Critical analysis of organisational change development and management

INTRODUCTION

Sometime in the 5th century BC, Heraclitus of Ephesus philosophised " the only constant is change." (http://en. wikiquote. org/wiki/Heraclitus). All organisations go through change as they develop and evolve, whether to success or to failure. This essay will look at two companies as they go they go through change, planned and unplanned, their approach and the extent to which they succeeded and applying organisation development and change theory to these two case studies. Organisational change is a recurring theme in the study of organisational development – there are several factors, internally and externally, that will influence the development of the organisation, initiating a change which may, or may not, lead to success and sustainability. How the change is implemented is essential to its success as it often impacts one, if not all, areas of the organisation.

Early change management theorists include: Kurt Lewin (1951).

Doug Stace and Dexter Dunphy (2001) identify organisations which they describe as ' prudent mechanistics', which retain traditional structures, avoid the ' organisational fashion show', and perform well. (Buchanen, p566). Harold Leavitt (2003) argues that, while rigid beaurocratic structures encourage ' authoritarianism, distrust, dishonest, territoriality, toadying, and fear', they also provide ways of handling complexity, give us structure and predictability, and offer ' psychological rewards' by fulfilling needs for order and security.

It is argued that the study of change is ' paradoxical' (Buchanan, 565) as the reasons for organisational change are ' many and complex' and because

change is a process not a static moment in time, hence can be only understood in relation to continuity.

Not all change needs to be ' deep' change – it can be a fine tuning to an appropriate response.

Transformational change of the Australian Defence Force. The companies were chosen because other their organisational similarities.

Company A

Company B

Similarities

Large > 20, 000

Reactive

International

Public Sector

Strong corporate culture

Founded 1921

Large > 20, 000

Reactive

International

Public Sector

Strong corporate culture

Founded 1922

Differences

Australia

90s

Organisational structure

Approach to change

England

00s

Organisational structure

Approach to change

Scope: PESTEL – Organisational behaviour terrain. Study this at the organisational level. This essay is not going to examine the group or individual level.

Australia has maintained military forces since federation as a nation in January 1901. Upon Federation, the Australian Government established the Australian Army and Commonwealth Naval Force. In 1909, the Government established the Royal Australian Navy, which absorbed the Commonwealth Naval Force. The Army established the Australian Flying Corps in 1912 although this separated to form the Royal Australian Air

Force in 1921. The services were not linked by a single chain of command, as they each reported to their own separate Minister and had separate administrative arrangements. The three services saw action around the world during World War I and World War II.

The importance of ' joint' warfare was made clear to the Australian Military during World War II when Australian naval, ground and air units frequently served as part of single commands. Following the war, several senior officers lobbied for the appointment of a commander in chief of the three services. The government rejected this proposal and the three services remained fully independent.[13] The absence of a central authority resulted in poor coordination between the services with each service organising and operating on the basis of a different military doctrine.[14]

The need for an integrated command structured received more emphasis during the Australian military's experiences in the Vietnam War.[14] In 1973, the Secretary of the Department of Defence, Arthur Tange, submitted a report to the Government that recommended the unification of the separate departments supporting each service into a single Department of Defence and the creation of the post of Chief of the Defence Force Staff. The government accepted these recommendations and the Australian Defence Force was established on 9 February 1976.[15]

The British Broadcasting Corporation (BBC) is the principal public service broadcaster in the United Kingdom. It is the largest broadcaster in the world with about 23, 000 staff.[1][2][3] Its global headquarters are located in London, and its main responsibility is to provide public service broadcasting

in the United Kingdom, Channel Islands and Isle of Man. The BBC is an autonomous public service broadcaster[3] that operates under a Royal Charter.[4] Within the United Kingdom its work is funded principally by an annual television licence fee,[5] which is charged to all United Kingdom households, companies and organisations using any type of equipment to record and/or receive live television broadcasts;[6] the level of the fee is set annually by the British Government and agreed by Parliament.[7] he BBC was the world's first national broadcasting organisation[8] and was founded on 18 October 1922 as the British Broadcasting Company Ltd. The original company was founded in 1922[9] by a group of six telecommunications companies-Marconi, Radio Communication Company, Metropolitan-Vickers, General Electric, Western Electric, and British Thomson-Houston[10]-to broadcast experimental radio services. The first transmission was on 14 November of that year, from station 2LO, located at Marconi House, London. [11]

