N Morgan, 'How to overcome change fatigue', *Burning Questions 2001*, Harvard Business School, July 2001, p. 3.

23    TJ Tentenbaum. Cited in J Field, & E Peck, 'Mergers and acquisitions in the private sector: what are the lessons for health and social services?', *Social Policy & Administration*, vol. 37, no. 7, December 2003, p. 749. According to an Accenture study, 57% of organisations experience a decline in workforce productivity during change management initiatives. Cited in the Corporate Leadership Council, Change management: an end-to-end process guide, Corporate Executive Board, September 2010.

24    Sirkin & Keenan, op. cit., p. 113.

## error #6: forgetting to revise formal delegations

Formal delegations involve the head of the organisation giving other staff responsibility for making certain decisions. These decisions typically relate to spending public money, employing staff or exercising certain powers contained within an enabling legislation. Organisational change often involves people taking on or leaving new roles, or working within new reporting relationships.

It is easy to forget to withdraw previous delegations and reissue new ones. Financial delegations, in particular, can become complicated at a time of major organisational change. However, reassigning delegations needs to be done at the same time that changes to roles, incumbents, or relationships come into effect. Therefore, throughout the entire process, it is important to review and reissue the delegations across the organisation.

## error #7: not doing what you expect others to do (i.e. change)

The symbolic power of you, as leader, adopting new ways of thinking, behaving and working cannot be overstated. And yet, leaders often do not, themselves, change in the ways that they expect others in the organisation to change. Even simple 'first order', relatively superficial changes, such as adopting a new filing system or applying a new organisational policy, are often not adopted by leaders.

Worse still, some leaders make a point of not adopting the changes, announcing to their peers that, of course, 'I haven't started using such and such'.

When leaders do not adopt the new ways, the old ways will persist because the leader's inaction provides a powerful and tacit endorsement for not changing.

By modelling the new ways of working, you can send an equally powerful endorsement that the new ways are safe, that the new ways are workable, and that the new ways are important.

If you think that a new way of working is important enough, and easy enough, for others to adopt, you should do so yourself. If you do not believe that the changes are important or easy to adopt, you need to raise these concerns with your colleagues (other leaders in the organisation) and modify the change plans accordingly.

## error #8: withdrawing focus too soon

In most organisational change situations, there is a period where the changes are constructed, managed and talked about as a project. During this phase, activities are guided by time frames and milestones and are usually experienced by people in the organisation as a series of specific events (for example, training sessions, restructures and/or launches of new systems, products or marketing material). For people energised by project design and management, this phase can be both easy and immensely rewarding.

However, the purpose of organisational change is to create is a better organisation, not a perfectly constructed, well-managed or deeply satisfying change project. The success (or otherwise) of organisational change occurs in the next phase, when the excitement of planning and setting up new things needs to give way to a new 'business as usual' state.

This can be tricky. Teething problems may provide an excuse for some staff to revert to old ways. Other staff may be so addicted to the buzz of planning and conducting change project activities that they keep inventing new things just for the sake of it. Once the change activities are over, you, as a leader, need to create an environment in which people are able to 'calm down' and give their full attention to their work in the new environment.

Most of all, you need to make sure that the promises made about the benefits of the post-change organisation are, in fact, delivered.

## ALL CHANGE HAS WINNERS AND LOSERS

Organisational changes can have a significant impact on the people who work for the organisation in terms of, for example, their power, status, career opportunities and the roles they perform. This is especially the case for middle managers who, as a group, can make or break a change initiative, in the pursuit of personal gain or self-preservation.[25, 26] This is also true for the organisation's leaders, which is why explicitly orienting any change initiatives towards fulfilling the organisation's objectives (rather than the leaders' own interests) is vitally important.[27]

While the potential for individuals to 'win' or 'lose' as a consequence of changes should not prevent changes taking place, the interests of all key stakeholders—and the potential of these interests to impact the change goals, plans or success—need to be considered as part of any change activities.[28]

25   The Economist Intelligence Unit observes that the 'reluctance of middle management to embrace change initiatives is understandable' as chance can radically shift their job description, and even job security, and, at the very least add an extra set of demands to a role with already many competing demands. The Economist Intelligence Unit, 'Leaders of change: companies prepare for a stronger future', January 2011, p. 13.

26   RT By, T Diefenbach & P Klarner, 'Getting organizational change right in public services: the case of European higher education', *Journal of Change Management*, vol. 18, no. 1, March 2008, p. 31.

27   This risk of change being initiated by public sector leaders to deliver personal gain is discussed in R Todnem, T Diefenbach & P Klarner, 'Getting organizational change right in public services: the case of European higher education', *Journal of Change Management*, vol. 8, no. 1, March 2008, pp. 21–35 pp. 21-35.

28   In light of this, The Boston Consulting Group advises that, 'the top team has to commit to forthright, no-holds-barred discussions of the need for change and the objectives of the change effort.' In these conversations, there can be no 'undiscussable' topics among the management team members—'no shrinking from debates about turf, power, or spans of control'. While this can be a difficult experience, it is important to uncover misunderstandings, anxieties, vested interests or genuinely unintended impacts of change, all of which can prevent change success. The Boston Consulting Group, 'Changing change management', December 2012, pp. 4 & 14.

**Welcome to management: a guide for new managers in the Victorian public sector** aims to help Victorian public sector managers be successful in their job by helping them understand what the 'manager' component of their job entails.

Download your copy at www.ssa.vic.gov.au

# making it
# easy for people
# to change

Ultimately, organisational change is about people and the personal choices they make.

The change may be focused primarily on the organisation's structure, governance arrangements, processes, policies, or ICT systems. However, for the change to be successful, everyone who needs to change must, at some point, make a personal choice to accept the change and let go of the old.[29]

The success or otherwise of the change in your organisation ultimately depends on how many people make the decision to embrace the new, and when, on what basis, and to what extent they do so.

As a leader, the most important contribution you can make towards change success is to create a situation where people who work for the organisation will make the choice to accept the change happily (rather than ignore, resist or sabotage the changes).

"It is not only people at the top who have the ambition and aspirations to create a better organisation. People across the organisation typically have such aspirations though these are often frustrated.[30]"

29    CG Worley & YH Vick, 'Leading and managing change', *Graziadio Business Report*, Pepperdine University, vol. 8, iss. 2, 2005.

30    R Thompson, 'Building change-capable public organisations', in *Proceedings contemporary issues in public management: the twelfth annual conference of the International Research Society for Public Management*, KA Brown, M Mandell, CW Furneaux, & S Beach (eds.), Brisbane, 2008, p. 15.

## PEOPLE DON'T ALWAYS ACT IN WAYS THAT MAKE SENSE (TO YOU)

While, on paper, the elements of effective change management make sense, they can stumble in reality because the way people act and react does not always make sense—to you at least. It is worth keeping in mind, therefore that:

- **what motivates you (as a leader) does not always motivate other people in the organisation.** What motivates employees is unlikely to be organisational performance indicators and budget bottom lines, but the potential to make things tangibly better for society, clients, work team members and/or themselves.

- **while you think you are role modelling a particular behaviour, others may not see it that way.** This can be because staff perceptions are constrained by their own established beliefs about you and by their limited opportunities to observe your behaviour in all situations. It can also be that, frankly, you have not actually changed your behaviour, even if you think you have.

- **people sometimes put a greater value on 'fairness' than on self-interest.** People can actively work against a change if they perceive it to be 'unfair'. Staff will often pursue justice for others (typically clients or team members) at the expense of potential personal gains or loyalty to the organisation. This means that particular care should be taken when changes impact on service delivery for customers or on employment opportunities of colleagues.[31]

- **what people say they will do is often different from what they do in practice.** (This is similar to the economic principle of stated versus revealed preferences). Sometimes the difference between saying and doing is the result of a conscious act of dishonesty. More commonly, it is a consequence of an individual's low self-awareness and an often inflated view of their capability and behaviours. What this means is that, 'individuals, with the best intentions, may act in ways contrary to the change agenda and not be aware of it'.[32]

31   These insights are drawn from C Aiken & S Keller, op. cit., pp. 100–109, 2009. For more about the concept of employee values, see the State Services Authority's, *Leading public organisations series: organisational culture*.

32   R Thompson, 'Building change-capable public organisations', in *Proceedings contemporary issues in public management: the twelfth annual conference of the International Research Society for Public Management,* KA Brown, M Mandell, CW Furneaux, & S Beach (eds.), Brisbane, 2008, pp. 23–24.

## the change journey

There has been a lot written about the 'journey' that people go on when facing change. (The most influential theories are outlined in an appendix). In essence, each of the theories suggests that people move through distinct phases or stages on the way to deciding to actively engage with the new, and ultimately decide to accept (or reject) it.

As a leader, you need help people to move from one stage to the next and, ultimately, make a positive decision towards the change. You can do this by providing different types of information, reinforcement, and support at the different stages of the journey. The leadership actions for the different stages can be summarised as follows:

### 1 information

In the early stages, staff do not know much about the proposed changes and may be uninterested or sceptical. When interacting with people who are in this stage, you should focus on introducing the idea that something is going to change, and provide information about why, what and how.

### 2 education

In the middle stages, staff will be on the cusp of deciding whether to embrace (or reject) the changes. When interacting with people who are in this stage, you should focus on promoting the tangible benefits that will arise from the changes, describing the benefits in ways that appeal to both the rational and the emotional. Also, you should provide opportunities and encouragement for staff to develop the skills and knowledge required for the new. The aim of these strategies is to help staff become both willing and able to accept the changes.

During this stage, and continuing into the early part of the next stage, staff can experience disorientation, characterised by the sense of confusion and helplessness, as they try to embrace the new. It is important, therefore, for you to acknowledge openly the emotions that staff may be feeling, including those relating to loss, confusion and anxiety. [33]

### 3 reinforcement

In the final stages, staff will be starting to adopt new ways of thinking or acting. When interacting with people who are in this stage, you should provide positive reinforcement that the decision to accept the new has been the right one. The aim is to help staff keep at it, despite setbacks or lingering doubts. [34]

---

[33]   It is important to note that efforts must be made to help staff become willing before there is investment in developing their ability. While the way staff act is enabled by the skills and knowledge (capabilities) they have, it is driven by what they think, feel and believe. So to change behaviour it is important to build the requisite skills, but it is more important to build the willingness to use these skills to act and behave in new ways. See Aiken & Keller, loc. cit.

[34]   Influenced by Corporate Leadership Council, *Change management: an end-to-end process guide,* Corporate Executive Board, September 2010.

The process that staff go through to disconnect from the old and connect with the new is a psychological one. Every staff member will experience it differently. For some staff this will be a quick and easy process; for others, it will be a lengthy and difficult experience. As a leader, you need to be aware that staff will be travelling from the old to the new at different speeds and with different measures of ease.

This means that you need to be prepared to engage in active listening, show empathy and provide acknowledgement of the emotional aspects of change over a long period of time. You also need to become adept at finding out what stage of the process an individual has reached, and become comfortable with talking openly about their feelings of anxiety, loss, fear, and similar emotions.

The progression from letting go of the old, to being loyal neither to the old or the new, to actively embracing the new does not necessarily happen in three distinct and separate stages. More importantly, people can move both forwards and backwards along this continuum. Something can happen to cause some people to reconsider their decision to let go of the old and embrace the new; they may reject the new and embrace the old. This 'something' can be as simple as contradictory information from you.

## what makes it difficult for people to accept change

There is much written about why people respond to certain situations in the way that they do and how leaders can influence this response. Recent writing about why people do and do not change has focused on what we know from neuroscience.

Recent studies have shown that people respond with fear response to threats. However, the threats do not need to be physical to prompt a fear response. Threats to intangible aspects of a person's wellbeing will prompt the same type of response that is triggered if a person is facing a physical danger (such as a wild animal rushing towards you). Even a perceived threat can prompt the same sort of deep response. In other words, a threat does not have to be real in order for a person to have an instinctive 'flight or fight' type of reaction.

What is important about a fear response is that, because it is related to a primal survival instinct it happens quickly and is difficult, if not impossible, to control. Also, while it is happening, it is difficult for the individual to engage with other activities, including rational thought. Finally, when faced with a physical threat, the 'flight or fight' type response will be over relatively quickly once the danger has passed. However, in the case of intangible or perceived threats, the response can last and reoccur over an extended period of time. While someone is feeling threatened, they are unable to move on to engage with other things.

All of this is important in the context of organisational change, change leadership and change management. This is because, during organisational change, individuals will encounter many threats, both actual and perceived. The 'SCARF' model highlights this. This model suggests that the key things that individuals strive for, work to protect, and consequently respond to when they are threatened, are status, certainty, autonomy, relationships and fairness.[35]

Organisational change can often threaten one or more of these elements. For example, structural change typically alters the hierarchy, with impacts on the relative status of individuals and groups within the organisation as well as their autonomy and relationships. Change often involves considerable uncertainty, both about how the new state will work in practice and what will happen on the way to this new state. Decisions made during the change process can also be perceived as unfair—favouring or ignoring one person or a group over another.

What this means for you, as a leader during an organisational change, is that, in order to make it easy for people to accept the changes, you need to help them deal with threats to their status, certainty, autonomy, relationships and fairness. This can be easier said than done, especially if the threats are real.

35    D Rock, 'Managing with the brain in mind', *Strategy + Business*, iss. 56, Autumn 2009.

Scarf

## Strategies for helping staff deal with threats include:

### status

Broaden the way in which status is defined in the organisation from simply position with the hierarchy, salary and number of direct reports. For example, establish knowledge, contributions to information sharing across the organisation, excellence in customer service or innovative thinking as the basis for establishing status in the organisation.

### certainty

Be as transparent as possible, especially about what is known. Focus on whatever certainty can be provided—especially certainty of the immediate and short term. The use of short-term work plans and milestones can provide a measure of certainty even in the face of longer-term uncertainty.

### autonomy

Allow people to control as much as possible. Look for opportunities where individuals can make decisions impacting on how they undertake their own work or how they will achieve the changes sought. For example, allow people to make decisions about when (within reason) they wish to undertake training in new skills or move to a new desk (again, within reason).

### relationships with others

Having to work with new people (who are perceived as strangers on first meeting, with the accompanying threats associated with strangers) can create a threat response in some people. Providing opportunities for people to get to know potential new team members over a period of several weeks before they have to start working together can help reduce this threat.

### fairness

Transparency about processes for decision making can help address the need for fairness (so long as the process for decision making is fair).

Of course, change does not always or only produce threats for people. Change can deliver rewards. It can provide opportunities to confirm or increase status, create certainty, increase autonomy, strengthen existing working relationships or increase fairness.

**how positive is your work environment?**

the organisational, management and individual perspective on making improvements at work

**second edition**

Victoria — State Government

state**services**authority

## How positive is your work environment?

This toolkit helps employers determine priorities for change by helping you to rate your work environment, to see what is working and what is not, and then to do something about it.

Download your copy at www.ssa.vic.gov.au

# dealing with emotions during organisational change

From your perspective as a leader, the changes proposed for your organisation may seem perfectly rational.

They may be the product of a long process of deep inquiry, sophisticated thinking, debate and negotiation. The changes may be constructed in accordance with a carefully nuanced plan in which costs, risks and benefits are in perfect balance. The benefits that the changes will deliver may be so overwhelmingly positive for the organisation that is hard to think why you would not go ahead with the change.

Other people in the organisation are unlikely to see the change in the same way because their relationship with the change is likely to be emotional rather than rational.

## the emotions created by change

The emotional responses to change will not be uniform across any given workforce. Different people will respond to the same change event in different ways.

For some in the organisation, the prospect of change will create positive emotions. Those who may be fed up with, or frustrated by, the status quo may be excited and energised by new possibilities and opportunities.

Others in the organisation may not feel the same way. For them, the change may be seen as an unexpected and unreasonable threat to their wellbeing and future happiness; an attack on everything they have worked for or hold dear; a threat to their ongoing employment. Their emotional response will be in keeping with these feelings.

Some of the most common emotional responses to change include:

- **happiness:** Some people can be happy about change because it provides new opportunities or offers a resolution to old problems. During change, happiness can be a helpful emotion. However, people who are happy can lack empathy for, or interest in, people who are experiencing other, less positive, emotions. Also, people who are happy about the change may become impatient for it to start, and abandon or overlook important steps towards achieving the change.

- **sadness:** People can feel a sense of sadness and sorrow if they interpret the changes to mean, primarily, that something good will be lost forever.



- **survivor guilt:** This can be an emotional response to a situation where the change has involved staff losing their jobs, and an individual believes that they have 'survived' while others did not, and the basis upon which people did or did not 'survive' was unfair.[36]

- **helplessness:** Helplessness is an emotional response to a situation that the individual is convinced is completely beyond their control. It can lead to a view by the individual that they are a victim, or fatalist attitudes, both of which can lead to withdrawal and disengagement.

- **anger:** Anger can be a response to feelings of helplessness. It arises when an individual is convinced there has been a contravention of a basic value, such as fairness, freedom or the capacity to be in control. Anger can be a way an individual affected by change seeks to gain control over the situation. Anger can be expressed openly (through conflict behaviours) or less openly (through, for example, bullying behaviours or disengaging as an act designed to punish the architects or the beneficiaries of the change).

- **anxiety:** Anxiety is a constant state of uneasiness and apprehension, typically brought about by situations characterised by uncertainty or ambiguity. People suffering from anxiety are often in a heightened state of awareness, which can be physically and emotionally draining and, if experienced over a long period, can lead to depression.

- **despair:** Despair is an emotional response to a situation that the individual is convinced is hopeless. For example, the individual might believe that the changes will lead inevitably to them losing their current employment, and that they will not be able to gain any other employment; as a consequence, they will not be able to meet mortgage/rental, health or children's educational payments, leaving their life in ruins.

It is important to point out that everyone is likely to have some sort of emotional response to change. It is not limited to a particular gender, age group or ethnicity. However, the way in which people express or deal with their emotions is likely to differ as a consequence of these and other factors (such as their childhood experiences).

---

36    Actions to manage 'survivor guilt' can include articulating a vision of the new work environment; emphasising the use of fair merit-based decision processes; ensuring the leadership team is prepared and engaged; involving the 'survivors' in building the new state; communicating to manage perceptions, using data to monitor levels of staff engagement, organisational productivity and progress. The Boston Consulting Group, 'Managing survivor guilt', 2009.

## dealing with your own emotions

Leaders of change often spend considerable time focusing on the activities of strategising, planning, reviewing and responding. These are 'safe' activities grounded in the comforting rationality of management practice. However, no amount of rational work will remove, completely, the prospect of the leader's own emotions coming to the fore every now and then.

All leaders of change have experienced anxiety, elation, frustration, satisfaction, anger, remorse and any number of other emotions.

As a leader, you will need to develop your own strategies for finding a place for your own emotions. There is no one or best way of doing this. However, what you are aiming for is:

- **a good understanding of situations that are likely to trigger strong emotions in you.** For example, your emotions may come to the fore when a staff member openly criticises or questions you in a staff forum, or when a strategy you fought hard to implement fails.

- **effective strategies for expressing the emotions in constructive (not destructive) ways.** Sometimes, this involves removing yourself from a situation or delaying an emotional response until you are alone. At other times, it may be sharing the emotion with others.

- **effective strategies for providing relief when the same, especially draining, emotions are triggered repeatedly for a sustained period of time.** For some people, this involves setting firm practice about going home at a particular time, engaging in physical activity, meditation, or 'pulsing' (working in 90-minute blocks, with short breaks in between).[37]

## dealing with others' emotions

Accepting that there will inevitably be an emotional response to change, that this emotional response will be varied across the organisation, and that the emotions may change frequently (sometimes hourly) is a useful first step.

The next step is to create a 'place' for all these emotions.[38]

To help people cope with their own emotions, and to help keep destructive emotions to a minimum within the organisation, you can do the following:

- **Speak openly at staff meetings about emotion:** Saying things such as 'some of you might be worried that…'; 'some of you might be feeling that you will be worse off a result of these changes…'; or, even, 'some of you might be feeling angry about these changes…' helps people who are feeling these emotions understand that they may not be alone. It also shows that you, as a leader, are not ignorant of the emotional side of change.

---

37    ME May, 'The neuroscience of change: how to reset your brain', *Rotman Magazine*, Fall 2012, p. 28.

38    R Thompson, op. cit., p. 22.

- **Provide as much information as frequently as possible about what will happen and when.** In this communication, explain the rationale for the changes and the basis of specific decisions taken as part of the change program. Also, include any guarantees that can be honestly given and be honest about what is not yet known. The aim is to limit the opportunity for speculation and the negativity that often arises from it.

- **Provide an opportunity for staff to vent.** A controlled opportunity to give voice to concerns, frustrations and expectations can be cathartic and an important part of the process of letting go of the past. This can be set up as a session with an external facilitator at a team meeting or created through the use of a feedback survey with the capacity for free text comments. However the opportunity to 'vent' is created, it should be done in such as way that what individuals say at a time of high emotion will not be held against them in the future.

- **Provide, and positively promote the use of, counsellors** who can assist staff to create more positive 'self-talk', build their emotional resilience skills, develop a more positive response to feelings of disempowerment, or express concern for others without compromising their own self-esteem.

- **Provide, and positively promote the use of, career counsellors and skill development activities** if there is a need for staff to work in very different ways or environments.

- **Provide opportunities for staff to contribute to the design** of the new state and solve specific challenges arising from the change.

- **Privately talk to individuals exhibiting destructive behaviour (such as bullying behaviours, argumentativeness, severe withdrawal) about their behaviour**. State that the behaviour is unacceptable. Explore with them what they believe to be its cause. Come up with a plan for developing more constructive behaviours. (A word of caution though: you might not always be the best person to have this conversation. Consider carefully who is best placed to have this conversation so that it will be non-threatening and constructive).

A complication in dealing with emotions created by organisational change is that you, as a leader, may not always be at the 'front-line' of the emotional response. It is more likely that the people who report to you— managers of unit or teams— will have to deal directly with the emotions that staff are feeling and any fallout arising from how these emotions are expressed. Often, line managers are 'ill-prepared to deal with employees' less-than-rational responses to change'.[39]

One of the most important things you will need to do as a leader during organisational change is to provide advice and a sympathetic ear to front-line managers who are having to deal with probably more confronting emotional responses than you are.