Outside the UK, the BBC World Service has provided services by direct broadcasting and re-transmission contracts by sound radio since the inauguration of the BBC Empire Service in December 1932, and more recently by television and online. Though sharing some of the facilities of the domestic services, particularly for news and current affairs output, the World Service has a separate Managing Director, and its operating costs are funded mainly by direct grants from the UK government. These grants are determined independently of the domestic licence fee.

How do organisations change – why do they change. How change is implemented, their impact and their success factors?

Two organisations will be compared and contrasted against the various theories, their similarities being that they are both large and complex organisations whose purpose is to serve the public.

Initition

What are the triggers for change? Why did the organisation have to change.

Organisational life cycle (Greiner L)

Mintzberg – types of change … possible step change (company 1)

Elements of change : Whipp, Rosenfeld and Pellige

The Change Kaleidescope Bolgrum, Barly

Whitepaper 1986

Organisational behaviour terrain. Types of change – planned and unplanned

Strategy Safari

Punctuated equilibrium

Organisational structure

??? Cultural Era

Implementation

Strategic

Elements of change (Whipp)

Levels of change

Change Kaleidescope

Factors faciliting change

Levels of change Wilson, D

Forces for change, Lewin K (disagree in co1 cas but potentially for co 2)

Total quality management

' n'step process : c1 y c2 elements of

Resistance to change – bellelan co1 n – long terms, c2 yes – short-term bursts

Managing resistance : Kotter Co1 yes, co2 no

The coping cycle Kublar-Rosser – co2 yes ; n/a to company 1

Factors facilitating change

Yes co1 & 2 but co2 fainlied in mid-implementation

" Unless structure follows strategy, inefficiency results." (Chandler 1962: 314)

Impact

Contingency approaches – Dunphy and Stacy : Yes – can be applied to both

Effectiveness of change strategy

The change kaleidoscope (culture & leadership)

Time

Preservation

Capability

Scope

diversity

Organisational structure—- tie into first part (initiation)

Organisational culture—- tie into first part (initiation)

Efficiency

Resistance

5 types of organisational structure : Mintzberg – Divisional Form, mechanistic

1982 : Peters and Waterman – in search of excellence – Mckinney 7 steps

Elements of change – context : Economic & Political

? Organisational effiveness/ development – maturity?

Transformational

Political and economic forces

Restructure of organisation

Culture

Organisational design

IT – communciation

Conclusion:

Bluprint for change

One must consider the culture re: effectiveness and how deep it is to go

Contigiency Approach – Lawrence and lorsh – structure depends on factors from the environment.

Contingencey Theories : ' imprecise specification of factors' such as ' environment'

Ashridge leadership and management – BPR radical decentralisation – BBC petal.

The management of innovation – burns stalk – mechanistic ƒ organic

The Australian Defence Organisation (ADO) has an ' enduring strategic priority is to keep Australia and the Australian people safe from attack or the threat of attack, and from economic or political coercion.' To meet this requirement, the Defence Department employs a full time workforce of over 92, 000 personnel consisting of both uniformed Australian Defence Force (ADF) members and civilian Australian Public Service (APS) personnel. The Defence Environmental Scan 2025, identified that the Defence Organisation's workforce consists of an ADF with 50, 600 full time members

and 20, 600 Defence Public Servants. In addition, the ADF has 21, 000 Active Reserve members. 2

2. As a whole, the Defence workforce is responsible for delivering the range of defence outcomes required by Government. While the military and civilian components of the Defence Organisation are required to contribute collectively to the achievement of these Government objectives, the management of the Defence workforce is currently stovepiped along ADF and APS lines, with limited consideration of the workforce as a total resource.