39    Booz and company, 'Change management graduates to the boardroom: from afterthought to pre-requisite', 2008, p. 6.

# dealing with resistance to organisational change

{

**Changes in organisations will inevitably meet resistance.**

The fundamental step in dealing with resistance is to understand it. The aim is to understand what is causing the resistance and what is going to be the likely impact of this resistance.

The common causes for resistance are individuals:[40]

- believing that they will lose something (for example, status, power, security, career opportunities, relationships) as a consequence of the change. Or else that the change will cost them more than they stand to gain (for example, that they will have to do more work, but will have fewer opportunities for reward);

- not understanding the positive intent and impacts of the change;

- believing that the changes are fundamentally unfair, prioritising the personal interests of a few over the benefits of many;[41]

- having assessed the need and impacts of the change and have come to radically different conclusions about the situation than the organisation's leaders, often because they have different sources of information;

- not understanding what is expected of them;

- harbouring unresolved resentments. The changes may revive or exacerbate the resentments. Or else, the changes may provide an opportunity to act upon these resentments (regardless of whether the substance of the resistance is related to the substance of the change);

- feeling that there is nothing stopping them resisting; and/or

- being unable to change because, for example, the change requires altering a long-standing habit.

---

40   This list is informed by two sources: JP Kotter, 'Choosing strategies for change', *Harvard Business Review,* July–August 2008, (reprint of the original 1979 article), pp. 132–134, and Corporate Leadership Council, *Managing corporate cultural change,* Corporate Executive Board, 2008, p. 5.

41   Thomas Diefenbach. Cited in R Todnem, T Diefenbach & P Klarner, 'Getting organizational change right in public services: the case of European higher education', *Journal of Change Management*, vol. 8, no. 1, March 2008, p. 31.

A simpler way of thinking about resistance may be in terms of three levels of resistance:[43]

- **level 1—I don't get it:** In this situation, the resistance stems from a lack of information, a different way of interpreting influential data, a lack of exposure to a critical piece of information, or confusion over what certain pieces of information mean.

- **level 2—I don't like it:** In this situation, the resistance is felt as an emotional response. This is typically driven by fear of losing face, status, control or their job and financial security. Resistance based on fear is deeply rooted resistance and will take considerable effort to help people move from.

- **level 3—I don't like you:** In this situation, the resistance does not relate to the changes themselves, but to the people who are championing the changes (this could be you). This resistance may be based on a lack of trust; the individual and what they say is not seen as credible. Or else the resistance could be based on an unresolved resentment or a personality clash completely unrelated to the changes—past or present.

> ❝❝ All human beings are limited in their ability to change, with some people much more limited than others. Organisational change can inadvertently require people to change too much, too quickly.[42] ❞❞

Different approaches for dealing with resistance are likely to become self-evident once you have defined the case and extent of the resistance. It is important to note that one size does not fit all. The most common mistake managers make is to use only one approach or a limited set of approaches to resistance, regardless of the situation they face.[44]

Approaches to addressing resistance can include:[45]

- **communication:** providing information that directly addresses any missing information or misconceptions, and communicating about the consequences of accepting and of rejecting the changes;

- **education:** providing detailed insights into the issues or problems the change seeks to solve, the various options considered in the change, and the merits and drawbacks of each;

- **marketing:** creating and emphasising the opportunity for personal gain, including, for example, the opportunity for development through 'stretch assignments'.[46]

- **providing a place for conflict:** providing opportunities for principled dissent—forums in which objections to current or proposed changes can be voiced, acknowledged, and, where practical, taken into account when designing organisational strategies and change actions.[47]

- **providing opportunities for involvement**, either through planning stages or as part of a pilot—'involvement breeds commitment'.[48]

42    JP Kotter, 'Choosing strategies for change', *Harvard Business Review*, July–August 2008, (reprint of the original 1979 article), p. 134.

43    Based on R Maurer, *Beyond the wall of resistance*, Bard Press, Texas, 2010.

44    J Kotter, op. cit., p. 137.

45    ibid, p. 136.

46    Learning and Development Roundtable, 'Manager's toolkit for managing change', Corporate Executive Board, c. 2008, p. 6.

47    R Thompson, op. cit., p. 23; and RA Heifetz & M Linsky, 'A survival guide for leaders', Harvard Business Review, June 2002, p. 69.

48    CG Worley & YH Vick, op. cit.

- **support**, including developing key skills required to accept the changes and giving empathetic encouragement that demonstrates an understanding of the concerns; and

- **negotiation:** coming to an agreement that, in exchange for accepting certain aspects of the change, there can be compromise on other aspects.

Offering rewards or incentives may seem to be an easy way to address resistance. However it can be costly and the effect may only be temporary.[49]

One final thought about resistance: resistance is better than apathy. Resistance indicates that there is a level of engagement with the organisation or the individuals within it. Engagement indicates energy, loyalty and passion—all of which are attributes you want in staff. Seen in this light, resistance to change should be viewed as an important source of feedback that can be used to improve the change plans and a potential source of energy to drive the changes through.

# dealing with your own resistance

While many change management books and articles assume that all organisational leaders are the architects of the change, in reality, many public sector organisational leaders are required to participate in changes initiated by others.

In any change situation, it is worth asking yourself:

- Do I understand the rationale for the change and can I explain it to others?

- Do I believe the change is worthwhile?

- Am I clear about how the change will impact on my team and me?

- How is the change going to impact on my workload?

- Do I believe the change is fair to my employees, my clients and me?

- Do I believe that the change will actually occur, or am I sceptical that it will lead anywhere?[50]

If, by asking yourself these questions, you realise that you have a generally negative view about the changes, then you need to work out how you are going to resolve these doubts so that you can provide a united front with other leaders in your organisation and provide support to staff who will need your help in understanding and coming to terms with the changes.

In some situations, you may decide that you cannot accept the changes or encourage others to do so. If this is the conclusion you have reached, the only feasible option is likely to be for you to leave the organisation. This is not as dramatic or as uncommon as you might think.



49   Learning and Development Roundtable, loc. cit.

50   Learning and Development Roundtable, 'Manager's toolkit for managing change', Corporate Executive Board, c. 2008, p. 4.

## ADDRESSING DENIAL

Denial is another common response to change. This happens when people simply do not believe that the change will occur, or, if it does, that it will have any impact on them. As a consequence, they do not modify their own behaviours in any way, neither attempting to adopt or reject the new, and simply carry on as normal.

From an organisational leadership perspective, this response to change is cause for concern. In the case of organisational changes focusing on behaviours, ways of working, or organisational values, if too many people in the organisation believe that the change will not occur, then chances are they will not. The denial becomes a self-fulfilling prophecy.

For changes with a 'harder edge' (for example restructuring and downsizing), staff that are in denial are likely to put themselves at a considerable disadvantage. They may find themselves being increasingly irrelevant for the new organisation. If these staff are highly skilled, then this is a problem for the organisation and not just for them.

It is worth spending some time seeking to understand why people are in denial about the change. Is it because they believe (based on past events) that nothing will happen? Is it because they do not have enough information about the changes and their impacts? Is it because they are so anxious at the prospect of the change that they cannot think about it calmly?

The first two scenarios require a communication response, one that demonstrates the inevitability of this change and provides detailed information about what is involved.

The third scenario warrants a development response: building staff capacity in risk management (so they can deal with uncertainty), in strategic planning (so that they can identify and build upon opportunities arising from the change), and/or in personal resilience (so that they can identify what is making them anxious and how they can address this).

Ultimately, the best way to address denial about the change is to get started with the changes.

# dealing with the 'old' ways

{ In change management theory, there are four basic approaches to dealing with the old.

## the old transforms into the new (evolution)

In this approach, things change gradually so that, over a sufficiently long period of time, the way things 'are' is something very different from the way they 'used to be'.

In this approach the 'old' and the 'new' are hard to differentiate at any given point during the change process; the distinction only becomes clear in hindsight.

This approach is less aggressive and confronting than some of the other approaches described below. However, because it is difficult to see the old transforming into the new, the change can easily stall or go backwards (that is, not occur at all).

The other challenge with this approach is that important supports (such as enhanced organisational capabilities, structure or systems) can gradually become out-dated over time. Because the 'old' and the 'new' are not sharply defined, few may notice the gradual falling behind of the supports and there may not be a clear catalyst to bring them up to date. This can then create tension in the organisation, leading to localised workarounds or open conflict between those working in new ways and those responsible for maintaining the (old) support systems.

## the new outshines the old

In this approach, the vision of the new is presented with such force and appeal that abandonment of old ways becomes inevitable.[51] (An illustration of this approach is the introduction and subsequent widespread adoption of mobile phones leading to the gradual disappearance of the once ubiquitous public phone).

This approach assumes that the new will be self-evidentially favourable to the old. It also assumes that people will make a rational decision to accept the new. However, in reality, people often make decisions with their hearts (not their heads). In this case, the familiar might win out over the novel and, as a consequence, the new (not the old) might fade away.

To be successful, this strategy relies upon leaders being effective marketers. The organisation's leaders need to be able to create and communicate a compelling vision of the benefits of the new. They also need to be able to highlight the weaknesses of the old, without disparaging staff that may have created, or are otherwise closely associated with, the old.

## the new replaces the old (clean break)

In this approach, the old ways are stopped and the new ways are implemented immediately afterwards. In this approach, the old and new do not exist simultaneously, but sequentially. (An illustration is the switch between standard and daylight savings time each year, which, literally happens overnight).

An advanced version of the clean break approach is one in which the old is discontinued but there is nothing to replace it. The new emerges in 'real time' to address the gap created by the sudden absence of the old. This approach can work well if the organisation has the capacity for innovation, controlled risk taking, quick thinking and agility.[52]

The clean break approach is easy to describe using any number of metaphors ('switching off', 'burning bridges', 'roads of no return', 'starting with a blank page'). In reality, it is often difficult to create an absolute break from the past because habitual behaviour is comforting and difficult to stop.[53] From a business management perspective, it is usually inefficient to make a clean break between the old and the new; the old is rarely all bad or wholly irrelevant.

51    R Thompson & N Ryan, 'Managing the dynamics of second-order change: an Australian case study', QUT, Brisbane, 2007, p. 9.

52    ibid, p. 7.

53    J Schwartz, P Gaito & D Lennick, 'That's the way we (used to) do things around here', *Strategy and Business*, iss. 62, Spring 2011.

## the new and the old battle it out

In this approach, both the old and the proposed new (or several different versions of the new) are allowed to exist simultaneously and compete directly with each other.

In one version of this approach, either the new or the old will emerge clearly as the preferred option and the other will be rejected. There is a very real prospect that, rightly or wrongly, the new will be rejected and the old will persist. However, in some circumstances, that is a perfectly acceptable outcome.

An advanced version of this approach is the situation where, through the conflict between the old and the proposed new, a third way (a new 'new') is created, accepted and consequently embedded. This third way could be a composite of the old and the proposed new or something completely unexpected arising from the space left if both the old and the proposed new are rejected.

For this process to work well, there needs to be 'organisational norms that permit the open expression of conflicting points of view and change leaders who have the capabilities to manage this conflict productively'. Public sector organisations that are 'more comfortable with internal plurality, principled dissent, and functional conflict' are likely to manage this change process better than organisations 'characterised by conflict aversion, dysfunctional politics or passive aggression'.[54]
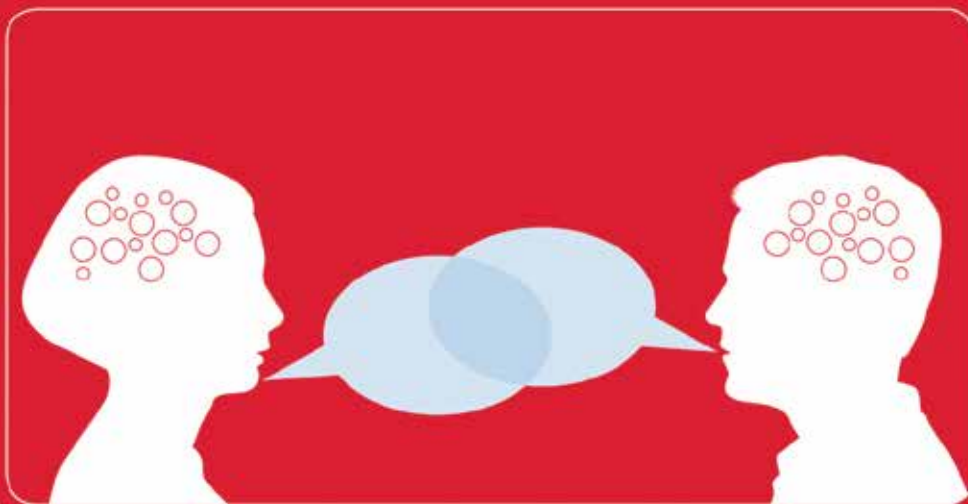
## HONOUR THE PAST AND NOTE ITS PASSING

Whatever you decide to do with the old, it is important to acknowledge its passing. This is because people in the organisation are likely to have invested considerable time and resources making the 'old' work. They may have immense pride in this work, or else draw comfort from their familiarity with old ways and the ease of working this created for them. Suggesting that what happened in the past was no good—or, worse, ignoring the past all together—is neither helpful nor respectful.

Honouring the past involves acknowledging that the old was the product of many people's hard work and, for that time, the old ways of working had many benefits. Current or emerging circumstances require different ways of doing things, new ways of thinking and working.

54    Thompson & Ryan, op. cit., pp. 6 & 7.

# Talking Performance

(Second edition)

state**services**authority

State Government Victoria

**The talking performance guide and e-learning resource** aims to optimise staff performance through effective communication. It provides access to a comprehensive set of resources that can be worked through in a logical sequence, or can be 'dipped into' at any time, as and when required.

Download your copy at www.ssa.vic.gov.au

# what does 'good communication' mean during organisational change?

{ Almost every book or article about change says that a key role for organisational leaders in change is to communicate. But what exactly does this mean?

## explain at every opportunity

As a leader, you need to seek out every opportunity to explain why change is necessary and explain how things will be (or are becoming) better as a consequence of the changes. If information about an aspect of the change is not known, or cannot yet be shared, explain that this is the case.

Communicating about the changes just once is not nearly enough. Not everyone will hear, understand or accept information the first time they are given it.

Remember that, while you have been involved in numerous 'behind-closed-doors' conversations about the change, others in the organisation will not have had this same opportunity to think about and understand the change rationale and plans.[55]

Repeating the same information over and over increases the chance for people to hear, understand and accept the information when they are ready to do so. When you feel that you are communicating 'about three times as much' as you thought you would need to, then you are probably getting it right.[56]

---

55    The Economist Intelligence Unit, 'Leaders of change: companies prepare for a stronger future', January 2011, p. 13.

56    The Boston Consulting Group, 'Changing change management', December 2012, p. 21. The Boston Consulting Group suggests that 'it can take up to nine conversations for a key message to really stick' (p. 5). John Kotter claims that transformational change fails, in part, because of 'undercommunicating the vision by a factor of ten'. JP Kotter, 'Leading change: why transformation efforts fail', *Harvard Business Review*, January 2007, (reprint of the original 1995 article), p. 100.

## THE 'MARATHON EFFECT'

This term was coined in the mid-1990s by William Bridges to illustrate a particular challenge that organisational leaders face during organisational change.

The metaphor draws upon the situation of a marathon. When the race starts, those at the front of the pack cross the starting line and get under way first. Not until later do those at the back of the pack get to cross the start line, sometimes long after those in the front have done so.

This is very similar to what happens in organisations when major change occurs.

Senior leaders move across the starting line first and are the first to deal with their own responses to change and feelings of uncertainty or loss. As things progress, middle managers hear about the change goals and are given the opportunity to contribute to the plans and actions. In other words, they now get to cross the starting line and start participating in the change.

Finally, staff hear about the change and eventually they get to cross the starting line. However, by the time they do so, the organisation's leaders are already well ahead. They may be wondering, somewhat impatiently, why all the major things they had envisioned have not yet happened. After all, they have been running for ages.

However, unlike a marathon runner, your aim is not to get to the finishing line first. Instead, it is to make sure that the whole pack is moving in the same direction and that the distance between the front and the rear of the pack never becomes too great. Often this means that you have to slow down and wait for others to catch up. Sometimes it means visiting the back of the pack to see how everyone is going there.
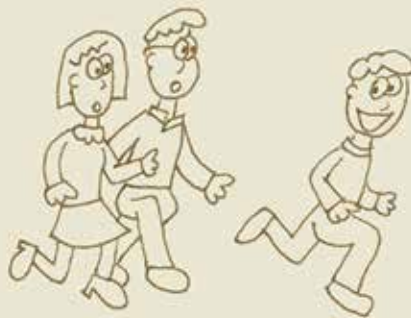
## build a shared understanding

Remember that communication is not about talking. It is about developing a common understanding through a conversation.

One of the things that gets in the way of developing a common understanding is that what people hear is filtered by what they believe and already understand. In a change situation, everyone's first concern is likely to be 'what does this mean for me?' This is the filter through which they will take in and make sense of the information provided to them. It is also the basis upon which people will fill any gaps in the information they have been provided with.

Not everyone takes in or thinks about information in the same way as you. This is because people think differently. It is also because different types of jobs require different ways of seeking and analysing information. For example, stereotypically, front-line staff are oriented towards responding to the problems and needs of individual clients. As such, staff in these roles are attuned to solving problems quickly by applying established procedures and drawing on resources to hand.

❛❛ Change programs need a regular drumbeat of messages that are simple, consistent, and delivered by leaders who have the respect of frontlines.[57] ❜❜

57    Thompson & Ryan, op. cit., pp. 6 & 7.

By contrast, organisational leaders are oriented towards brokering organisational success in light of often ambigious and emerging expectations, constraints, risks and opportunities. As such, organisational leaders are used to looking for and addressing problems that may not yet exist. In doing so, they are comfortable working with incomplete information and uncertainty, and applying principles rather than procedures.

This way of thinking is more conducive to creating and leading organisational change. However, this does not mean that front-line staff have nothing to contribute to organisational change— far from it. What it does mean is that, in order to get on the same page, front-line staff may require time and coaching in order to move from habitual ways of thinking to thinking about the organisation as a large complex adaptive system.

If it is not feasible to give staff time and support to become comfortable with 'big picture' thinking, then at the very least, you as a leader need to make an effort to describe the problem and the change actions in terms of the things that front-line staff value; for example, responsiveness to clients, fairness, loyalty to colleagues, and their own future.[59]

> **Generally people are not afraid of the unknown. They are afraid of the unexplained. A true leader shines a light on the road ahead to help others see where they are going.[58]**

## ask questions and listen

Just as you should take every opportunity to explain the change, you should also take every opportunity for people (staff and other key stakeholders) to tell you about how they see the change.

Because of your position in the organisation, some people may be uncomfortable volunteering information about the change to you. It is important that you invite them to share their insights with you by asking questions. Useful questions at different stages of the change include:

- Do you think that the changes are a good idea?

- Are you concerned about the changes?

- Are there better ways we could achieve the same outcomes?

- What opportunities do you think the changes will create (or have already created)?

What you are listening for in the responses are not just the overt answers to your questions, but also evidence of misunderstanding, confusion and resentment.

## use visual communication as well

Many people find that visual images help them understand ideas better. In a change context, visual representations of the change goals can provide tangibility to what might otherwise be a vague or abstract concept. During change, some organisational leaders use photos or other objects, set out in a prominent place, to symbolise the new work practices, behaviours or values that the changes are seeking to bring about.[60]

Visual representations of the change strategy chart, showing the sequence of major milestones, key dependencies and progress to date is also a powerful communication tool. This could be presented as a roadmap—a drawing of the change goals and strategy as if it were terrain on a map.

The very act of creating (or selecting) a visual representation can also provide a catalyst for understanding and addressing differences of understanding or opinion.

---

58   A mid-level supervisor at a United States' bank quoted in The Boston Consulting Group, 'Changing change management', December 2012, p. 20.

59   WC Kim & R Mauborgne, 'Tipping point leadership', *Harvard Business Review,* April 2003, p. 62.

60   The Boston Consulting group describes an internal marketing campaign used by ING Bank in which staff were invited to submit their own photos representing the values and behaviours that were 'hot' or 'not'. Staff voted on the best representations of the new, desirable, values. The Boston Consulting Group, 'Changing change management', December 2012, p.17.

> Communication is very easy to get wrong, and almost impossible to do perfectly. The most common mistakes are treating communication as a one-way process (rather than a dialogue)…and excessive dependence on mass communication channels.[61]

## THE RELATIONSHIP BETWEEN CHANGE AND PERFORMANCE IS NOT INSTANTANEOUS.[62]

Change takes time: time to set up, time to develop staff skills and understanding, time to transition, time to refine the new ways of thinking, behaving and working, and then time to realise the benefits. Prematurely claiming that the change has succeeded (or failed), or prematurely withdrawing attention from the change activities, will kill any chance of success.[63]

Understanding that change takes time is important, not just from the perspective of planning, resourcing and organisational performance management, but also from the perspective of communication. Communication must continue for the length of the entire change period, until the final benefits are achieved, to ensure people remain engaged through to the end and the new ways of thinking, behaving and working become business as usual.

### continue communicating, even once the change is underway

One of the most common mistakes leaders make is to stop communicating about the change as soon as the first change activities have commenced.

It is important that you keep communicating about the change until you are convinced—and there is compelling evidence to confirm this view—that the change has been adopted to such an extent that it will not be undone.

> The greatest problem in communication is the illusion that it has been accomplished.[64]

---

61    The other common mistakes include thinking that once it has been said once, it is done; trivial, insincere, or dishonest communication; and failure to ensure really important messages are delivered by leadership. I Overton, 'Why does change go wrong?', 2007, <http://www.change-management-toolbook.com>.

62    CG Worley & YH Vick, 'Leading and managing change', *Graziadio Business Report*, vol. 8, iss. 2, 2005.

63    JP Kotter, 'Leading change: Why transformation efforts fail', *Harvard Business Review*, January 2007, (reprint of the original 1995 article), p. 102. Others argue that claiming 'victory' at all (i.e. declaring the change to be successfully complete) will prevent the change being successful. 'The Dialogue of Change', *Leader to Leader,* Summer 2007, pp. 61–62.