Scope. This essay will examine the theories current Defence workforce structure across the ADF and APS. It will consider the potential disadvantages of the current stovepiped separation of ADF and APS personnel management, and examine the merits of moving towards an integrated and total Defence workforce. It will explore the potential benefits of increasing the number of contested positions available to ADF and APS members, particularly in middle and senior management.

ONE DEPARTMENT TWO WORKFORCE COMPONENTS

Experience and Opportunity

7. The Department of Defence is consistently praised for its success in the planning and conduct of military operations, while also being criticised for failings in its corporate and strategic management. This somewhat paradoxical situation is in part a result of the Defence Department's personnel management processes, where on one hand significant effort and resources are applied to ensure that ADF personnel are adequately

educated, trained and prepared for roles they are likely to undertake within the Defence Organisation, while within the APS, individuals are expected to ' undertake any task without subject matter expertise or professional qualification.'6

8. The structured and formalised ADF approach underpins a culture where the importance of experience and professional development are valued and built into career pathways. The APS personnel management approach is not supported by the appropriate personnel structures or management mechanisms required to enable this development. While ADF senior commanders understand and expect ADF personnel to be released from mainstream responsibilities at certain times during their career to meet professional development milestones, the APS management framework does not offer senior managers this flexibility. The APS workforce structure provides limited ability to backfill APS staff undertaking formalised professional development and as such, it is very difficult for senior APS managers to release personnel for extended periods professional development and education.

9. The lack of opportunities for professional development in the APS is compounded by the relative inexperience of the APS workforce when compared to their ADF counterparts. This inexperience has been ' exacerbated by the accelerated promotion of individuals in recent years as a byâ€▌ product of the rapid growth in civilian numbers.'7 A comparison of the relative experience levels of senior and middle management in the Defence Organisation shows that 27 %of all APS Senior Executive Service (SES) staff are under the age of 45 and 26 %of Executive Level 2 (EL 2) staff are below

the age of 40. 8 For ADF members, the minimum period of commissioned service for promotion to one star rank is approximately 23 years, with a minimum of 20 years service required before being eligible for promotion to colonel equivalent rank. The accelerated progression to middle and senior management in the APS limits the time and opportunity for staff to pursue professional development and ' education for civilian personnel is very much an exception rather than a rule.'

A TOTAL AND INTEGRATED WORKFORCE Workforce Integration

11. The Chief of the Defence Force and Secretary are currently focussed on moving the Defence Department's ' people management in a more strategic direction so we [Defence] can better recruit and retain the talent we need to meet the security challenges of the future.'11 To meet these challenges, the Defence Department will require a ' people management' framework that draws together the capabilities of the current personnel resources available to the Department more effectively. Key to this approach is breaking down the culture of stovepiped management of ADF and APS personnel. A move to a more integrated workforce management framework, that selects the most experienced and qualified candidate from across the Defence Organisation for particular appointments, would provide significant benefits to the Department.

12. While acknowledging that certain areas of the Defence business requires a degree of specialisation, particularly in the ADF for the planning and conduct of operations and the APS in the delivery of specialist services, there is a great deal of scope for a more integrated approach to personnel

management across large sectors of the Department. This is particularly the case across middle and senior management within the Department at the EL 1â€▊ lieutenant colonel (05) equivalent level and above, where the requirement for specialisation is often not as important as a sound knowledge of the broader functioning of Defence.