64    Attributed to George Bernard Shaw.

# creating a flexible organisation

Increasingly, organisational change is being written about and is being experienced as a constant organisational state rather than as a discrete time-bound project.

The primary focus of change management efforts in many organisations is to create a flexible or adaptive organisation.

As with all change management activities, there is no one right or best approach to create a flexible or adaptive organisation. However, an organisation with many, if not all, of the following attributes will have a greater chance of being flexible and adaptive:[65]

## values, beliefs and culture

•  **A widely held belief that the organisation can change**, can overcome barriers and can achieve desired change outcomes. [66]

•  **A widely accepted understanding about the nature of change in public organisations.** This involves creating an acceptance among staff that change within public organisations is a common and standard occurrence. It also involves educating staff in some of the common drivers of change in the public sector, such as the economy and the political philosophy of the government of the day. Staff should also be made aware of the common patterns that change takes in the public sector, for example, choices regarding centralisation or decentralisation of the administration of public funds or changes in the role of the public sector as provider, commissioner, broker or regulator of services to the public.

65   Except where noted, the principle ideas for this list come from L Kamener, M Reeves & J Chua, 'The adaptive public-sector agency', The Boston Consulting Group, 2010.

66   R Thompson, 'Building change-capable public organisations', in *Proceedings contemporary issues in public management: the twelfth annual conference of the International Research Society for Public Management,* KA Brown, M Mandell, CW Furneaux, & S Beach (eds.), Brisbane, 2008, p. 15.

- **A functional organisational culture.** One in which there is the capacity to develop collective, rather than parochial, solutions and actions. Especially important is shared leadership, whereby ideas, information, knowledge and decisions are shared across the organisation without requiring a high level of top-down direction.[67] Seeking feedback is standard practice, and developing new capability is a constant aspiration.[68]

- **Executives who see their role as navigators and stewards of emergent strategies, rather than directors and controllers.** Executives do not assume to know, or try to define precisely or control the future. Instead, they promote a shared set of values and principles to guide the processes of 'real time' self-organisation and emergent strategies. [69]

## ways of working

- **Activities are governed by a small number of guiding principles**, rather than detailed standard operating procedures. This allows new practices to emerge when and as needed, while remaining grounded in sound principles relating to transparency and accountability.

- **Transparent information systems and decision-making processes**,[70] facilitated by a culture of constructive conflict and dissenting opinions.[71]

- **Attentiveness to trivialities**, the little things that make flexibility and adaptability more difficult 'on the ground'. These 'trivialities' may include difficulties in transferring computer or telephone access from one workstation to another or prominent external branding that keeps parts of the organisation symbolically separate from other parts.

- **Standardised approaches to common processes**. This means it is easier for people to move from one part of the organisation to another, without needing to take time to learn new systems.[72]

- **Adopt ways of doing things that are similar across government.** In other words, adopt practices, processes, systems, language and management styles that are used in other public organisations, rather than invent new and bespoke practices and processes for your organisation. This makes it easier for staff to move between different public organisations, either on a permanent or a temporary basis, and reduces time lost in staff having to learn new ways of working. Moving from one public organisation to another does not need to be like moving from one country to another.

## organisational and process design

- **A large 'surface area'**, that is, the organisation has as many staff directly connected with the external environment as possible. These connections can be in the form of client-facing roles or roles that provide contact points for other organisations. The idea here is to maximise the opportunity for identifying, as early as possible, the need for refinements to the way in which the organisation works. A large surface area also increases the opportunity to see improvements that have worked elsewhere and could be applied to the organisation.[73]

67     CG Worley & EE Lawler, 'Agility and organisation design: a diagnostic framework', Centre for Effective Organizations, November 2009, p. 12.

68     Worley & Lawler, op. cit., p. 15.

69     A Gupta, 'Insights from complexity theory: understanding organisations better', tejas@iimb, c. 2008, p. 3.

70     CG Worley & EE Lawler, 'Agility and organisation design: a diagnostic framework', Centre for Effective Organizations, November 2009, p. 10

71     Thompson, op. cit., p. 19 and RA Heifetz & M Linsky, 'A survival guide for leaders', *Harvard Business Review,* June 2002, p. 69.

72     PWC, 'Government and the 16th annual global COE survey: a new contract between business and the state', 2013, p. 30.

73     Worley & Lawler, op. cit., p. 8.

- **A wide variety of delivery modes**, and preferably ones that have been co-designed by the recipients of the organisation's services. The idea here is for the organisation to become adept at several different ways of delivering outcomes so that the organisation is able to move from one to another without disruption, as required.[74]

- **Plug and play teams:** Mobile and self-contained teams than can be 'plugged' into other teams to provide additional expert capability or 'arms and legs' capacity when and as required to respond to new demands or challenges. The idea here is that these teams are used to going where the work is and are comfortable working with each other, which reduces the amount of time required to get up to speed. To work effectively, there needs to be standard ways of working across the organisation.

- **Central staffing pools:** Instead of having staff permanently assigned to one team, staff are assigned to projects across the organisation as the work demands. Once the work ends, the staff return to a central talent pool where they are assigned to new work anywhere in the organisation. The idea here is to free people up to go where the work is. For this approach to work well, protocols are required to help determine how staff will be allocated when there are competing demands on the staff.

## capabilities

- **Managers with capability in organisational dynamics:** That is, they understand how organisations work as, and in, complex adaptive systems. Three key capabilities are the ability to:

  – identify the extent to which organisational behaviour and design, fits with strategy and values;[76]

  – think systemically, focusing on the organisation and the environment in which it works, as an interconnected set of relationships, influences and impacts;[77] and

  – deal with, and use, emotions and conflict in a productive way to drive change and stimulate innovation.[78]

- **Up-to-date knowledge of change management theory and practice:** Particular staff are given the responsibility to build and maintain knowledge about how to manage change effectively. This knowledge is kept up-to-date by participation in change practitioner networks and through regular appraisal of the latest literature on the subject.

> " There is no assumption that an agile organisation can predict the future, only that it has developed the capability to play with the future, look at potential contingencies, and be less surprised by external events.[75] "

---

74   PWC, loc. cit.

75   CG Worley & EE Lawler, 'Agility and organizational design: a diagnostic framework', Centre for Effective Organisations, November 2009, p. 6.

76   M Beer. Cited in R Thompson, 'Building change-capable public organisations', in *Proceedings contemporary issues in public management: the twelfth annual conference of the International Research Society for Public Management,* KA Brown, M Mandell, CW Furneaux, & S Beach (eds.), Brisbane, 2008.

77   R Thompson, 'Building change-capable public organisations', in *Proceedings contemporary issues in public management: the twelfth annual conference of the International Research Society for Public Management*, KA Brown, M Mandell, CW Furneaux, & S Beach (eds.), Brisbane, 2008, p. 14.

78   RA Heifetz & M Linsky, 'A survival guide for leaders', *Harvard Business Review,* June 2002, p. 69.

## BUILDING A CHANGE RESILIENT WORKFORCE

An organisation's workforce will find change difficult, stressful and damaging to their health if they believe that change is an aberration, something to be feared, or something they should be protected from.

This first step to building a change resilient workforce is to talk openly and often about the usefulness and inevitability of change in any organisation, and, in particular, as a defining characteristic of all public sector organisations.

It is helpful to talk about some of the predictable ways in which change is prompted in the public sector, for example policy and legislative reforms, and, in the case of the Victorian Public Service, machinery of government.

It is also helpful to talk about and act upon risk in a way that emphasises the appropriate management of opportunities and uncertainties (instead of suggesting that managing risk means absolutely avoiding all potential hazards).

Other ways of helping to build a change resilient workforce include:

- encouraging the discipline of questioning and fact-checking media reports and rumours relating to possible or actual organisational changes. (This helps staff maintain perspective);

- encouraging and allowing staff to build working relationships with people from other public organisations. (This helps staff gain an understanding of public norms.);

- providing opportunities for staff to access trained counsellors who can help staff identify, and then deal with, personal triggers for anxiety, negative thinking and stress response behaviours. Providing group workshops in common techniques for dealing with common anxiety and stress triggers can also help. (This helps staff develop a common language and build resilience in a systematic way);

- designing the organisation, work tasks and work practices in ways that encourage and require working across organisational boundaries as standard practice. (This helps make working in different ways more familiar); and

- acknowledging individual staff achievements and behaviours on the basis of their contribution to big-picture government policy goals, rather than in terms of work-team program goals. (This helps staff to see themselves as part of a bigger environment and loosen their attachment to the specifics of their local environment).
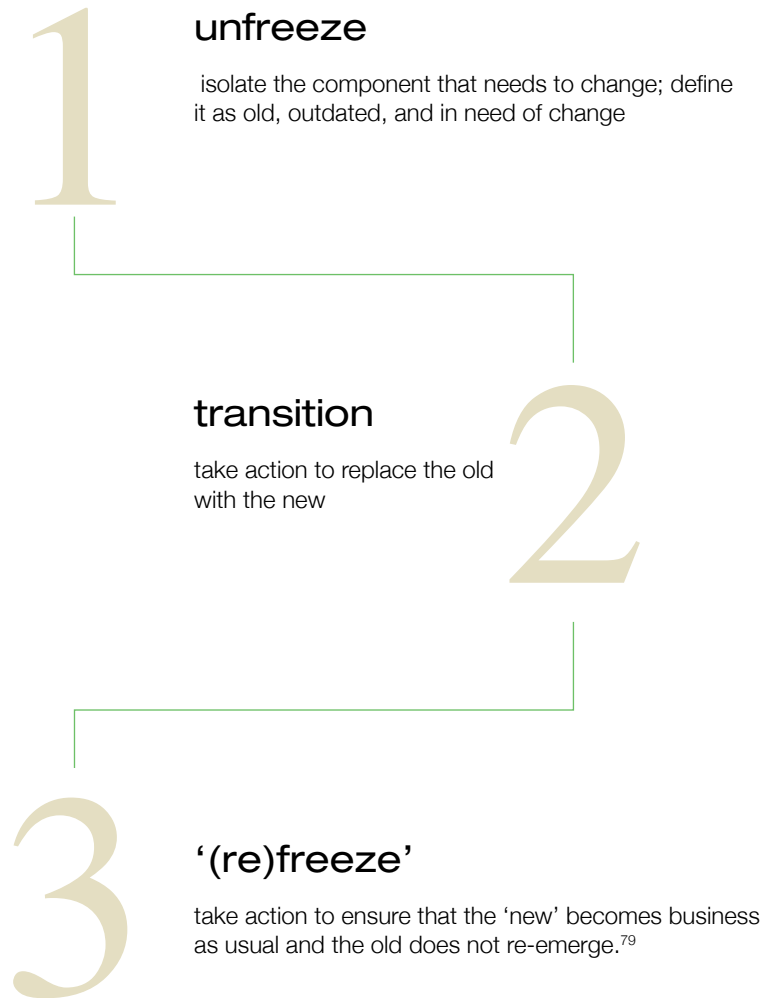
{ appendices }

# organisational change: a history of ideas

In the first part of the twentieth century, the dominant way of thinking about an organisation was as a production line, turning inputs into outputs. In keeping with this idea, the earliest theories approach change as one might approach changing parts of a machine. That is, the relevant component of the organisation is stopped, replaced and restarted. In this conception, organisational change is viewed as a project, with a beginning, milestones and a clear end. Change management is akin to project management.

In the middle of the Twentieth Century, a principal proponent of this concept of organisational change, Kurt Lewin, suggested that change in organisations involves three basic steps:

## 1 unfreeze

isolate the component that needs to change; define it as old, outdated, and in need of change

## 2 transition

take action to replace the old with the new

## 3 '(re)freeze'

take action to ensure that the 'new' becomes business as usual and the old does not re-emerge.[79]

---

79    Introduced in Lewin, K, 'Frontiers in group dynamics', *Human Relations*, Vol. 1, iss. 1, 1947, pp. 5-41.

80    Kotter, J.P., & Cohen, D.S., *The heart of change,* Harvard Business Press, 2002.

81    JP Kotter, 'Leading change: why transformation efforts fail', *Harvard Business Review*, January 2007, (reprint of the original 1995 article).

82    Peter Senge quoted in WD Hitt, 'The learning organisation: some reflections on organisational renewal', *Learning and Organisational Development Journal*, vol. 16, no. 8, MCB University Press Limited, 1995, pp. 17–25.

83    WM Stroh, *An experimental study of organisational change and communication management* (PHD thesis), University of Pretoria, 2005, pp. 61–70.

84    Booz and company, 'Change management graduates to the boardroom: from afterthought to pre-requisite', 2008, p. 6.

85    See, for example, J Schwartz, P Gaito & D Lennick, 'That's the way we (used to) do things around here', in *Strategy and Business*, iss. 62, Spring 2011.

Lewin's three-part process model remains a dominant model for thinking about and implementing organisational change.

Whilst much of the writing about organisational change has continued to focus on change as a project to update a part, other writing about organisational change has emphasised the behavioural aspects and individual experiences of organisational change.

The increased focus on the behavioural aspects of organisational change coincided with a shift from conceptualising organisations as machines to thinking about them as living organisms and, even more recently, as networks and complex adaptive systems.

Models of change management from the late 1980s and 1990s emphasise the behavioural, relational and contingent aspects of organisational change. In these theories, the focus moves away from organisational change as a discrete project, with a beginning, milestones and a conclusion. Rather, the persistent, disordered and evolutionary nature of change is emphasised. Organisational change is seen as a constant and inevitable organisational state. Change management is primarily the activity of asserting senior leadership and management influence so that staff and other stakeholders become willing and able to modify their behaviour in productive ways. In this concept, good project management ability is less important than leadership and management capacity for marketing and communicating ideas.

Perhaps the most well known of the recent versions of the behavioural approach to change management is the model developed by John Kotter and Dan Cohen in 2002.[80] Drawing upon research to identify the critical factors for successful change in private sector organisations, Kotter and Cohen developed six essential strategies for achieving organisational change. These strategies give primary importance to vision creation, leadership at all levels, and regular 'heart-felt' communication.[81]

Many contemporary approaches to organisational change build upon the idea, first introduced in the 1990s, of a learning organisation.[82] They talk about organisational change as a continuous process of spontaneous learning, testing and adaptation, which incrementally leads to major changes for the organisation over time. In this approach to organisational change and change management, any 'plans' or strategies (such as they are) are emergent and often only become clear retrospectively.[83] In this conception of change, the primary role for organisational leaders is to foster a collective vision that can be used to frame these spontaneous change experiments and activities, providing the basis for which change outcomes are good and worth keeping, and which are not. Another key focus for leaders is to work on building and embedding change capability within the fabric of the organisation.[84]

Another focus in change management literature of the last thirty or so years has been on the experience of individuals during change, and how the psychological journeys they go on can enable or prevent organisational change.

For example, in 1980, William Bridges described a three-stage transition journey that individuals go on: letting go of the old situation or identity (this can involve feelings loss and sorrow); then a period of ambiguity and contradiction as the new situation or identity is explored (this can involve feelings of fear and anger); and then accepting a new beginning or identity (this can involve feelings of acceptance and elation). In 1999, John Fisher described a similar 'personal transition curve', which shows progression through a range of positive and negative emotions.

Much of the current writing about organisational change draws upon insights from neuroscience. The argument in this literature is that the way in which an organisation operates is the culmination of patterns of individual human behaviour, or habits, that are fixed deeply within the human brain (in the basal ganglia). Habits are extremely difficult to break. Moreover, when an individual is pressured to change their habits, a response from another part of the brain (the amydala) can be triggered. This creates a fight or flight response. These two brain responses combine to make organisational changes—especially those that require people to behave differently—extremely difficult to achieve.

Seen through this lens, organisational change management ultimately becomes an exercise in helping people to 'rewire' their brains; that is, it helps individuals to identify, reframe, reflect upon and refocus repeated patterns of thought and behaviour, especially their deep seated habits and strong emotional responses to certain situations.[85]

# influential concepts in organisational change

Presented below is a handful of ideas that have been influential in the writing and thinking about organisational change and change management. These are briefly described and are designed to prompt further investigation.

## types of change

**first order change (transactional):** Surface ('first-order') change involves modifications to ways in which work is done, but not how people in the organisation think and interpret information.

**second order (transformational):** Profound ('second-order') change involves transforming the mindset, mental models or interpretative frameworks (schema) used by people in the organisation.[86]

## determinants of change success

**force field analysis** This is the idea was developed by Kurt Lewin. The idea is that in any given change situation there will be forces for and against the change (push or pull factors). The relative force of each will determine whether the change will be successful.

If the forces for change are stronger than the forces against change, then progress towards the desired state will be achieved. If the forces against change are stronger, the status quo will remain.

**diffusion of innovation(i)[87]** The 'diffusion of innovation' theory was originally developed to explain how new technolgy is adopted across society. The concepts of the theory also provide a useful framework for thinking about how people adopt new ideas or practices in an organisational context.

The theory identifies five characteristics of an innovation (or change) that will determine whether or not an individual will be inclined to accept or reject it. These are:

1. **relative advantage:** the extent to which the new is an improvement on the old. The greater the improvement, the stronger the reason to accept the change.

2. **compatibility:** the extent to which the new fits easily with an individual's current life. The easier the fit, the greater the chance of acceptance.

3. **complexity or simplicity:** the extent to which the new is perceived to be complicated or simple to apply. The greater the simplicity, the greater the chance people will adopt the new practices.

4. **trialability:** the extent to which it is easy to trial the new before adopting it fully. The greater the opportunity to try before a full commitment, the greater the chance that more people will take the first step.

5. **observability:** the extent to which the new—its adoption and its benefits—are visible to others. The greater the observability, the greater the chance that others will understand and be able to engage with the changes themselves.

86    R Thompson & N Ryan, 'Managing the dynamics of second-order change: an Australian case study', QUT Brisbane, 2007, p. 3.

87    EM Rogers, *Diffusion of innovations*, The Free Press, New York, 1962.

## how organisational change unfolds

**freeze phases**[88]

Organisational change occurs over a three-phase process:

- **unfreeze:** During the unfreeze phase, the focus is on getting people to the point where they are ready to let go of current or previous ways of thinking or acting.

- **transition:** The progress from old to new ways of thinking and doing is a journey undertaken over time called the transition phase. During this period there can be uncertainty, experimentation and discovery. The focus, therefore, is on maintaining forward momentum and focus.

- **freeze:** During the final 'freeze' phrase, the focus is on setting the new ways of thinking or acting as the new status quo.

**diffusion of innovation (ii)**[89]

The diffusion of innovation theory desribes how innovations (new ideas and practices, but especially new technologies) will spread through a population. The theory identifies five types of people, defined by their relationship with the 'new':

- **innovators** will adopt new things first because they have a high tolerance for risk arising stemming from either having little to lose or the capacity to cover the cost of failures.

- **early adopters** accept new ideas after innovators, and are the opinion leaders.

- **early majority** are at the leading edge of the bell curve, and follow and are influenced by the early adopters.

- **late majority** will adopt the new much later, with reluctance and scepticism.

- **laggards** are the last to adopt, if they adopt at all. They are oriented toward tradition and the status quo.

**the learning organisation**[90]

A learning organisation is an organisation in which there is a constant state of renewal, evolution and transformation. A learning organisation is characterised by five key features:

1. **systems thinking:** Everyone who works in the organisation thinks about, and works with, the organisation as a collection of interconnected and dynamic relationships.

2. **personal mastery:** Everyone who works in the organisation is committed to developing their own capabilities to achieve their goals.

3. **mental models:** The way in which people make sense of the world is viewed as a primary place in which change takes place.

4. **shared vision:** Everyone who works in the organisation shares the same vision and aligns their personal goals with this vision.

5. **team learning:** Team-based ideas generation, information exchange and problem solving is the primary mode of operating.

88    K Lewin, 'Quasi-stationary social equilibria and the problem of permanent change', *Human relations in curriculum change*, p. 39-44.

89    EM Rogers, *Diffusion of innovations,* The Free Press, New York, 1962.

90    P Senge, A Kleiner, C Roberts, RB Ross & BJ Smith, *The fifth discipline fieldbook*, Currency Doubleday, New York, 1994.

## how individual change unfolds

**diffusion of innovation(iii)**[91]   The diffusion of innovation theory provides a framework for understanding the process people go through in order to accept an innovation (or change):

**stage one—knowledge:** The individual first hears about the new idea or practice. However, there is insufficient detail for an indvidual to make a decision about whether or not they will accept or reject it.

**stage two—persuasion:** The individual is engaged and is keen to seek out (or is ready to receive) more information about it.

**stage three—decision:** The individual weighs up the advantages and disadvantages of the new idea and decides whether to adopt or reject it. At this stage, the leader should promote the benefits of the new ways (by appealing to emotion and/or reason) in comparison to the old.

**stage four—implementation:** If the invidual decides to accept the new idea, the indvidual will set about applying the new idea, albeit in an exploratory way with the possibility of rejection or needing more information to move to the final stage.

**stage five—confirmation:** The indvidual finally decides to accept the new idea and to pursue its use to its full potential.

**realms of change influence**[92]   An individual's willingness and ability to change is created by influences in three realms: the personal, the social and the structural.

**the personal realm**

1. **motivation driver:** the extent to which an individual wants to do something differently because, for example, something will be pleasurable or beneficial to them personally.

2. **ability driver:** the extent to which an individual can do something differently because they have the requisite knowledge, skills and fortitude.

**the social realm**

3. **motivation driver:** the extent to which an individual is encouraged (or discouraged) to do something differently by others (individuals or groups) that they respect.

4. **ability driver:** the extent to which others make available information, contacts, ideas and other resources that will allow an individual to adopt a new way of doing something.

**the structural realm**

5. **motivation driver:** the extent to which a social structure (such as an organisation) rewards (provides incentives for) the adoption of the new behaviours and the rejection of old.

6. **ability driver:** the extent to which the social structure (such as an organisation) makes available the tools, facilities and information—and provides sufficient prompts and reminders—that will enable an individual to adopt a new way of doing something.