14. In relation to the ADF, an integrated workforce would significantly improve the capacity of the Defence Organisation to better leverage the experience and skills of ADF members. ADF members' detailed knowledge and skills gained through experience in a variety of operational and nonâ€▊ operational appointments, and structured professional development, can be applied in a range of areas within Defence. For ADF members, an integrated approach would provide increased career opportunities for the large majority of ADF officers who currently find themselves with limited options midâ€▊ career.

Achieving Improved Effectiveness and Efficiency

15. An integrated personnel management framework and the corresponding improvement in experience and professional development across middle management within the Department would provide considerable scope and opportunity for senior management to consider delegating additional responsibility to a more capable middle management group. This would assist in focussing the decision space of senior management on the strategic direction of the Defence Organisation as opposed to the more routine issues currently consuming their limited time. The empowerment of middle management would also provide increased job satisfaction, leading to improved productivity and retention. This is a significant benefit in an

environment where the Defence Organisation is aggressively competing to recruit and retain the best.

16. The introduction of an integrated workforce will require cultural change within both the ADF and APS. There will need to be an acceptance that the lines of accountability for personnel issues to the Secretary for APS members and CDF for ADF personnel will become less clear. The personnel management framework will need to move away from a differing model for the APS and ADF to a more integrated management system, particularly in the area of middle and senior management. The recent appointment of a human resource management professional into the role of Deputy Secretary People Strategies and Policy, provides a real opportunity to realign personnel management across Defence.

17. To assist in this process, a review of all middle and senior management positions from EL 1â€‖05 equivalent and above is required. The review should focus on identifying which positions are suitable to be classified as contestable between APS and ADF members. With an understanding of the nature and scale of these contestable positions, an overarching management structure that incorporates both APS and ADF senior and middle managers can be developed. This overarching approach requires Defence senior and middle management personnel to be centrally managed to best meet Defenceâ€‖ wide requirements. For this approach to be successful, the Department's personnel numbers would need to be managed in a more flexible manner, with a move away from separate ADF and APS caps, towards an overarching cap on total Defence employees.

18. There are many examples within industry and other Government agencies where personnel with diverse skills and backgrounds are managed as a total resource. Studies of these approaches would be of benefit when developing a revised framework for the Defence Organisation. The Australian Federal Police (AFP) has addressed these issues very effectively and achieved a wellâ€▮integrated workforce incorporating both sworn and unsworn officers. Defence should consider using the AFP experience as a case study on how to integrate differing elements into a total workforce.

CONCLUSION

(Substantial conclusions are drawn about the implications of the analysis for theory and practice)

19. The Defence Department can no longer afford a stovepiped approach to workforce management and must move towards greater integration between the ADF and APS components where the total personnel resources of the Department can be applied to achieve best affect. A move to a more integrated workforce, particularly in the areas of middle and senior management would have significant benefits for the individual APS and ADF members and the Department as a whole. It would provide opportunities to build mechanisms and flexibility into APS personnel management to enable increased professional development and enhanced experience levels. This will improve the job satisfaction and overall employability of APS members both within the Defence Department and the wider APS. For ADF members, greater workforce integration will provide improved career opportunities for the majority of experienced and qualified personnel who, under the current

construct have limited career options once they reach the mid career point. This will have significant benefit for ADF retention.

20. A more integrated workforce would provide a framework that ensures the most qualified and experienced personnel from across the entire Department are identified for appointments at the middle and senior management level. Increased integrated can only improve overall workforce effectiveness and efficiency as the Defence Organisation confronts the complex security challenges of the future.

RECOMMENDATIONS (Detailed, relevant and considered recommendations for practice are offered). In developing a total and integrated Defence workforce the following is recommended:

TQM-What Is It?

If you are reading this book, it is likely that you already know what we mean when we use the term Total Quality Management. Still, it's a good idea to define the term, and provide a brief overview.