91   EM Rogers, *Diffusion of innovations*, The Free Press, New York, 1962.

92   K Patterson, J Grenny, D Maxfield, R McMillan & A Switzler, *Influencer: the power to change anything*, McGraw-Hill, New York, 2008.

| | |
|---|---|
| **the change curve or cycle**[93] | The 'change curve' is a description of the human response to change that is imposed on them. Different versions of the change curve or cycle exist, but they generally follow the same sequence, moving from an individual's denial of the change to their commitment to it, or at least some acceptance of it: |

- **stage one—denial:** The individual refuses to believe that the change needs to occur, or will occur, or will involve them. This stage is characterised by the thought 'it will never happen'.

- **stage two—resistance:** The individual accepts the change but has a negative response to it, sometimes expressed in the form of open anger, sabotage or passive aggressive behaviours. This stage is characterised by the thought 'it cannot work' and 'not if I have any say in it'.

- **stage three—exploration:** The individual accepts the change but has a neutral response to it. They are open to an exploration of the potential benefits or how they might be able to live with the change. This stage is characterised by the thought 'this could work'.

- **stage four—commitment:** The individual accepts the change with a positive and active attitude toward helping it become successful as the new reality. This stage is characterised by the thought 'I am going to make this work'.

## what leaders need to do to make change happen

| | |
|---|---|
| **leadership levers**[94] | Organisational leaders have a number of strategies available to influence people to undertake change: |

- **appeal to emotion:** using story-telling techniques to describe the journey from the old to the new, and, using specific vignettes to illustrate either the reason for change or the tangible improvements that are to be achieved.

- **appeal to values:** describing the need for change in terms of things that most employees will value most, and value most strongly. In the public sector, a belief in fairness and service to the community is common, so changes and change actions designed in accordance with these values may have a greater chance of being accepted by staff.

- **appeal to reason:** providing sufficient information and facts to build the argument that adopting new ways of working is evidence-based 'common sense'.

- **enable through education:** providing people with new skills and understanding so that they are equipped to accept and implement new ways of working.

- **negotiation:** coming to an agreement that, in exchange for accepting certain aspects of the change, there can be compromise on other aspects.

- **reward:** providing rewards to those who accept and implement the change is likely to achieve superficial change, but is unlikely to achieve deep transformational change.

---

93   John Fisher's personal transition curver is one of the most popular. It was developed in 1999 and has been revised several times since. See www.businessballs.com/personalchangeprocess.htm>.

94   This list is influenced by JP Kotter, 'Choosing strategies for change', *Harvard Business Review*, July–August 2008, (reprint of the original 1979 article), p. 136; Ivancevich & Matteson, p. 627; and Corporate Leadership Council, 'Change management fundamentals; an introduction to change', Corporate Executive Board, 2008, p. 6.

- **coerce (force):** imposing leadership power (formal and informal) through various instruments (for example directions, internal policies, operational processes) to force people to work in line with new ways. This approach is likely to achieve superficial change, but is unlikely to achieve deep transformational change.

- **disassemble and reconstruct:** terminating employment, disconnecting systems, stopping programs, withdrawing policies and/or abolishing whole divisions and then replacing them with people, systems, programs, policies and divisions that align with the new ways. Obviously, this approach can have significant costs, risks and negative consequences.

**the Kotter approach**[95]

John Kotter undertook research into why transformational change efforts fail and identified eight key errors:

error 1: not establishing a great enough sense of urgency

error 2: not creating a powerful enough guiding coalition

error 3: lacking a vision

error 4: under-communicating the vision by a factor of ten

error 5: not removing obstacles to the new vision

error 6: not systematically planning for, and creating, short-term wins

error 7: declaring victory too soon

error 8: not anchoring changes in the corporation's culture.[96]

Based on these findings, he subsequently developed a change management approach based on six key actions to overcome the common obstacles to organisational change:

1. put together a guiding team

2. create a change vision and strategies

3. effectively communicate the vision and strategies;

4. sustain momentum throughout and create short-term wins

5. monitor progress and remove change resisters

6. facilitate and encourage behaviour change.

---

95 John Fisher's personal transition curver is one of the most popular. It was developed in 1999 and has been revised several times since. See www.businessballs.com/personalchangeprocess.htm>.

96 Based on research on successful large-scale change efforts in over 100 organisations. See JP Kotter, 'The heart of change', Deloitte Consulting LLC, 2002.

# organisational change management capabilities

Change management is the creation and implementation of a series of actions to create desired change within established parameters (for example time frames, costs, acceptable impacts and outcomes). Change management is similar to project management and requires a similar set of capabilities.

Typically, responsibility for change management is given to a senior staff member who leads a change management project team.

Capabilities for effective change management include:

| | |
|---|---|
| **knowledge** | • the organisation's current core business, operating models, prevalent culture(s), strengths, opportunities, weaknesses and threats; |
| | • the tangible improvements that the organisation seeks to achieve as a result of the change activities; |
| | • the dynamics of organisational change and principle concepts; and |
| | • tools and techniques for prioritisation, planning and problem solving. |
| **skills**[97] | • systems thinking and problem solving skills; |
| | • consultancy, communication, negotiation and interpersonal skills; and |
| | • organising, planning, resource and project management skills (and contract management skills if contractors are engaged). |
| **personal qualities**[98] | • a 'can do' attitude (committed, creative, innovative and flexible); |
| | • a 'people' person; values relationships; |
| | • detail focused; and |
| | • resilient, self-confident and self-disciplined under pressure. |
| **relationships and reputation** | • respected by influential people within the organisation; and |
| | • connected with people who have undertaken change management activities in similar organisations. |

---

97    For more information, see the descriptors in State Services Authority, *Victorian public service/sector employment capability framework,* State Government of Victoria, 2007.

98    ibid.

# organisational change and industrial relations

It is a legitimate role for you, as an organisational leader (and in the public sector, the government) to instigate changes that will affect the priorities, design or operations of an organisation.

A major consideration when undertaking organisational change should be managing the impact change will have on the workforce. There is potential for actual or perceived negative consequences for the people who work for the organisation. Organisational leaders should be aware of the industrial relations consequences flowing from organisational change. When designing any changes and before starting to communicate them to the organisation's workforce you should:[99]

- Check the relevant enterprise agreements to identify:

  - obligations to consult with staff and their nominated representatives (including unions) about changes with certain characteristics (typically those having an impact on the employment conditions of employees);

  - obligations to consult at particular stages in the change process and in particular ways;

  - parameters for undertaking specific types of change actions (for example, how to go about making changes to role accountabilities, work locations, working hours, redundancies, or a 'spill and fill' process); and

  - the potential for grievance processes to delay or prevent the completion of particular change actions (such as a process where current employees need to re-apply for their own jobs).

- Check the contracts of people engaged on contract:

  - in the case of executives, to see what limitations or obligations may apply in the case of organisational change, including the capacity to change aspects of their roles unilaterally, and the capacity to terminate the contract (if required); and

  - in the case of casual staff or others on non-executive contracts, to see what rights may be afforded (either through the contract or by virtue of the length and regularity of the arrangement) that create a reasonable expectation of being treated like a more permanent employee.

- Familiarise yourself with public sector workplace relations policies, in particular those sections relating to:

  - the broader industrial relations framework;

  - termination of employment; and

  - redundancy, redeployment and retrenchment.

In developing and implementing organisational change, you should:

- be ready to answer all questions, fully and truthfully, about the impacts and flow-on effects of the changes;

- consult with staff about and, if feasible, engage staff in identifying various options for achieving the outcomes that need to be achieved;

- establish support mechanisms (such as employee assistance programs, career counselling services) to help staff deal with the effects of the changes, including the emotional impact of change;

- if redundancies are to occur, ensure that they are genuine redundancies for the purposes of the Fair Work Act 2009 unfair dismissal provisions (section 389 of the Fair Work Act);

- ensure that the processes used to identify individual staff whose roles will change significantly, or who will be made redundant, will not give rise to adverse action or claims of discrimination (see, for example, sections 340, 342, 346, and 352 of the Fair Work Act); and

- in the case of redundancies, provide comprehensive information about the structure of redundancy payments.

---

99    This advice is presented as a general guide only. It should not be relied upon to form the basis of an organisation's legal assessment of particular issues and options for action in specific circumstances. Organisations needs to seek their own legal advice relevant to the specific situations they face. The advice presented here is influenced, in part, by S Ralph, 'Managing change in the Victorian public sector—understanding the risks and getting it right!', *Employment law issues*, 11 May 2012, <http://www.mondaq.com/australia>.

# machinery of government changes

The term 'machinery of government' refers to the allocation and reallocation of functions and responsibilities between public service departments and ministers. In Victoria, machinery of government matters are the sole responsibility of the Premier.

Government may require a secretary to lead a machinery of government change. Machinery of government changes can create a new policy focus or restructure operational delivery of services. This may involve:

• creation or abolition of a department;

• movement of functions into or out of the public service; or

• movement of functions between departments.

Machinery of government changes can be intensive and time consuming, and can have a significant impact on staff. However, a department's operations need to continue seamlessly during the transition—for government, clients, business partners and the community. This means it is necessary to communicate clearly, honestly and regularly with staff and major stakeholders.

A suitably resourced project team to oversee implementation of machinery of government changes is critical to ensuring the smooth transition of functions, staff and funding while ensuring business continuity. The project team will be responsible for clarifying the objectives, scope and guiding principles governing the implementation of changes.[100]

Checklists and practical guidance for machinery of government changes are contained in Appendix C of the State Services Authority, Serving as secretary: a guide for public sector leaders. While it is not possible to detail every matter that departments might encounter during machinery of government changes, the checklists cover three major areas:

1. management matters

2. governance and systems

3. financial management.

---

100   This section is reproduced from the State Services Authority, *Serving as secretary: a guide for public sector leaders*, State Government of Victoria, 2012.

# references

Aiken, C and Keller, S 2009, 'The irrational side of change management', *McKinsey Quarterly*, iss. 2, pp. 100–109.

Anderson, D & Anderson, LA 2011, 'Conscious change leadership: achieving breakthrough results', *Leader to Leader*, Fall 2011, pp. 51–58.

Anderson, LA & Anderson, D 2010, *The Change Leader's Roadmap*, San Francisco: Pfeiffer.

Booz and Company 2008, 'Change management graduates to the boardroom: from afterthought to pre-requisite'.

Boston Consulting Group (The) 2009, 'Managing survivor guilt'.

Boston Consulting Group (The) 2012, 'A practical guide to change in the public sector', June.

Boston Consulting Group (The) 2012, 'Changing change management', December.

By, RT 2005, 'Organisational change management: a critical review', *Journal of Change Management*, vol. 5, no. 4, December, pp. 369–380.

By, RT, Diefenbach, T & Klarner, P 2008, 'Getting organizational change right in public services: the case of European higher education', *Journal of Change Management*, vol. 8, no. 1, March, pp. 21–35.

Cisco, *Change management: best practices*, viewed 22 July 2010, <http://wwww.cisco.com>.

Corporate Leadership Council 2008, *Change management checklist for managers and senior executives*, Corporate Executive Board, June.

Corporate Leadership Council 2008, *Change management fundamentals: an introduction to managing change*, Corporate Executive Board, June.

Corporate Leadership Council 2008, Literature key findings: *Managing corporate cultural change*, Corporate Executive Board, June.

Corporate Leadership Council 2010, *Change management: an end-to-end process guide*, Corporate Executive Board, September.

'The Dialogue of Change', *Leader to Leader*, Summer 2007, pp. 61–62.

Economist Intelligence Unit (The) 2011, 'Leaders of change: companies prepare for a stronger future', January.

Fernandez, S & Rainey, H 2006, 'Managing successful organisational change in the public sector', *Public Administration Review*, March–April, pp. 168–176.

Field, J & Peck, E 2003, 'Mergers and acquisitions in the private sector: what are the lessons for health and social services?', *Social Policy & Administration*, vol. 37, no. 7, pp. 742–755.

Fuda, P 2009, 'Why change efforts fail', The Alignment Partnership.

Goold, M & Campbell A 2002, 'Do you have a well-designed organization?', *Harvard Business Review*, March, p. 124.

Graetz, F & Smith, A 2006, *Balancing continuity and change through forms of organising*, presented at ANZAM 2006 Conference.

Gupta, A C. 2008, 'Insights from complexity theory: understanding organisations better', IIM Bangalore

Harrison, K *Communicate to change behaviour ahead of organisational values and culture*, viewed 25 May 2012, <http://www.cuttingedgepr.com/articles/changecomm_change_behaviour.asp>.

Heathfield, S *How to change your culture: organisational culture change*, viewed 29 May 2012, <http://www.humanresources. about.com/od/organizationalculture/a/culture_change.htm?p=1>.

Heifetz, RA & Linsky, M 2002, 'A survival guide for leaders', *Harvard Business Review,* June, pp. 65–74.

Hitt, WD 1995, *'The learning organisation: some reflections on organisational renewal', Learning and Organisational Development Journal*, vol. 16, no. 8, MCB University Press Limited, pp. 17–25.

Institute for Government c. 2010, 'Managing at arm's length, guidance note 4—managing mergers of public bodies', London.

Kamener, L, Reeves, M & Chua, J 2010, 'The adaptive public-sector agency', Boston Consulting Group.

Kim, WC & Mauborgne, R 2003, 'Tipping point leadership', *Harvard Business Review*, April, pp. 60–69.

Kotter, J.P, & Cohen, D.S. 2002 *The heart of change*. Harvard Business Press

Kotter, JP 2007, 'Leading change: why transformation efforts fail', *Harvard Business Review*, January, (reprint of the original 1995 article), pp. 96–103.

Kotter, JP 2008, 'Choosing strategies for change', *Harvard Business Review* July–August, (reprint of the original 1979 article), pp. 130–139.

Lawson, E & Price, C 2003, 'The psychology of change management', *The McKinsey Quarterly*, pp. 31–41.

Learning and Development Roundtable c. 2008, 'Manager's toolkit for managing change', Corporate Executive Board.

Lewin, K, 'Frontiers in group dynamics', Human Relations, vol 1, iss 1, 1947, pp.5-41,

Maurer, R 2010, *Beyond the wall of resistance*, Bard Press, Texas

May, ME 2012, 'The neuroscience of change: how to reset your brain', *Rotman Magazine*, Fall 2012, pp. 24–29.

McKinsey & Company 2010, 'McKinsey Global Survey results: what successful transformations share'.

Mishar, AK, Mishra, KE & Spreitzer, GM 2009, 'Downsizing the company without downsizing morale', *MIT Sloan Management Review*, Spring 2009, vol.50, no. 3, pp. 38–44.

Morgan, N 2001, 'How to overcome change fatigue', *Burning Questions 2001*, Harvard Business School, July.

Nohria, N. & Berkley J 1994, 'The virtual organisation: bureaucracy, technology, and the implosion of control', in C Heckscher & A Donnellon (eds.), *The post-bureaucratic organisation: new perspectives on organisational change*, Sage Publications, Thousand Oaks, California, chapter 5, pp. 108–128.

Organisation for Economic Cooperation and Development (OECD) 2004, Policy brief, 'Public sector modernisation: changing organisational structures', September.

Ostroff, F 2006, 'Change management in government', *Harvard Business Review*, May, pp. 141–147.

Overton, I 2007, 'Why does change go wrong?', <http://www.change-management-toolbook.com>. viewed April 2013

Patterson, K, Grenny, J, Maxfield, D, McMillan, R & Switzler, A 2008, *Influencer: the power to change anything*, McGraw-Hill, New York.

Patterson, S & Sorrells, S c. 2008, *Types of changes found in organizations*, http://www.westbrookstevens.com/Types_of_Change.htm viewed April 2013

Prosci 2009, *Best Practices in Change Management*, Loveland CO, USA.

PWC 2013, 'Government and the 16th annual global COE survey: a new contract between business and the state'.

Queensland Government c. 2008, 'Change management best practices guide: five (5) key factors common to success in managing organisational change'.

Ralph, S 2012, 'Managing change in the Victorian public sector—understanding the risks and getting it right!', *Employment Law Issues*, 11 May 2012, <http://www.mondaq.com/australia>.

Rock, D 2009, 'Managing with the brain in mind', in *Strategy + Business*, iss. 56, Autumn.

Rogers, E M 1962. *Diffusion of Innovations*. The Free Press. New York,

Schwartz, J, Gaito, P & Lennick, D 2011, 'That's the way we (used to) do things around here', *Strategy and Business*, iss. 62, Spring.

Senge, PM, Kleiner, A, Roberts, C, Ross RB & Smith, BJ 1994, *The fifth discipline field book*, Currency Doubleday, New York.

Siegal, W, Church, AH, Javitch, M, Waclawski, J, Burd, S, Bazigos, M, Yang, T, Anderson-Rudolph, K & Burke, WW 1996, 'Understanding the management of change; an overview of manager's perspectives and assumptions in the 1990s', *Journal of Organisational Change Management*, vol. 9, no. 6, MCB University Press, pp. 54–80.

Sirkin, HL, Keenan, P & Jackson, A 2005, 'The hard side of change management', *Harvard Business Review*, October, pp. 108–118.

State Services Authority 2007, *Victorian Public Service/Sector employment capability framework*, State Government of Victoria.

State Services Authority 2012, *Serving as secretary: a guide for public sector leaders*, State Government of Victoria.

State Services Authority 2013, *State of the public sector in Victoria 2011–2012*, State Government of Victoria.

Stroh, WM 2005, *An experimental study of organisational change and communication management* (PHD thesis), University of Pretoria.

Thompson, R 2008, 'Building change-capable public organisations', in *Proceedings Contemporary Issues in Public Management: The Twelfth Annual Conference of the International Research Society for Public Management*, KA Brown, M Mandell, CW Furneaux & S Beach (eds.), Brisbane.

Thompson, R & Ryan, N 2007, 'Managing the dynamics of second-order change: an Australian case study', QUT, Brisbane.

Todnem R, Diefenbach, T & Klarner, P 2008, 'Getting organizational change right in public services: the case of European higher education', *Journal of Change Management*, vol. l8, no. 1, March, pp. 21–35.

Toma, A, Rohe, F, Noakes, B, Strack, R, Kilmann, J & Dicke, R 2012, 'Flipping the odds for successful reorganisation', The Boston Consulting Group, April.

University of North Texas, *Transforming organisational structure*, viewed 7 May 2012, <http://www.govinfo.library.unt.edu/npr/library/reports/tosexe.html>.

Welch, J & S 2007, 'How to really shake things up', *Businessweek*, 3 December 2007, p. 84.

Worley, CG & Lawler, EE 2009, 'Agility and organisation design: a diagnostic framework', Centre for Effective Organizations, November.

Worley, CG & Vick, YH 2005, 'Leading and managing change', *Graziadio Business Report*, vol. 8, iss. 2, Pepperdine University.<http://gbr.pepperdine.edu/2010/08/leading-and-managing-change>.

# acknowledgements

The *leading public organisations* series has been developed by the State Services Authority (SSA), which takes responsibility for its content. However, many people from across the Victorian Public Sector have contributed in different ways and at different stages of the development of the material.

The SSA extends gratitude and appreciation to these many contributors, including:

Antoinette Battista, Sally Betts, Darren Bloomfield, Paul Broderick, Amanda Caples, Gordon Caris, Doug Craig, John Dalton, Monique Dawson, Andrea Del Monaco, Kate Easy, Jon Evans, Doug Fryer, Jim Gard'ner, Terry Garwood, Sara Glover, Marie Gosnold, Corey Hannett, Justin Hanney, Julian Hill, Kate Houghton, Christine Howlett, Deb Jepsen, Alex Kamenev, Geraldine Kennett, Bernadette King, Elizabeth Lanyon, Pauline Lee, Gary Liddle, Jennifer Lowe, Rosemary E. Martin, Leanne Ansell-McBride, Penelope McKay, Iain McKinnon, John Merritt, Lee Miezis, Donald Speagle, Adele Tay, Fran Thorn, Neil Twist, Matt Vincent, and Luke Wilson.

The cartoons in this publication are used with the permission of the artist, Steven Fok.

# contact us

The SSA is interested in hearing from you about:

- how useful you have found this publication;

- common leadership questions, challenges and/or mistakes relating to organisational change that have not been addressed in the document but should be in future versions; and

- insights (lessons learnt, observations) from your experiences in the public sector that could ground the publication more firmly in the realities of public sector organisational leadership.

Send your feedback and contributions to **info@ssa.vic.gov.au**

Also, you can visit the SSA website at **www.ssa.vic.gov.au** for:

- details of 'on demand' presentations that the SSA can provide for your organisation; and

- additional tools, templates and case studies.

# the *leading public organisations* series

The *leading public organisations* series is a set of resources produced by the State Services Authority (SSA). They offer prompts, thought starters, practical ideas, and reminders for leaders and managers working in Victorian Public Sector organisations. They focus on:

- **making considered decisions about organisational design.** Organisational design is the art of dividing an organisation into operational parts and then connecting those parts together to optimise organisational performance. It involves considerations about what work needs to be done, how the work is supported, how roles are defined, and the governance arrangements that establish direction, control, co-production and accountability.

- **using the organisation's culture as a component of productivity.** Organisational culture is the collective values, beliefs, customs and behaviours of the majority of people who work for a particular organisation. A 'functional culture' is one in which there is alignment between the values held by the individuals who work for the organisation and between the values required to achieve organisational performance.

- **facilitating change within an organisation.** Organisational change is the process of moving from old structures, ways of working, values or ways of thinking to adopt new structures, ways of working, values or ways of thinking. Change management is the act of directing and controlling this process in a systematic way.

The advice and ideas presented in each guide draw upon research in the relevant field, insights from Victorian Public Sector leaders, and insights gained through organisational reviews and consultation work that the SSA has conducted at the request of the Premier, various ministers or organisational heads.

## supporting**government** serving**victorians**

## contact us

at the State Services Authority
Email: info@ssa.vic.gov.au
Phone: (03) 9651 1321
Fax: (03) 9651 0747

**www.ssa.vic.gov.au**

Postal Address:
3 Treasury Place
Melbourne 3002