Certainly TQM can be defined in a number of ways, and the details of different approaches can vary somewhat. However, a good starting definition, drawn from Capezio & Morehouse is:

" Total Quality management refers to a management process and set of disciplines that are coordinated to ensure that the organization consistently meets and exceeds customer requirements. TQM engages all divisions, departments and levels of the organization. Top management organizes all of its strategy and operations around customer needs and develops a culture

with high employee participation. TQM companies are focused on the systematic management of data of all processes and practices to eliminate waste and pursue continuous improvement. "

Perhaps a better way of understanding TQM is to compare a " TQM organization with what we might call a " traditional organizations". tet's look at a number of differences.

1. Customer-Driven vs. Company-Driven

Traditional organizations tend to make their decisions based on what is most convenient for them, rather than what is wanted and expected by their customers. Being customer-based means gatf7ering information from customers/clients and modifying services and processes to meet those needs as well as possible. In government, this is not always easy, due to the conflicting responsibilities of a department, and the multiple customers/stakeholders involved in government situations. However, in many cases moving to a customer-driven organization can yield many positive results for government departments.

2. Long-Term vs. Short-Term Orientation

Traditional organizations tend to think and plan with respect to short term outcomes, white TQM organizations tend to think in much larger time spans. A typical example might be that a TQM organization would look at downsizing as having effects over a decade or two, while a traditional organization would look only at the immediate budgetary issues, letting future chips fall where they may.

Also, successful TQM organizations make a long term commitment to the principles of TQM, rather than looking at TQM as a program; something with a beginning and end. This means patience.

3. Data-Driven vs. Opinion-Driven

Traditional organizations tend to be managed by gut feel, or by opinion. They guess at what their customers want, and guess at the costs of waste, etc. TQM organizations base their decisions on data they collect; on customer needs, on waste, on costs, and on the sources of problems. While judgment is always involved in any decision, TQM organizations begin with the data, not with the solution.

4. Elimination of Waste vs. Tolerance of Waste

Most organizations operate with a high degree of waste and inefficiency. Traditional organizations consider waste, whether it be in time, materials, etc, as a normal part of their operation. TQM organizations are very active in identifying wasteful activities, and eliminating them.

5. Continuous Improvement vs, Fire Fighting

Traditional organizations tend to address problems with the way they do things only when there is a major problem or crisis. The watchword in traditional organizations is: " if it ain't broke, don't fix it", except that often it IS broke, but nobody is paying any attention .

TQM organizations are always looking for improvement, and are constantly engaged in problem-solving to make things better.

6. Prevention vs, Inspection

Traditional organizations tend to fix problems after the fact. Rather than trying to prevent problems, they catch them after the fact, which is very costly. TQM organizations work to prevent problems and errors, rather than simply fixing them.

7. Cross-Function Teams vs. Fortressed Departments

Traditional organizations tend to have sub-units that work autonomously and with little communication or involvement with other units. For example, personnel may have only limited interaction with other departments. Or, on a local level, administrative staff may have little communication with other staff in a government branch, and have a different reporting structure.

In TQM organizations, there is more use of cross-functional teams; teams convened for a particular purpose or purposes, with representation from a number of units or levels in the organization. The use of cross-functional teams means that input is gained from parts of the organization that need to be involved.

8. High Employee Participation vs. Top-Down Hierarchy

Traditional organizations tend to have very restricted communication and decision- making patterns. Employees are told what to do, rather than being inctuded in figuring out what to do. Information tends to flow from top to bottom.

In TQM organizations, employees are much more actively involved in both the decision-making and communication processes. Information flows both

top to bottom and bottom to top. For that matter, information also flows sideways.

9. Problem-Solving vs, Blame

Traditional organizations tend to look to affix blame for things that go wrong. TQM organizations attack the problems in their organizations rather than the people. They fix things.

10. Systems Thinking Vs. Isolation

Traditiona~ organizations tend to see the parts and processes of their organization as single things, unretated to other part of the organization. TQM organizations tend to recognize that most often, probtems arise as a result of multiple causes, and that sub- units are interdependent. TQM organizations tend to see problems as a result of the entire system.

11. Leadership vs. Management

Traditional organizations tend to see people as objects to be managed; told what to do, disciplined, tracked, etc. TQM organizations exhibit more confidence in staff and more trust, and expect MORE from them, not less.

That's a good starting point. There are probably a number of other comparisons to be made, but that gives us some common ground for discussion.

The Three Quality Gurus

While TQM may seem to be a new development to many, it has been around since the 1940's. One of the reasons why TQM seems to be the newest fad

was that it was not embraced by North Americans, but it did find a home in post-WWII Japan.

The most well-known advocate of TQM was W. Edwards Deming, a statistician who, while largely ignored in North America, was actively involved in the '40 in the rebuilding of Japan. Deming passed away recently, and was in his 90's.

Two other gurus are Philip Crosby and Joseph Juran. Both are a bit younger than Deming, but have been influential in the field. It is worthy of note that the three gurus do not always agree, probably due to differences in terms of what each thinks is important, rather than in basic principles.

For those interested in learning more about TQM, it might be a good idea to read material from each of these experts.

TQM As Organizational Change

Overview

Moving to TQM is like any other organizational change. It must be managed effectively, and leaders of the change must take into account aspects of the organization's current " culture".

In fact, although TQM brings a number of benefits to those in the organization, you can expect some people to be cynical and resistant to change. Let's face it. Everyone in government has seen management fads come and go.

Thankfully, a well managed TQM organizational change is likely to bring most if not all people on side over time.

Organizational Change Principles

1) Time

Any change (and its attached benefits) will take longer to realize than you expect. Typically, it may take as long as two or three years to have TQM working at its peak.

2 Resistance

Regardless of the objective nature of the change, some (even many) people will resist it because it is unfamiliar. TQM must be introduced so that it maximizes people's enthusiasm and minimizes resistance.

3. Leadership

Any change will succeed or fail based on the ability of the change leaders to lead. People will take their cues about TQM from the management. If management show that they are committed, employees will become so. If management waffles, hedges, and backs off, then employees will see this as just more rhetoric of little importance.

4. Persistence

Nobody is telling you that this process is easy. The worst thing a manager can do is start the process, and when it gets difficult, stop it. That breeds contempt for both the process and the manager. Managers need to commit over the long haul and realize they must be persistent while the rest of the organizations works at " getting it".

5. Consistency

The primary mistake managers make is that they become inconsistent. Perhaps most of the time, their thinking and actions reflect the principles of TQM. However, not all the time. This tells employees that the manager is not serious. As soon as a manager suggests that a poor product or service be delivered, the game is up. Instant lack of credibility.

Consistency also means including employees in the planning of TQM activities, treating employees as the manager's customers, and a number of other things.

6. Incentive

People will embrace changes that they see are in their own self-interest. When presenting or deal ing with TQM changes it is important that managers highlight and focus on the benefits to the other people in tt7e organization.

7. Communication

Change will be accepted or rejected based on the effectiveness of the communication about it. Communication must be frequent, of a two-way nature, and balanced (both positives and negatives). It must begin as early as possible in the process.

http://work911. com/articles/tqm2. htm accessed 23102010

Impact

" Culture does not change because we desire to change it. Culture changes when the organization is transformed; the culture reflects the realities of people working together every day."

– Frances Hesselbein

The Key to Cultural Transformation, Leader to Leader (Spring 1999)

Implementation

" Ten years ago, Peter Senge introduced the idea of the ' learning organization' Now he says that for big companies to change, we need to stop thinking like mechanics and to start acting like gardeners."

– Alan M. Webber, Learning for a Change

Vision without action is merely a dream

Action without vision just passes the time

Vision with action can change the world

Joel A. Barker

The Power of Vision

" In times of rapid change, experience could be your worst enemy."

– J. Paul Getty

" Only the wisest and stupidest of men never change."

– Confucius